



Annual Report and Accounts  
– 2021 –

The Directors of ECR Minerals plc (the “Directors” or the “Board”) present their report and audited financial statements for the year ended 30 September 2021 for ECR Minerals plc (“ECR”, the “Company” or the “Parent Company”) and on a consolidated basis (the “Group”)

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# Chairman's Statement

**The Directors of ECR Minerals plc (the "Directors" or the "Board") present their report and audited financial statements for the year ended 30 September 2021 for ECR Minerals plc ("ECR", the "Company" or the "Parent Company") and on a consolidated basis (the "Group")**

As the COVID-19 pandemic continued to wreak havoc across the globe, for ECR the financial year ending 2021 was one of great operational progress that saw our determined management team and workforce overcome adversity to deliver solid progress.

All that was achieved during the year was, however, overshadowed by the untimely and tragic death of our long serving CEO Craig Brown. Craig was a close personal friend and confidant of mine. Although he died a few weeks after the year-end, progress continued through our interim management committee. I speak for everyone working with and associated with the company to say we miss him dearly.

Our operational hub is centred in the state of Victoria in Australia, where ECR's wholly owned subsidiary Mercator Gold Australia Pty Ltd ("MGA") has continued to develop Bailieston and Creswick, ECR's two flagship gold exploration projects. In addition, ECR Minerals formed a subsidiary company, LUX Exploration Pty Ltd ("LUX") in May, to develop potential gold licence assets in the Lolworth Range area in Northern Queensland, and as I write to you now, the three Lolworth exploration licences have just been granted.

Throughout the year MGA conducted intensive drilling and soil sampling programmes at the Historic Reserve #3 (HR3) prospect, which includes the prospective Byron, Dan Genders, Scoulers and Maori Reefs, plus numerous cross-structures. Drilling results have provided us with some initial good cross-sections of gold grades and a detailed understanding of the geology that have, in turn, identified further targets. Post year-end results from core logging and soil sample testing have left us enthusiastic with the scale and development potential of HR3 as a whole.

An intensive campaign of drilling and soil sampling at Creswick has also provided us with some good initial gold grades and again a detailed understanding of the narrow vein geology of the region, which is similar in many ways to the Ballarat gold mine located directly south of the Creswick area. Unfortunately, the prevalence of COVID has resulted in lengthy delays to assay results and supply chain disruption, but the team on the ground have worked tirelessly to overcome these challenges.

Following a £2m (gross) fundraise in April 2021, ECR decided to use its strong cash position to invest into three properties; 35 Brewing Lane, Springmount (Creswick), 127 Nagambie–Rushworth Road (Bailieston) and 177 Bassett Road, Sebastian. Many mining groups operating in Victoria have encountered difficulties with land access in the region, so immediately the Brewing Lane and Nagambie-Rushworth Road properties provided full access and working rights across our flagship projects, while the Bassett Road property now provides accommodation for the Bendigo-based workforce. I am happy to say that the buoyant Victoria property market should in time see a comfortable increase in the value of each property, giving ECR a far superior return to keeping cash on deposit. Despite the loss of Craig, we are hugely optimistic with the future and what we will achieve in the current year.

Through MGA, ECR also owns two exploration licence applications in eastern Victoria, known as the Tambo project. Post year-ending, one of the exploration licences covering the Tambo River and Swifts Creek region was granted.

Separately, approaching the end of the financial year, our 25% interest in the Danglay Gold project in the Philippines was confirmed. Previously, uncertainties over formalising our stake in the asset saw the risk of the carrying value being written down on our 2020 annual report, but I am happy to say this is no longer the case. Discussion on the Danglay valuation is addressed by our auditors in their report.

The costs of maintaining intensive drilling campaigns have all served to reduce the capital position during the year, which now stands at £1.23m. Nonetheless, we have significantly advanced the value of our assets across the group, and together with our Victoria properties there is no additional cash requirement in the immediate future.

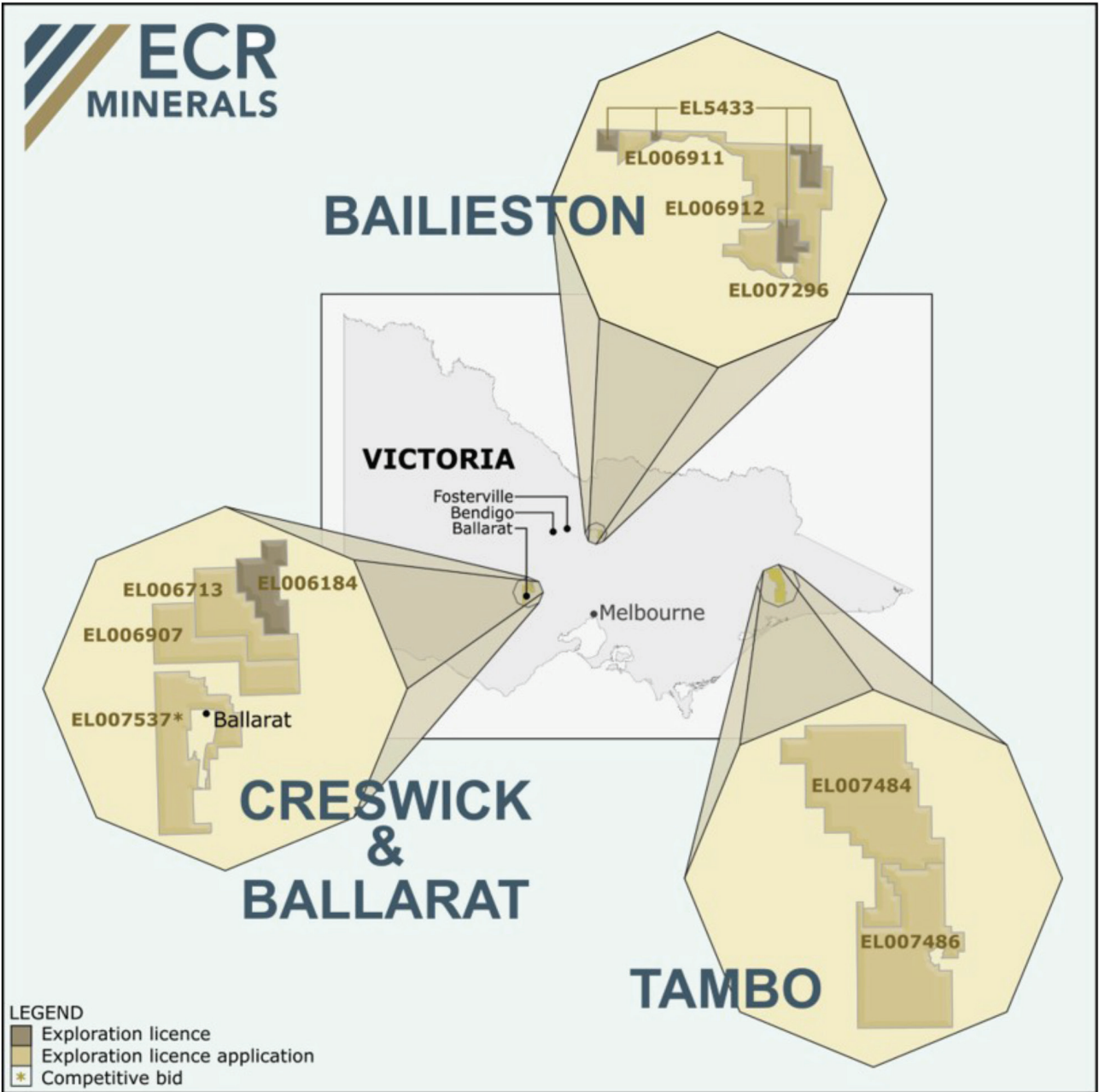
Finally, while we look forward to progressing ECR interests in 2022, our thoughts remain with Craig and his family.



**Weili (David) Tang**

*Chairman*

31 March 2022



Current tenement position of ECR's wholly owned Australian subsidiary Mercator Gold Australia Pty Ltd in the state of Victoria, Australia.

# Non-Executive Committee Report

Although we believe the gold price performance during FY2021 lacked some of the excitement and growth of the previous year, gold retained a value of US\$1737/oz at the end of September 2021. Unlike 2020, the latter half of FY2021 saw some disruptions in operations as a result of the COVID-19 pandemic, which affected the timing of assay results and associated supply chains. This all paled into insignificance with the loss of our CEO and colleague Craig Brown, and while we are now reporting to you as a committee, his sudden death has affected us all.

As in the previous year, ECR's operational focus remained on Victoria, Australia, with intensive drilling campaigns at the Bailieston and Creswick gold projects. LUX Exploration Pty Ltd, a new subsidiary company, was set up to apply for and manage three new exploration licence applications in the Lolworth Range area, near to the Charters Towers Region in North Queensland. Initial exploration work will take place there in 2022.

ECR's 25% interest in the Danglay Gold project in the Philippines, which has an inferred MRE of 63,500 ounces of gold at 1.55g/t, was formalised at the end of the year under review following the resolution of a long-standing legal dispute.

Also, following the year under review, in January 2022 approval was received for one of the exploration licences covering the Tambo River and Swifts Creek in eastern Victoria, Australia.

## EXPLORATION AT BAILIESTON AND CRESWICK PROJECTS

An intensive drilling campaign began in January 2021 with the aim of fully exploring the Historic Reserve #3 (HR3) prospect, which includes the Byron, Dan Genders, Scoulers and Maori Reefs. Initial success was achieved in drilling under the historic Byron Mine with hole BH3DD001 which intersected 0.6m @ 19 g/t Au from 110.9m drilled depth (see announcement dated [20 April 2021]). A total of eight drillholes were completed across parts of the HR3 goldfield by mid 2021. With initial first pass exploration completed at HR3, the drill rig was moved to test the nearby Cherry tree (HR4) prospect where drilling of ten diamond holes were completed by September 2021. Ultimately the drill results were disappointing, although we now have a full structural interpretation of the deposit. It was the intention to move to the Blue Moon prospect located in the southern part of the Bailieston licence area once compensation arrangements were made to land owners. (Following the year under review, in January 2022, permission was received to access the Blue Moon prospect to continue exploration). The Company's drill rig moved back to HR3 to follow up results from the initial first-pass drilling. Drilling is still continuing there into 2022 with a focus on the Maori, Hard-Up and Scoulers Reef systems. In addition to drilling, soil sampling has been completed over the central

and eastern parts of the HR3 Goldfield along strike of the Scoulers Reef.

Following the end of the period under review, results were received in December 2021 that revealed four gold anomalies along the Scoulers and Dan Genders Reef lines, at the convergence with the Hard-Up Reef. This resulted in a proposed 'dilatational jog' model. With further assays due, this is looking like an exciting discovery.

Drilling at the Creswick project began during the winter of 2020 and continued apace through to September 2021. The first hole (CSD001) intersected 0.95m @ 9.68 g/t Au from 131.9m drilled depth (see announcement dated [19 July 2021]). This was a significant development, being the first diamond hole drilled into the Dimocks Main Shale (DMS) within the entire tenement. As further drilling data came in, holes CSD003 returned the best gold intersections yet, with 0.95m @ 9.93 g/t Au and 0.95m @ 23.58 g/t Au from drilled depths of 84.2m and 89.05m respectively (see announcement dated [19 July 2021]). Head Geologist Adam Jones summed up the geology and 'coarse nature' of the gold deposits as gold within defined 'mineral shoots' similar in many ways to the geology within the narrow vein gold mine at Ballarat.

Following the end of the year under review, delayed assay results from Creswick revealed 'erratic' results due to the coarse nature of the gold deposits, but armed with this new knowledge, ECR will continue to explore Creswick licence EL006184, and will commence exploration on the newly approved licence EL6907 located further south.

## Property Purchase

There are well-documented problems in Victoria for mining exploration companies seeking to access land to undertake exploration work. Land owners have either refused access or demanded disproportionate compensation from the explorers in order to grant access. Craig Brown saw an opportunity to solve this issue by investing into three properties at 35 Brewing Lane, Springmount (Creswick), 127 Nagambie –Rushworth Road (Bailieston) and 177 Bassett Road, Sebastian.

Through owning these properties, our drilling and geology teams were afforded full access and working rights across our flagship projects, along with accommodation. In particular, Brewing Lane and Nagambie-Rushworth Road have the potential to support mine works, and in the case of Creswick, a mine decline, should an economic gold resource be found. The Bassett Road property is already housing members of our workforce at Bendigo. The added benefit is the properties were purchased amidst what the directors believe a strengthening Victoria property market and given the recent sale prices of similar properties in the area, we believe all three properties have appreciated in value.

## ***Tambo Gold Project***

In September 2020, MGA lodged two new exploration licence applications in eastern Victoria, EL007484 and EL007486, which comprise the Tambo gold project, and which covers a sizeable area of prospective geology near historic goldfields. The applications cover portions of the historic Swifts Creek/Omeo and Tambo River Goldfields that have a recorded historical gold production totalling 225,000 oz, according to figures published by the Geological Survey of Victoria. MGA considers the application areas to be prospective for orogenic reef gold and additionally for intrusion-related gold and base metal systems. On 15 December 2021 the license EL007484 covering Swifts Creek and the Tambo River has been approved, and some preliminary exploration work is planned for 2022.

## ***Lolworth Range Gold Project***

In May 2021, exploration licences for tenements EPM27901, EPM27902 and EPM27903 were applied for by ECR Minerals' subsidiary company LUX Exploration Limited (LUX). The tenements are located within the Lolworth Range area, North Queensland. The area has been closely monitored by ECR's Head Geologist Adam Jones for at least eight years and is considered prospective for gold. The exploration licences for all three areas were granted to LUX on 1 February 2022. The tenements will expire in five years (on 31 January 2027) and, while they will be available for renewal after the initial 5-year term, the area available for renewal will be reduced by 50%, which is a standard term of exploration licences to encourage companies to focus their exploration activities.

LUX has a commitment expenditure of AUD\$650,000 for the first three years across the three licence areas, which is expected to be funded from ECR's existing cash resources.

## **OVERVIEW OF EXPLORATION LICENCE PORTFOLIO**

At the end of the financial year under review, MGA held two granted mineral exploration licences in Victoria (EL5433 and EL6148). At the time of publishing, MGA has applied to renew Creswick license EL006184, and has received approval for EL006907 to the south, linking Creswick to the Ballarat East-Nerrina Goldfield. MGA holds granted exploration licence EL5433 at Bailieston, licence EL007484 covering Swifts Creek and the Tambo River and three new exploration licences (EPM27901, EPM27902 and EPM27903) in the Lolworth area, North Queensland. These are augmented, in the case of Bailieston, by exploration licence applications EL006911, EL006912 and EL007296; and in the case of Creswick, exploration licence applications EL006713.

In November 2020, MGA lodged exploration licence application EL007537 for an area which surrounds mining licences MIN5396 and MIN4847. These mining licences, which are not held by MGA, contain the operating Ballarat gold mine. The area of EL007537 includes the southern extension of the Dimocks Main Shale, which is the principal target of exploration at MGA's Creswick gold project located a short distance to the north, the northern extension of the Ballarat East line and the depth extensions of the Ballarat West line. EL007537 is in a competitive bid with three other applicants.

## **Danglay Gold Project, Philippines**

Following the end of the year under review, ECR Minerals received formal recognition for its 25% shareholding in Philippines-based company Cordillera Tiger Gold Resources, Inc. ("Cordillera Tiger"), having invested some £1.2 million in the Danglay gold project to date. In July 2021, Cordillera Tiger successfully renewed Exploration License EP-006 at the Danglay gold project, which is located in a prolific gold and copper mining district in the north of the Philippines.

The ECR Board believes the political climate for the minerals industry in the Philippines is improving and considers that the Danglay gold project has potential for further exploration to build upon the existing inferred mineral resource estimate of 63,500 ounces of gold at 1.55 g/t gold. This resource was reported by ECR in 2015 to the Canadian NI43-101 standard, based on exploration carried out at Danglay by ECR during 2014 and 2015. In addition to the resource, an NI43-101 target for further exploration (conceptual potential quantity and grade of mineralisation expressed as ranges) of 95,000 to 170,000 ounces of gold at 5 to 7.5 g/t was reported.

## **Avoca and Timor Exploration License Royalties**

In April 2020 MGA entered into an agreement for the sale of Avoca and Timor exploration licences EL5387, EL006280, EL006913 and EL006278 in Victoria to Currawong Resources Pty Ltd, a wholly owned subsidiary of Fosterville South Exploration Ltd. A cash payment of US\$500,000 was received, and ECR is entitled to:

1. A further payment of A\$1 for every ounce of gold or gold equivalent of measured resource, indicated resource or inferred resource estimated within the area of one or more of the licences in any combination or aggregation of the foregoing, up to a maximum of A\$1,000,000 in aggregate;
2. A further payment of A\$1 for every ounce of gold or gold equivalent produced from within the area of one or more of the licences, up to a maximum of A\$1,000,000 in aggregate.

## SLM Gold Project Royalties

In February 2020, the Company sold its wholly owned Argentine subsidiary Ochre Mining SA, which holds the SLM gold project in La Rioja, Argentina. The sale allows ECR to focus on its core gold exploration activities in Australia. The purchaser, Hanaq Argentina SA ("Hanaq"), is a Chinese-owned company engaged in lithium, base and precious metals exploration in Northwest Argentina including Salta, Jujuy and La Rioja, with a highly experienced management team.

ECR retains an NSR royalty of up to 2% to a maximum of USD 2.7 million in respect of future production from the SLM gold project, owned by Hanaq Argentina SA (Hanaq). The Directors believe that Hanaq has the operational capabilities and access to Chinese investment capital necessary to put the SLM project into production, subject to the usual prerequisites such as further exploration and feasibility studies being successfully completed (if deemed necessary by Hanaq) and to the necessary permits for production being obtained.

## FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

For the year to 30 September 2021 the Group recorded a total comprehensive loss of £1,113,870, compared with £2,595,002 for the year to 30 September 2020.

The Group's net assets at 30 September 2021 were £7,657,684 in comparison with £3,563,819 at 30 September 2020. The increase is due to an increase in exploration assets as a result of the capitalisation of exploration expenditure during the year, and purchase of two properties as a result of the current aggressive drilling programme.



**Weili Tang**

*Non-Executive Chairman*

31 March 2022

## Directors' Biographies

### **Weili (David) Tang**

*Non-Executive Chairman  
(aged 56)*

David Tang was previously the President of China Nonferrous Metals Int'l Mining Co., Ltd. (CNMIM) and the Managing Director of China Nonferrous Gold Ltd, an AIM-listed company which was formerly known as Kryso Resources plc. China Nonferrous Gold is focused on the Pakrut gold mine in Tajikistan, where first gold was poured in 2015. Mr Tang has previously served as a director to several companies involved in mining or exploration in Africa, South East Asia and Australia. Mr Tang graduated with a Bachelor of Science degree (1988) majoring in computer science from Central-South University, China and also holds a Master of Science degree (1991). In the 1990s, he pioneered the trading system for the first nonferrous metals futures exchange in China. He worked for several years in Canada in investment management and consulting, before returning to China to take up office at CNMIM in 2003.

### **Adam Jones**

*Non-Executive Director  
(aged 39)*

Adam Jones holds a Bachelor of Science degree from Ballarat University and First Class Honours from Adelaide University. Adam has over 10 years of experience as a professional geologist in Australia, including significant experience of gold exploration and production, and lives in Victoria within easy reach of ECR's Bailieston and Creswick gold projects. He is a member of the Australian Institute of Geoscientists (AIG) and has worked as an independent consulting geologist since 2015. His clients include or have included the A1 gold mine, Dart Mining and Nagambie Resources in Victoria and Vendetta Mining in Queensland. Adam is experienced in planning and supervising resource drill programmes, geological interpretation, geotechnical and fault modelling, geological mapping and sampling, turbidite sequence-structural interpretations, wireframing and 3D modelling using Vulcan Software.

### **Dr. Trevor George Davenport**

*Independent Non-Executive Director  
(aged 81)*

Dr Davenport obtained a BSc (Hons) Geology at Southampton University, subsequently attaining his MSc in Mining Geology and Mineral Exploration in 1967, and a PhD in Geology & Exploration Geochemistry at Leicester University in 1970. In 1971 he attained the title of Chartered Engineer after becoming a Member of The Institute of Mining and Metallurgy.

Trevor started off working as a trainee mining engineer in the South Africa gold mines in 1958 before starting university. Trevor has 63 years of experience working in the geological and mining industry. Trevor's experience includes working as an underground miner, exploration geochemist, exploration and mine geologist and as a lecturer to post-graduate mining geology students at the University of Leicester. Trevor has experience in exploration for and mining of gold, copper/nickel, lead/zinc/silver, bauxite, chrome and diamonds. Trevor's experience includes working in Ireland, Canada, Montana (USA), Portugal, Romania, Uzbekistan, Tajikistan, Burma, Ghana, Botswana, Guyana and South Africa.

Trevor was a director, the exploration manager and chief geologist for Nelson Gold's, Zeravshan Gold Company in Tajikistan from 1994 until end of 1996.

From 2004 until 2011 he was Non-Executive Chairman and director of Kryso Resources Plc. After this he was consulting for Kryso Resources at the time of the takeover of control of the company by China Nonferrous International Mining Co. Ltd in 2011. Today Dr Davenport is a director at Brix Investments Limited and is also President of the Alderney Society and a director of the Alderney Journal.

### **Andrew Scott**

*Non-Executive Director  
(aged 36)*

A long-standing finance presenter and broadcaster, Andrew Scott is well known for his extensive body of work across the UK and Australia having interviewed countless CEOs and directors within the natural resources space alongside fund managers and analysts on their sector outlook, strategy and broader economic perspectives. Prior to joining Proactive, Andrew worked at Sky World News, Reuters Business and as an editor on ITV Breakfast.



# Strategic Report

The Directors of the Company present their Strategic Report for the year ended 30 September 2021.

## Principal Activities

The principal activity of the Group is the identification, acquisition, exploration and development of mineral projects. The principal activity of the Company is that of a holding company for its subsidiaries and other investments, although project development activities may also be undertaken directly. Whilst the Group's historical focus has been on gold, as is its current focus, it also considers opportunities in other mineral commodities.

The main current area of activity is Central Victoria, Australia.

## Future Developments

The Group will continue seeking to advance and add value to its projects through exploration activities, and, in addition, is actively considering potential transactions in relation to certain of its projects, which may create value for the Company and its shareholders.

The Group also continues to review potential new projects on a highly selective basis, with a concentration on precious, base and strategic metals.

## Organisation Review

The Company is incorporated in England but operates in other countries through foreign subsidiaries and contractual arrangements. Craig Brown, Director & Chief Executive Officer was based in the United Kingdom while Weili Tang, Non-Executive Chairman, is based in the People's Republic of China (PRC), Adam Jones, Non-Executive Director, is based in Victoria, Australia, Dr Trevor George Davenport, is based in Guernsey and Andrew Scott, Non-Executive Director, is based in New Zealand. The corporate structure of the Group reflects its present and historical activities and the requirement, where appropriate, to have incorporated entities in particular countries.

The Group's past exploration activity in Argentina has been undertaken through an Argentinian wholly owned subsidiary, Ochre Mining SA. During the prior year, Ochre Mining SA was sold. There are two dormant subsidiaries, both registered in the USA, which relate to past projects.

The Company has a wholly owned Australian subsidiary named Mercator Gold Australia Pty Ltd ("MGA"), which was released from external administration in December 2014. MGA has accumulated substantial tax losses from its past trading, and is therefore a suitable vehicle for any future profit generative activities of the Group in Australia.

During the financial period, the Company incorporated a wholly owned Australia subsidiary named Lux Exploration Pty Ltd ("LUX").

The Group's activities in the Philippines, which ceased in 2016, were undertaken under the auspices of an earn-in and joint venture agreement. Further details of the Group's interest in the Philippines can be found under "Operating Review" below.

The Directors aim to ensure that the Group operates with as low a cost base as is practical in order to maximise the amount spent on mineral exploration and development, in which activities the expertise and experience of the Directors and consultants of the Group are employed to add value to the Group's projects. The Company has four male Directors, and two other employees. The services of various consultants are utilised to meet the needs of the Group in respect of technical and other activities.

The Group's activities are financed through periodic capital raisings, principally through the placement of the Company's ordinary shares. As the Group's projects become more advanced, other forms of finance appropriate to the stage of development and potential of each project may be considered.

## Financial & Performance Review

The Group's ongoing activities are solely in mineral exploration and development. It is not in production at any of its current projects and hence has no income.

For the year to 30 September 2021 the Group recorded a total comprehensive loss attributable to shareholders of the Company of £1,413,206, a decrease compared with £2,595,002 for the year to 30 September 2020. The largest contributor to the total comprehensive loss was administrative expenses.

The Group's net assets as at 30 September 2021 were £7,657,685 in comparison with £3,563,819, at 30 September 2020.

Exploration activity took place in Central Victoria, Australia during the year to 30 September 2021, as discussed in the Interim Committee Report and later under "Operating Review". Capitalised exploration assets are valued in the Consolidated Statement of Financial Position at cost; this value should not be confused with the realisable value of the relevant projects or be considered to determine the value accorded to the projects by the stock market, which in both cases may be considerably different.

## Strategy and Business Model

The Group's strategy is to locate and acquire mineral projects which demonstrate good prospectivity. The Directors select these projects after a thorough and critical appraisal. This is needed as in general, across the industry as a whole, the percentage of mineral exploration and development projects which go on to become fully operational and producing mines is relatively low.

After acquiring an interest in a project, the strategy is then to leverage the Group's commercial experience and access to technical expertise to explore and further develop the project, and in doing so to create value for the benefit of the Company's shareholders. Decisions can then be made at appropriate times as to whether to continue the project into production, enter into a joint venture with another company, or sell the project outright.

Where a project has been disposed of, the proceeds of that disposal will usually be reinvested in new projects. In the case of very significant proceeds from a disposal, the Directors would also consider distributions to shareholders.

The Group's business model is to be an efficient and successful explorer and developer of mineral deposits.

The rights to carry out these activities may be acquired through the receipt by the Group of licences from the relevant authorities, or by negotiating to acquire rights from existing owners. The Group will generally seek to acquire such rights for low initial payments, with any further amounts paid later depending on the success of the project. This enables the risk inherent to the Group's activities to be somewhat mitigated.

The business model is put into practice by the Directors, in conjunction with consultants on an as required basis, both in the UK and overseas. In this way, overheads can be kept as low as possible and the flexibility of the Group can be maintained.

## **Key Performance Indicators ("KPIs")**

KPIs which apply in most businesses are generally not relevant to mineral exploration and development companies which, for example, typically have little or no product sales.

The Board has previously identified some key KPIs which are considered of relevance. These are detailed below.

Project development:

The Group reports the achievement of exploration and development targets, including results of exploration, definition of exploration targets, and reporting of mineral resources and mineral reserves, using internationally recognized protocols.

Notable outcomes of exploration work during the year included a good cross-section of gold grades and a detailed understanding of the geology that have in turn identified further targets across the HR3 area at Bailieston. Following the year under review, subsequent results from core logging and soil sample testing indicate significant development potential for HR3.

The intensive drilling and soil sampling campaign at Creswick has also provided us with some good gold grades

and again a detailed understanding of the narrow vein geology of the region, which is similar in many ways to the Ballarat gold mine located directly south.

The strategic acquisition of three properties, (two within Bailieston and the other within the Creswick licence area) has provided our drilling and geology teams with full access and working rights across our flagship projects.

End of year cash balance and attributable cash resources:

This KPI is of critical importance and it is a good indicator of whether the Group has sufficient financial resources.

The Directors take all necessary steps to minimise the rate of cash burn on overheads (commensurate with ensuring that the Group's quality standards, including its human resources, are not compromised and that it has adequate resources, both human and otherwise, to carry out its activities). The Group held £2,982,046 of cash and cash equivalents at 30 September 2021, versus £1,497,231 at the beginning of the year. The Directors consider the performance of the Group in this regard to be in line with the activities required to fulfil the Group's work programmes.

## **Operating Review**

As mentioned above, the Group's current physical operations are located in Central Victoria, Australia. At the year-end, the Group held an interest in relation to a project in the Philippines but did not carry out significant operations in that jurisdiction during the year and has not done so since the year-end.

### ***Gold Exploration Projects in Victoria, Australia***

At the end of the financial year under review, MGA held six granted mineral exploration licences in Victoria (EL5387, EL5433, EL006184, EL006280, EL006278 and EL006913).

At the time of publishing, MGA has applied to renew Creswick licence EL006184, and has received approval for EL006907 to the south, linking Creswick to the Ballarat East Nerrina Goldfield. MGA holds granted exploration licence EL5433 at Bailieston, licence EL007484 covering Swifts Creek and the Tambo River and three new exploration licences (EPM27901, EPM27902 and EPM27903) in the Lolworth area, North Queensland. These are augmented, in the case of Bailieston, by exploration licence applications EL006911, EL006912 and EL007296; and in the case of Creswick, exploration licence applications EL006713.

In November 2020, MGA lodged exploration licence application EL007537 for an area which surrounds mining licences MIN5396 and MIN4847. These mining licences, which are not held by MGA, contain the operating Ballarat gold mine. The area of EL007537 includes the southern

extension of the Dimocks Main Shale, which is the principal target of exploration at MGA's Creswick gold project located a short distance to the north, the northern extension of the Ballarat East line and the depth extensions of the Ballarat West line. EL007537 is a competitive bid with three other applicants.

#### ***Exploration at Bailieston and Creswick Projects***

An intensive campaign kicked off in January 2021 with the aim of fully exploring Historic Reserve #3 (HR3) prospect, which includes Byron, Dan Genders, Scoulers and Maori Reefs. Once completed, the drill rig was moved up to test the Cherry tree (HR4) prospect, and eventually Blue Moon. (Following the year in review, in January 2022 permission was finally received to access the Blue Moon prospect to continue exploration). In June, high gold and antimony results were logged from soil sampling at HR3, with subsequent drilling revealing a steep, south plunging anticline along strike to the Maori reef line.

The rig was moved to Cherry Tree (HR4), where the first diamond drill hole ever completed at HR4 identified an anticlinal hinge through the centre of the goldfield, along with low-grade mineralization. Ultimately the drill results were disappointing, although we now have a full structural interpretation of the deposit.

Following the period under review, in December results for HR3 and the Maori Anticline revealed four gold anomalies along Scoulers and Dan Genders reef lines, with the convergence of two reef lines (Anomaly A) fitting with the 'dilatational jog' model identified across three diamond drill holes. With further assays due, this is looking like an exciting discovery.

Drilling at the Creswick project continued apace through the year, with the first hole (CSD001) intersecting 1m @9.68g/t. This was a significant development: it was the first diamond hole drilled into the Dimocks Main Shale (DMS) in the entire tenement. As further drilling data came in, holes CSD003 and CSD004 returned the best gold intersections yet, with 9.93g/t and 23.58g/t respectively. Head Geologist Adam Jones summed up the geology and 'coarse nature' of the gold deposits as gold veined 'mineral shoots' similar in many ways to the geology within the narrow vein gold mine at Ballarat.

Following the end of the year in review, delayed assay results from Creswick revealed 'erratic' results due to the coarse nature of the gold deposits, but armed with a large data resource, ECR will continue to explore Creswick licence EL006184, and will commence exploration on newly approved licence EL6907 to the south.

#### ***Property Purchases***

There are well-documented historical problems in Victoria for mining exploration companies seeking to access land to undertake exploration work. Land owners have either

refused access or demanded disproportionate sums from explorers in order to grant access. Craig Brown saw an opportunity to solve this issue by investing into three properties at 35 Brewing Lane, Springmount (Creswick), 127 Nagambie –Rushworth Road (Bailieston) and 177 Bassett Road, Sebastian.

Through owning these properties, our drilling and geology teams were afforded full access and working rights across our flagship projects, along with accommodation. In particular, Brewing Lane and Nagambie-Rushworth Road have the potential to develop mine works, and a mine decline on the land in the case of Creswick. The Bassett Road property is already housing members of our workforce at Bendigo. The added benefit of course is that the properties were purchased amidst a buoyant Victoria property market, and given the recent sale prices of similar properties in the area, we believe all three properties have appreciated in value.

#### ***Tambo Gold Project***

In September 2020, MGA lodged two new exploration licence applications in eastern Victoria, EL007484 and EL007486, to comprise the Tambo gold project, which covers a sizeable area of prospective geology near historic goldfields and has received little contemporary exploration.

The applications cover portions of the historic Swifts Creek/Omeo and Haunted Stream goldfields. These goldfields have recorded historical gold production of 205,000 and 25,000 oz respectively, according to figures published by the Geological Survey of Victoria. MGA considers the application areas to be prospective for orogenic reef gold and additionally for intrusion-related gold and base metal systems. At the time of publishing, license EL007484 covering Swifts Creek and the Tambo River has been approved, and some preliminary exploration work is planned for 2022.

#### ***Lolworth Range Gold Project***

In May 2021, exploration licences for tenements EPM27901, EPM27902 and EPM27903 were applied for by ECR subsidiary LUX Exploration Limited (LUX) in the Lolworth Range area, North Queensland. The area has been closely monitored by ECR's Head Geologist Adam Jones for at least eight years, and is considered prospective for gold. The exploration licences for all three areas were granted to LUX on 1 February 2022. The tenements will expire in five years (on 31 January 2027) and, while they will be available for renewal after the initial 5-year term, the area available for renewal will be reduced by 50%, which is a standard term of exploration licences to encourage companies to focus their exploration activities.

LUX has a commitment expenditure of AUD\$650,000 for the first three years across the three licence areas, which is expected to be funded from ECR's existing cash resources.

### ***Danglay gold project, Philippines***

Following the end of the year under review, ECR Minerals received formal recognition for its 25% shareholding in Philippines based company Cordillera Tiger Gold Resources, Inc. ("Cordillera Tiger"), having invested some £1.2 million in the Danglay gold project to date.

In July 2021, Cordillera Tiger successfully renewed Exploration License EP-006 at the Danglay gold project, which is located in a prolific gold and copper mining district in the north of the Philippines.

The ECR Board believes the political climate for the minerals industry in the Philippines is improving and considers that the Danglay gold project has potential for further exploration to build upon the existing inferred mineral resource estimate of 63,500 ounces of gold at 1.55 g/t gold. This resource was reported by ECR in 2015 to the Canadian NI43-101 standard, based on exploration carried out at Danglay by ECR during 2014 and 2015. In addition to the resource, an NI43-101 target for further exploration (conceptual potential quantity and grade of mineralisation expressed as ranges) of 95,000 to 170,000 ounces of gold at 5 to 7.5 g/t was reported.

### ***Avoca and Timor Exploration Licence Royalties***

In April 2020 MGA entered into an agreement for the sale of Avoca and Timor exploration licences EL5387, EL006280, EL006913 and EL006278 in Victoria to Currawong Resources Pty Ltd, a wholly owned subsidiary of Fosterville South Exploration Ltd. A cash payment of \$500,000 was received, and ECR is entitled to:

1. A further payment of A\$1 for every ounce of gold or gold equivalent of measured resource, indicated resource or inferred resource estimated within the area of one or more of the licences in any combination or aggregation of the foregoing, up to a maximum of A\$1,000,000 in aggregate;
2. A further payment of A\$1 for every ounce of gold or gold equivalent produced from within the area of one or more of the licences, up to a maximum of A\$1,000,000 in aggregate.

### ***SLM Gold Project Royalties***

In February 2020, the Company sold its wholly owned Argentine subsidiary Ochre Mining SA, which holds the SLM gold project in La Rioja, Argentina. The sale allows ECR to focus on its core gold exploration activities in Australia. The purchaser, Hanaq Argentina SA ("Hanaq"), is a Chinese-owned company engaged in lithium, base and precious metals exploration in Northwest Argentina including Salta, Jujuy and La Rioja, with a highly experienced management team.

ECR retains an NSR royalty of up to 2% to a maximum of USD 2.7 million in respect of future production from the SLM gold project, owned by Hanaq Argentina SA (Hanaq). The Directors believe that Hanaq has the operational capabilities and access to Chinese investment capital necessary to put the SLM project into production, subject to the usual prerequisites such as further exploration and feasibility studies being successfully completed (if deemed necessary by Hanaq) and to the necessary permits for production being obtained.

### **Principal Risks and Uncertainties**

The Directors regularly review the risks and uncertainties to which the Group is exposed and seek to ensure that these risks and uncertainties are, as far as possible, minimised.

The Directors have identified the principal risks and uncertainties facing the Group and these are set out below.

#### ***Exploration Risk***

Mineral exploration is, by its nature, speculative, and as mentioned earlier the number of such projects which develop into mining operations is relatively low. There is no certainty that the Group's exploration projects can be economically exploited and no certainty that this will enhance shareholder value. If the Directors ultimately decide that a prospect has no economic future and they are unable to sell it on, the costs incurred to date would be written off in the Consolidated Income Statement in the year in which the decision to discontinue exploration operations is made.

#### ***Development Risk***

All mineral exploration and development projects may be subject to delays and/or unforeseen difficulties arising from bad weather, natural disasters, non-availability or delayed availability of licences or permits, changes in the terms on which key licences or permits are available, commissioning of operations, and the raising of finance, among other factors. The risk of delays and unforeseen difficulties is mitigated when practical and legal to do so. However, the risk remains that such factors may render a project unfeasible, or not economically feasible.

#### ***Commodity Prices***

Changes in the spot and forward prices of the relevant mineral commodity can affect the economic viability of a project at any stage in its life cycle.

#### ***Resource Risk***

Mineral deposits are evaluated by their size, grade and by other parameters, and mineral resources and reserves are typically calculated in accordance with accepted industry standards and codes. Nevertheless, there is always some level of uncertainty in the underlying assumptions. The

Board keeps these assumptions under constant review and adjusts the Group's development strategy accordingly.

#### ***Mining & Processing Technical Risk***

Variations can occur unexpectedly in the technical parameters of a project and can considerably alter its economic viability, despite the Directors taking as many precautions (such as confirmatory drilling, metallurgical test work and feasibility studies) as is sensible.

#### ***Environmental Risks***

Changes in legislation and the risk of environmental damage can give rise to unplanned environmental liabilities or threaten the continuity of a project at any stage in its life cycle. The environmental parameters of all projects are considered carefully so as to minimise these risks.

#### ***Financing Risk***

This arises when despite its best efforts the Group finds itself unable to raise the requisite finance on its optimal timescale, or at all. As a result, project development may be either delayed or suspended pending the raising of finance, and the lack thereof may threaten the rights of the Group in the event the Group is unable to meet its commitments.

The Directors aim to plan far enough ahead to ensure an orderly timing of finance raising activities in order to ensure, as far as practical, that the Group has sufficient liquidity to enable projects to proceed as planned.

#### ***Partner Risks***

Any joint venture arrangement contains an element of counterparty risk, particularly as to the financial status of the joint venture partner or to its level of participation in the joint venture, and these issues can ultimately lead to the failure of the joint venture. There is a need to maintain good working relations with the Group's joint venture partners and to monitor their involvement and financial condition on a regular basis.

#### ***Political & Regulatory Risk***

This takes many forms and can exist in developed countries (enhanced environmental requirements, changes in taxation, etc.) as well as less developed countries (civil unrest, government expropriation of mineral assets, corruption etc.). Risks of this nature have affected the Company's interest in the Danglay gold project in the Philippines, where uncertainty regarding government policy towards the mining sector continues to act as a brake on the development of the industry.

#### ***Internal Control & Risk Management***

The Directors are responsible for the Company's internal control systems. Whilst no system can give absolute assurance against material loss or misstatement, the

Group's processes are designed, within the confines of the limited number of personnel employed, to provide reasonable assurance that issues are identified and dealt with in a timely manner.

The on-going financial performance of the Group is monitored regularly, risks are identified and where necessary adjustments are made as early as is possible. The Board, subject to the necessary shareholder authority, regularly reviews capital investment, project acquisitions and disposals, borrowing facilities (if any), insurance and any guarantee arrangements.

#### ***Forward Looking Statements***

This Annual Report & Accounts 2021 may include forward looking statements. Such statements may be subject to a number of known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from current expectations. There can be no assurance that such statements will prove to be accurate and therefore actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward looking statements. Any forward-looking statements contained herein speak only as of the date hereof (unless stated otherwise) and, except as may be required by applicable laws or regulations (including the AIM Rules for Companies), the Company and the Group disclaim any obligation to update or modify such forward-looking statements as a result of new information, future events or for any other reason.

#### ***Corporate Governance***

Since September 2018, all AIM-quoted companies have been required to apply a recognised corporate governance code. The Company has chosen the Quoted Companies Alliance (QCA) Corporate Governance Code published in April 2018 for this purpose.

High standards of corporate governance are a priority for the Board, and details of how ECR addresses the key governance principles defined in the QCA code are set out below, and on the Company's website in accordance with AIM Rule 26.

#### **Deliver growth**

##### ***1. Strategy and business model***

ECR's business model and strategy to deliver shareholder value are set out in this Strategic Report, together with the Company's values and risk management approach.

##### ***2. Understanding and meeting shareholder needs and expectations***

The Company maintains a contact form on its website which investors can use to contact the Company. This

form is prominently displayed on the Company's website together with its address and phone number.

Annual general meetings are held, which all members have the right to attend, and during each annual general meeting, time is set aside specifically to allow questions from attending members to be addressed to the Board. As the Company is too small to have a dedicated investor relations department, the CEO is responsible for reviewing all communications received from members and determining the most appropriate response. In addition to these passive measures, the CEO typically engages with members through investor shows once or twice each year, which seems to be effective.

### **3. Stakeholder and social responsibilities**

In addition to its members, the Company recognises that its main stakeholder groups are its employees, consultants and contractors, and the communities and governmental authorities where the Company and its subsidiaries operate. Where necessary, the Company dedicates significant time to understanding and acting on the needs and requirements of each of these groups. Board members assess the needs and requirements of the Company's stakeholders as and when they interact with each stakeholder group, usually through meetings and dialogue, and matters are then be raised at Board level for appropriate action.

With regard to corporate social responsibility, the Board is aware of the impact the activities of the Company and its subsidiaries may have on the communities in which they operate, and aims to ensure this impact is positive.

### **4. Risk management**

The Company operates in the mineral exploration and development sector, which is generally high risk but can provide exceptionally high returns for shareholders. The Company maintains a register of risks across a number of categories including personnel, competition, finance, environmental, political, technical and legal.

The risks are identified on an annual basis and discussed with the auditors, and kept up to date with the aid of regular discussions at Board level. For each risk the Board estimates the potential impact and likelihood of adverse events, and identifies mitigating strategies. This register is reviewed periodically as the Company's situation changes and at a minimum annually to determine whether the systems in place are effective or need updating.

### **Maintain a dynamic management framework**

#### **5. Board structure**

During the financial year, the Board comprised of one executive director, one independent non-executive chairman and one non-executive director. The Board meets at least quarterly, and all current directors have attended all

Board meetings held in the current financial year (subject to his being a director at that time). The Board currently comprises of one independent non-executive chairman, two non-executive directors and one independent director.

The Board are currently in search for a new Chief-Executive Officer to replace our former CEO Craig Brown in order to maintain the management framework.

Under the Company's articles of association, each director must periodically offer himself for re-election by vote of the members at the Company's annual general meeting.

The contracts of engagement for the Company's non-executive directors routinely require that they devote such of their time as is reasonably necessary to perform their duties. In addition, they may provide paid consulting services in respect of work going beyond the role of a non-executive director. The Company notes that best practice under the QCA code is to have at least half the Board made up of independent non-executive directors.

In addition, the Company notes that its Non-Executive Chairman David Tang has been in post for more than one year and the Board is satisfied as to his independence, especially in light of the periodic requirement for all directors to offer themselves for re-election, which offers shareholders an opportunity to vote on their suitability.

During the past twelve months there have been 6 formal board meetings and all directors in office at the relevant time attended.

### **6. Board diversity and experience**

The individuals who have been appointed to the Board have been chosen because of the skills and experience they offer. The members of the Board at the present time are listed earlier in this annual report, together with an outline of their experience, skills and personal qualities relevant to the Company's business.

The diverse experience and expertise of the directors is intended to ensure that the Board has the skills and capabilities to manage the Company for the benefit of shareholders over the medium to long term.

The Company has no specific advisers to the board other than its lawyers and AIM nominated adviser. Weili Tang temporarily acts in the role of Company Secretary.

### **7. Board performance & evaluation**

Evaluation of the performance of the Board has historically been implemented in an informal manner. In the future however, the Board will formally review and consider the performance of each director at or around the time of the Company's annual general meeting using a process which is currently under development.

On an ongoing basis, Board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current Board members, however the Board considers that the Company is too small to have an internal succession plan and that it would not be cost effective to maintain an external candidate list prior to the need arising.

### **8. Corporate culture**

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value in the medium to long term. Adherence to these standards is a key factor in the evaluation of performance within the Company, including during annual performance reviews. In addition, staff matters are a standing topic at every Board meeting and the CEO reports on any notable examples of behaviours that either align with or are at odds with the Company's stated values. The Board believes that the Company's culture encourages collaborative, ethical behaviour which benefits employees and shareholders. The Board further believes that all employees and consultants worked in line with the Company's values during the financial year ended 30 September 2021 and since. This has been assessed by the Board in the course of the day-to-day management of the Company, which is feasible given the relatively small size of the organisation.

### **9. Governance structures**

Due to the size of the Company all strategic and major commercial matters are reserved for the Board.

The key Board roles are as follows:

**Chair:** The primary responsibility of the Chair is to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. The Chair has sufficient separation from the day-to-day business to be able to make independent decisions.

The Chair is also responsible for making sure that the Board agenda concentrates on the key issues, both operational and financial, with regular reviews of the Company's strategy and its overall implementation.

**Chief Executive Officer (CEO):** Charged with the implementation of the strategy set by the Board. Works with the Chair and non-executives in an open and transparent way. Keeps the Chair and the Board as a whole up-to-date with operational performance, risks and other issues to ensure that the business remains aligned with the strategy.

The Board has two committees. They are as follows:

**Audit committee:** The audit committee meets to consider matters relating to the Company's financial position and financial reporting. The committee reviews the independence and objectivity of the external auditors,

PKF Littlejohn LLP, as well as the amount of non-audit work undertaken by them, to satisfy itself that this will not compromise their independence. Details of the fees paid to PKF Littlejohn LLP during each financial year are given in the annual accounts. The audit committee currently comprises David Tang (Non-Executive Chairman), Adam Jones (Non-Executive Director), Dr Trevor George Davenport (Independent Director) and Andrew Scott (Non-Executive Director).

**Remuneration committee:** The remuneration committee has been established primarily to determine the remuneration, terms and conditions of employment of the executive directors of the Company. Any remuneration issues concerning non-executive directors are also resolved by this committee, although no director participates in decisions that concern his own remuneration. The remuneration committee comprises David Tang (Non-Executive Chairman), Adam Jones (Non-Executive Director), Dr Trevor George Davenport (Independent Director) and Andrew Scott (Non-Executive Director).

Due to the nature of the size of the Company all major operational decisions are reserved for the Board. For the same reason, matters delegated to committees of the Board have been dealt with during the course of ordinary board meetings, with no separate meetings having been held during the year for the individual committees. The appropriateness of the Company's governance structures will be reviewed as the Company evolves, and changes made as necessary.

During the past twelve months there have been 4 formal committee meetings and all directors in at the relevant time attended.

### **Build trust**

#### **10. Stakeholder communication**

On the Company's website shareholders can find all historical regulatory announcements, notices of general meetings, governance-related materials, interim reports and annual reports. Annual reports and notices of general meetings are posted directly to all registered shareholders, and the outcome of general meetings is disclosed in a clear and transparent manner via regulatory announcements.

As described earlier, the Company also maintains web-based and phone contacts which shareholders can use to make enquiries or requests.

### **Corporate Responsibility**

The Board regularly reviews the significance of social, environmental and ethical matters affecting the Group's operations. It considers that the Group is not yet at a stage where a specific corporate social responsibility policy is required, in view of the limited number of stakeholders, other than shareholders. Instead, the Board protects the

Group's interests and those of its stakeholders through individual policies and through ethical and transparent business dealings.

The Board has adopted an Anti-Bribery and Corruption Policy.

### **Shareholders**

The Board seeks to protect shareholders' interests at all times by operating in accordance with the corporate governance arrangements set out above, and by ensuring that each Board decision is taken with due regard to the interests of shareholders as a whole. In addition to making appropriate news releases and publishing financial reports, the Directors encourage communication with shareholders at annual general meetings and by participating in investor presentations, Q&A sessions and via social media.

### **Environment**

Mineral exploration and development has the potential to adversely impact the environment in which it takes place. The Group takes its environmental responsibilities seriously and the environmental parameters of the activities of the Group are considered carefully so as to minimise the risk of adverse environmental effects.

### **Human Rights**

The activities of the Group are carried out in accordance with all applicable laws on human rights and with genuine moral concern for all stakeholders.

### **Employees**

The Group seeks to remunerate its employees fairly, offers flexible working arrangements where practical and encourages employees to gain exposure to all aspects of the Group's business. The Group gives full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. It considers the interests of employees when making decisions and welcomes suggestions from employees which have the potential to improve the Group's performance.

### **Suppliers & Contractors**

The Board recognises the importance of maintaining the goodwill of its contractors, consultants and suppliers, and encourages this through fair dealings. The Group has a prompt payment policy and seeks to ensure all liabilities are settled within the terms agreed with that supplier.

### **Health & Safety**

The activities of the Group are carried out in accordance with all applicable laws on health & safety.

### **Section 172 Statement**

The Directors believe they have acted in the way most likely to promote the success of the Group and Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The Group's operations and strategic aims are set out throughout the Strategic Report and in the Interim Committee Report, and relationships with stakeholders are also dealt with in the Corporate Governance statement.

This Strategic Report was approved by the Directors on 31 March 2022.



**Weili (David) Tang**

*Non-Executive Director/ Chairman*



# Report of the Directors

For the year ended 30 September 2021

## Principal Activities

A full review of significant matters, including likely future developments, is contained in the Chairman's Statement, Interim Committee Report and the Strategic Report.

Details of significant events after the reporting date are also disclosed in Note 21 to the financial statements.

## Impact of COVID-19 Pandemic

At the date of this report, although the worst ravages of the COVID-19 pandemic are past us, many countries continue to experience severe disruption. For the most part, the suspension of international travel routes as well as domestic movement restrictions within the UK is not affecting the Group's operations. In Australia and Victoria, lockdowns and movement restrictions have delayed assay results and laboratory analysis at times during the last year however, exploration and mining is considered essential services and therefore there has been relatively little disruption to operations.

## Financial Risk Management Objectives and Policies

The Group does not presently hold any forward or hedge positions in either currency or minerals. Currently these are not deemed necessary, but this is reviewed from time to time. There is inherent risk in operating between different currencies, principally GBP and AUD, and the Board monitors and reviews this exposure on a regular basis.

The Board recognises the Group's exposure to liquidity risk and that the Group's ability to continue its operations is dependent on it having or acquiring sufficient cash resources. The Board continually monitors the Group's cash position and may realise all or part of the Group's investments in order to maintain the ability of the Group to meet its obligations as they fall due.

The location of the Group's principal activities is currently in Australia and its corporate base is in the United Kingdom. These locations are considered stable with advanced economic and legal infrastructures.

Further details of the Group's financial risk management objectives and policies are set out in Note 18 to the financial statements.

## Position of the Company and Going Concern

At the date of this report the Group's financial position is strong. As explained herein, the financial statements continue to be prepared on a going concern basis.

Based on a review of the Group's budgets and cash flow forecasts, the Directors are satisfied that the Group and Company has sufficient resources to continue their operations and to meet their commitments for the next 12 months. The Directors have considered the present

economic and financial climate (including the COVID-19 pandemic) as specifically pertaining to the Company and its peer group.

Reviews of operations and business developments are provided in the reports of the Chairman and the Interim Committee, the Strategic Report, this Report of the Directors and within the detail of the financial statements.

Therein are set out certain forward looking statements that have been made by the Directors in good faith. By the nature of these statements there can be no certainty that any or all predictions will be met. Such statements may be subject to a number of known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from current expectations. There can be no assurance that such statements will prove to be accurate and therefore actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward looking statements. Any forward looking statements contained herein speak only as of the date hereof (unless stated otherwise) and, except as may be required by applicable laws or regulations (including the AIM Rules for Companies), the Company disclaims any obligation to update or modify such forward looking statements as a result of new information, future events or for any other reason.

## Dividends

The results for the year are set out in the Consolidated Income Statement. No dividend is proposed in respect of the year (2020: nil). The Group loss for the year of £1,465,751 (2020 loss of £2,690,882) has been taken to reserves together with the other comprehensive income and loss.

## Directors

The Directors who served during the year and to the date of this report were:

Weili (David) Tang  
Craig William Brown (deceased 29 October 2021)  
Adam Jones  
Dr Trevor George Davenport (appointed 1 October 2021)  
Andrew Scott (appointed 24 January 2022)

Under the Company's Articles of Association, at every annual general meeting of the Company, any Director:

- who has been appointed by the Board since the date of the last annual general meeting; or
- who held office at the time of the two preceding annual general meetings and did not retire at either of them; or

- who has held office with the Company as a non-executive Director (that is, he has not been employed by the Company or held executive office) for a continuous period of nine years or more at the date of the meeting;

shall retire from office and may offer himself for election/re-election by the members.

Total Directors' emoluments are disclosed in Note 6 to the financial statements and details of the share options granted to Directors are disclosed below.

The Directors will comply with Rule 21 of the AIM rules and the Market Abuse Regulation relating to Directors' dealings and will take all reasonable steps to ensure compliance by the Group's applicable employees.

#### Directors' Interests

Directors who held office at 30 September 2021 held the following beneficial interests, either directly or indirectly (including interests held by spouses, minor children or associated parties) in the ordinary shares of the Company.

	30 September 2021 no. of shares	30 September 2020 no. of shares
C W Brown	1,549,270	2,977,842
Weili (David) Tang	-	1,428,572
	1,549,270	4,406,414

Additionally, Directors of the Company who held office at 30 September 2021 held the following share options granted under the Company's unapproved share option scheme:

	Options Issued	Date Issued	Expiry Date	Exercise Price
C W Brown	4,076,984	27/02/2017	26/10/2022	£0.01725
C W Brown	10,000,000	30/07/2017	29/07/2023	£0.01125

#### Share Capital and Substantial Share Interests

On 23 March 2022, the Company was aware of the following holdings of 3% or more in Company's issued ordinary share capital of 1,038,344,551 ordinary shares of £0.00001 each.

Registered Shareholder	Number of shares	% Holding
Barclays Direct Investing Nominees Limited	111,976,083	10.78
Hargreaves Lansdown Nominees Limited	104,383,354	10.05
Interactive Investor Services Nominees Limited	103,238,536	9.94
Interactive Investor Services Nominees Limited	78,647,202	7.57
Interactive Investor Services Nominees Limited	62,673,546	6.04
The Bank of New York (Nominees) Limited	62,435,233	6.01
Hargreaves Lansdown Nominees Limited	53,133,336	5.12
HSDL Nominees Limited	50,130,165	4.83
Hargreaves Lansdown Nominees Limited	43,538,471	4.19
JIM Nominees Limited	40,447,649	3.90
HSDL Nominees Limited	37,643,632	3.63
Lawshare Nominees Limited	36,812,383	3.55
VIDACOS Nominees Limited	33,071,256	3.19

#### Streamlined Energy and Carbon Reporting

As per the Streamlined Energy and Carbon Reporting ("SECR") Regulations published in 2018 quoted companies and large unquoted companies that have consumed more than 40,000 kilowatt-hours (kWh) of energy in the reporting period must include energy and carbon information within their directors' report. ECR Minerals Plc and the Group do not currently exceed this threshold and are therefore presently exempt from the SECR reporting requirements. The Group intends to publish energy emissions data in line with the SECR regulations as the Group's projects develops.

#### Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with international accounting standards in conformity with the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether international accounting standards in conformity with the Companies Act 2006 have been followed subject to any material departures disclosed and explained in the financial reports;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

#### **Directors' and Officers' Liability Insurance**

The Company had in force during the year and has in force at the date of this report a qualifying indemnity in favour of its Directors against the financial exposure that they may incur in the course of their professional duties as Directors and officers of the Company and/or its subsidiaries.

#### **Statement on Disclosure of Information to Auditors**

Having made the requisite enquiries and in the case of each of the Directors who are Directors of the Company at the date when this report is approved:

- so far as they are individually aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that they should have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

#### **Auditor**

PKF Littlejohn LLP has expressed its willingness to continue in office as auditor of the Company and a resolution to confirm the appointment will be proposed at the forthcoming annual general meeting.

#### **Annual General Meeting**

The annual general meeting of the Company will be held at 9.00 am on Monday 25 April 2021 at Hurlingham Studios, Ranelagh Gardens, London SW6 3PA, United Kingdom. Notice of the annual general meeting is enclosed.

This report was approved by the Board on 31 March 2022.  
By order of the Board



**Weili (David) Tang**

*Director*

# Independent Auditor's Report

For the year ended 30 September 2021

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECR MINERALS PLC

### Opinion

We have audited the financial statements of ECR Minerals Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements

is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included evaluating management's cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements, including challenge of the underlying assumptions, evaluating subsequent events impacting going concern and sensitising the cash flows for possible changes which could impact the available headroom.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. Group materiality was £55,000 (2020: £55,000) based upon 2% of gross assets, capped at the prior period materiality in order to obtain additional coverage of additions in the year. We consider gross assets to be the main driver of the business as the group is still in the exploration stage and therefore no revenues are currently being generated, and that current and potential investors will be most interested in the recoverability of the exploration and evaluation assets. The parent company materiality was £50,000 (2020: £45,000), based upon 2% of gross assets and capped to be below group materiality.

Whilst materiality for the financial statements as a whole was set at £55,000, each significant component of the group was audited to an overall materiality ranging between £3,500 to £50,000 (2020: between £40,000 to £45,000) with performance materiality set at 70% for all entities.

We agreed with the audit committee that we would report to the committee all audit differences identified during the course of our audit in excess of £2,750 (2020: £2,750) as well as differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

### Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates including the carrying value of intangible assets and the consideration

of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

An audit was performed on the financial information of the group's operating entities which for the year ended 30 September 2021 were located in the United Kingdom and Australia. The audit work on each significant component was performed by us as group auditor based upon materiality or risk profile, or in response to potential risks of material misstatement to the group.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
<p><b>Recoverability of intangible assets – exploration and evaluation assets (refer to note 10)</b></p> <p>The group as at 30 September 2021 had ongoing early stage exploration projects in the Philippines and Australia.</p> <p>There is a risk that the expenditure is not correctly capitalised in accordance with IFRS 6. There is also a risk that the capitalised exploration costs are not recoverable and should be impaired. The carrying value of intangible exploration and evaluation assets as at 30 September 2021, which are tested annually for impairment, is £3,350,663. Comprising early stage exploration projects, the impairment assessment requires management judgement and estimation of a range of applicable factors.</p> <p>Relevant disclosures in the financial statements are made in Note 2 surrounding critical accounting judgements, and in Note 10 for Intangible assets.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Sample testing of exploration and evaluation expenditure to assess their eligibility for capitalisation under IFRS 6 by corroborating to the original source documentation.</li> <li>• Inspection of the current exploration licences to verify they remained valid and that the group held good title.</li> <li>• Review of correspondence (where applicable) with licensing authorities to ensure compliance and assess the risk of non-renewal. We assessed the sampling results and progress of the projects and whether they indicate the existence of commercially viable projects.</li> <li>• Review and challenge of management's documented consideration of impairment by individual project.</li> <li>• Establishing the intention of the Board to undertake future exploration work.</li> <li>• Review of any internal / external resource estimates produced during the year.</li> <li>• Discussion of status of all projects with management.</li> </ul> <p>As disclosed in subsequent events, the group has now formally acquired title to its 25% interest in Cordillera Tiger Gold Resources, Inc. ("Cordillera"), which is the holder of the exploration permit for the Danglay gold project in the Philippines. The exploration permit for the Danglay project, which originally expired on 30 September 2015, was renewed in July 2021. There is however continued uncertainty within the Philippines government regarding their policy towards the mining sector. This indicates the existence of a material uncertainty over the recoverability of the carrying value of the Danglay gold project, which amounted to £1,261,158 as at 30 September 2021.</p>

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the Report of the Directors, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from international accounting standards, the Companies Act 2006, tax laws and regulations, local employment law and conditions stipulated in the exploration licenses.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - o Enquiries of management
  - o Review of Board minutes
  - o Review of legal and regulatory correspondence
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the judgements and estimates made by management in their assessment of the recoverability of intangible assets represented the most significant risk of material misstatement. Refer to the key audit matter above.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.


- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for the audit opinion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Thompson (Senior Statutory Auditor)**

For and on behalf of PKF Littlejohn LLP  
Statutory Auditor  
15 Westferry Circus  
Canary Wharf  
London E14 4HD  
31 March 2022

# Consolidated Income Statement

For the year ended 30 September 2021

ECR Minerals plc company no. 5079979

	Note	Year ended 30 September 2021 £	Year ended 30 September 2020 £
Proceeds from disposal of licenses		–	275,701
Less: expenditure on licences disposed		–	(169,509)
Gain on disposal		–	106,192
<b>Continuing operations</b>			
Other administrative expenses		<b>(1,142,338)</b>	(799,585)
Currency exchange differences		<b>(347,315)</b>	(33,497)
<b>Total administrative expenses</b>		<b>(1,489,653)</b>	(833,082)
<b>Operating loss</b>	3	<b>(1,489,653)</b>	(726,890)
Other financial assets – fair value movement	9	<b>4,593</b>	13,683
		<b>(1,485,060)</b>	(713,207)
Financial income	7	<b>288</b>	478
Other income		<b>19,021</b>	8,316
<b>Finance income and costs</b>		<b>19,309</b>	8,794
<b>Loss for the year before taxation</b>		<b>(1,465,751)</b>	(704,413)
Income tax	5	–	–
<b>Loss for the year from continuing operations</b>		<b>(1,465,751)</b>	(704,413)
Loss on disposal of subsidiary		–	(1,986,469)
<b>Loss for the year from discontinued operations</b>		–	(1,986,469)
<b>Loss for the year - all attributable to owners of the parent</b>		<b>(1,465,751)</b>	(2,690,882)
<b>Earnings per share - basic and diluted</b>			
On continuing operations	4	<b>(0.16)p</b>	(0.14)p
On discontinued operations		–	(0.39)p

The notes on pages 27 to 44 are an integral part of these financial statements.



# Consolidated Statement of Comprehensive Income

For the year ended 30 September 2021

ECR Minerals plc company no. 5079979

	Year ended 30 September 2021 £	Year ended 30 September 2020 £
<b>Loss for the year</b>	<b>(1,465,751)</b>	(2,690,882)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Gain on exchange translation	<b>52,545</b>	95,880
<b>Other comprehensive gain for the year</b>	<b>52,545</b>	95,880
<b>Total comprehensive loss for the year</b>	<b>(1,413,206)</b>	(2,595,002)
Attributable to: -		
Loss on continuing operations	<b>(1,413,206)</b>	(608,533)
Loss on discontinued operations	-	(1,986,469)

The notes on pages 27 to 44 are an integral part of these financial statements.

# Consolidated & Company Statement of Financial Position

At 30 September 2021

ECR Minerals plc company no. 5079979

	Note	Group		Company	
		30 September 2021 £	30 September 2020 £	30 September 2021 £	30 September 2020 £
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	8	<b>1,303,557</b>	183,539	<b>58,333</b>	2,737
Investments in subsidiaries	9	–	–	–	–
Intangible assets	10	<b>3,321,481</b>	1,869,184	<b>1,410,144</b>	1,333,282
Other receivables	11	–	–	<b>5,133,826</b>	1,029,067
		<b>4,625,038</b>	2,052,723	<b>6,602,303</b>	2,365,086
<b>Current assets</b>					
Trade and other receivables	11	<b>221,869</b>	108,617	<b>878,097</b>	726,689
Financial assets at fair value through profit or loss	9	<b>31,461</b>	26,870	<b>31,461</b>	26,870
Cash and cash equivalents	12	<b>2,982,046</b>	1,497,231	<b>1,467,835</b>	1,207,190
		<b>3,235,376</b>	1,632,718	<b>2,377,393</b>	1,960,749
<b>Total assets</b>		<b>7,860,414</b>	3,685,441	<b>8,979,696</b>	4,325,835
<b>Current liabilities</b>					
Trade and other payables	14	<b>202,731</b>	121,622	<b>41,198</b>	93,848
		<b>202,731</b>	121,622	<b>41,198</b>	93,848
<b>Total liabilities</b>		<b>202,731</b>	121,622	<b>41,198</b>	93,848
<b>Net assets</b>		<b>7,657,683</b>	3,563,819	<b>8,938,498</b>	4,231,987
<b>Equity attributable to owners of the parent</b>					
Share capital	13	<b>11,290,483</b>	11,286,928	<b>11,290,483</b>	11,286,928
Share premium	13	<b>52,593,562</b>	47,090,048	<b>52,593,562</b>	47,090,048
Exchange reserve		<b>583,998</b>	531,453	–	–
Other reserves		<b>440,706</b>	440,706	<b>440,706</b>	440,706
Retained losses		<b>(57,251,067)</b>	(55,785,316)	<b>(55,386,252)</b>	(54,585,695)
<b>Total equity</b>		<b>7,657,683</b>	3,563,819	<b>8,938,498</b>	4,231,987

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent company profit and loss account. The loss for the parent company for the year was £800,558 (2020: £2,399,369 loss).

The notes on pages 27 to 44 are an integral part of these financial statements. The financial statements were approved and authorised for issue by the Directors on 31 March 2022 and were signed on its behalf by:



Weili (David) Tang  
Non-Executive Chairman



Dr Trevor Davenport  
Independent Non-Executive Director

# Consolidated Statement of Changes in Equity

For the year ended 30 September 2021

ECR Minerals plc company no. 5079979

	Share capital (Note 13) £	Share premium (Note 13) £	Exchange reserve £	Other reserves £	Retained reserves £	Total £
<b>Balance at 30 September 2019</b>	11,284,845	45,391,202	(394,876)	742,698	(53,383,264)	<b>3,640,604</b>
Loss for the year	–	–	–	–	(2,690,882)	<b>(2,690,882)</b>
Loss on exchange translation	–	–	95,880	–	–	<b>95,880</b>
Total comprehensive loss	–	–	95,880	–	(2,690,882)	<b>(2,595,002)</b>
Shares issued	2,067	1,754,986	–	–	–	<b>1,757,053</b>
Share issue costs	–	(77,000)	–	–	–	<b>(77,000)</b>
Share based payments	–	13,161	–	(301,992)	288,831	–
Recycled through profit or loss on disposal of subsidiary	–	–	830,449	–	–	<b>830,449</b>
Shares issued in payment of creditors	15	7,699	–	–	–	<b>7,714</b>
Total transactions with owners, recognised directly in equity	2,083	1,698,846	830,449	(301,992)	288,831	<b>2,518,216</b>
<b>Balance at 30 September 2020</b>	11,286,928	47,090,048	531,453	440,706	(55,785,316)	<b>3,563,819</b>
Loss for the year	–	–	–	–	(1,465,751)	<b>(1,465,751)</b>
Gain on exchange translation	–	–	52,545	–	–	<b>52,545</b>
Total comprehensive loss	–	–	52,545	–	(1,465,751)	<b>(1,413,206)</b>
Shares issued	3,556	5,631,514	–	–	–	<b>5,635,070</b>
Share issue costs	–	(128,000)	–	–	–	<b>(128,000)</b>
Share based payments	–	–	–	–	–	–
Total transactions with owners, recognised directly in equity	3,556	5,503,514	–	–	–	<b>5,507,070</b>
<b>Balance at 30 September 2021</b>	11,290,483	52,593,562	583,998	440,706	(57,251,067)	<b>7,657,683</b>

The notes on pages 27 to 44 are an integral part of these financial statements.

# Company Statement of Changes in Equity

For the year ended 30 September 2021

ECR Minerals plc company no. 5079979

	Share capital (Note 13) £	Share premium (Note 13) £	Other reserves £	Retained reserves £	Total £
<b>Balance at 30 September 2019</b>	11,284,845	45,391,202	742,698	(52,475,156)	<b>4,943,589</b>
Loss for the year	–	–	–	(2,399,369)	<b>(2,399,369)</b>
<b>Total comprehensive expense</b>	–	–	–	(2,399,369)	<b>(2,399,369)</b>
Shares issued	2,067	1,754,986	–	–	<b>1,757,054</b>
Share issue costs	–	(77,000)	–	–	<b>(77,000)</b>
Share based payments	–	13,161	(301,992)	288,831	–
Shares issued in payment of creditors	15	7,699	–	–	<b>7,714</b>
Total transactions with owners, recognised directly in equity	2,083	1,698,846	(301,992)	288,831	<b>1,687,768</b>
<b>Balance at 30 September 2020</b>	11,286,928	47,090,048	440,706	(54,585,695)	<b>4,231,987</b>
Loss for the year	–	–	–	(800,558)	<b>(800,558)</b>
Total comprehensive expense	–	–	–	(800,558)	<b>(800,558)</b>
Shares issued	3,556	5,631,514	–	–	<b>5,635,070</b>
Share issue costs	–	(128,000)	–	–	<b>(128,000)</b>
Total transactions with owners, recognised directly in equity	3,556	5,503,514	–	–	<b>5,507,070</b>
<b>Balance at 30 September 2021</b>	11,290,483	52,593,562	440,706	(55,386,253)	<b>8,938,498</b>

The notes on pages 27 to 44 are an integral part of these financial statements.

# Consolidated & Company Cash Flow Statement

For the year ended 30 September 2021

ECR Minerals plc company no. 5079979

	Note	Group		Company	
		Year ended 30 September 2021 £	Year ended 30 September 2020 £	Year ended 30 September 2021 £	Year ended 30 September 2020 £
<b>Net cash used in operations</b>	20	<b>(1,398,242)</b>	(668,377)	<b>(1,006,026)</b>	(694,408)
<b>Investing activities</b>					
Purchase of property, plant & equipment	8	<b>(1,171,840)</b>	(186,307)	<b>(59,038)</b>	(5,963)
Increase in exploration assets	10	<b>(1,452,297)</b>	(180,653)	<b>(76,862)</b>	–
Investment in subsidiary		–	–	–	–
Proceeds from disposal of licenses		–	275,701	–	–
R&D tax credits on exploration		–	307,818	–	–
Loan to subsidiary		–	–	<b>(4,104,759)</b>	–
Interest income	7	<b>288</b>	478	<b>260</b>	–
<b>Net cash generated from / (used in) investing activities</b>		<b>(2,623,849)</b>	217,037	<b>(4,240,398)</b>	(5,963)
<b>Financing activities</b>					
Proceeds from issue of share capital (net of issue costs)		<b>5,507,088</b>	1,680,054	<b>5,507,069</b>	1,680,054
<b>Net cash from financing activities</b>		<b>5,507,088</b>	1,680,054	<b>5,507,069</b>	1,680,054
<b>Net change in cash and cash equivalents</b>		<b>1,484,815</b>	1,228,714	<b>260,645</b>	979,682
<b>Cash and cash equivalents at beginning of the year</b>		<b>1,497,231</b>	268,517	<b>1,207,190</b>	227,508
<b>Cash and cash equivalents at end of the year</b>	12	<b>2,982,046</b>	1,497,231	<b>1,467,835</b>	1,207,190

Non-cash transactions:

1. Settlement of creditors of £nil (2020: £7,715) with ordinary shares.

The notes on pages 27 to 44 are an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended 30 September 2021

## 1 General information

The Company and the Group operated mineral exploration and development projects. The Group's principal interests are located in Australia, Argentina and the Philippines.

The Company is a public limited company incorporated and domiciled in England. The registered office of the Company and its principal place of business is Office T3, Hurlingham Studios, Ranelagh Gardens, London SW6 3PA. The Company is quoted on the Alternative Investment Market (AIM) of the London Stock Exchange.

## 2 Accounting policies

### Overall considerations

The principal accounting policies that have been used in the preparation of these consolidated financial statements are set out below. The policies have been consistently applied unless otherwise stated.

### Basis of preparation

#### a) Statement of compliance

The consolidated financial statements have been prepared in accordance with international accounting standards (IAS) as adopted by the UK in conformity with the Companies Act 2006. The financial statements are prepared on the historical cost basis or the fair value basis where the fair valuing of relevant assets or liabilities has been applied.

- b) (i) New and amended standards, and interpretations issued and effective for the financial year beginning 1 October 2020

There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 October 2020 that had a material effect on the Group or Company financial statements

- (ii) New standards, amendments and interpretations in issue but not yet effective

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not been adopted by the EU):

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 – effective 1 January 2021\*
- Amendment to IFRS 3 Business Combinations – Reference to the Conceptual Framework – effective 1 January 2022\*
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets – effective 1 January 2022\*
- Amendments to IAS 16: Property, Plant and Equipment – effective 1 January 2022\*
- Annual Improvements to IFRS Standards 2018-2020 Cycle – effective 1 January 2022\*
- Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors – effective 1 January 2023\*

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date – effective 1 January 2023\*

\*subject to EU endorsement

The Group and Company intend to adopt these standards when they become effective. The introduction of these new standards and amendments is not expected to have a material impact on the Group or Company.

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and one of its subsidiaries made up to 30 September 2021. Subsidiary undertakings acquired during the period are recorded under the acquisition method of accounting and their results consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date such control ceases.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

### Going concern

It is the prime responsibility of the Board to ensure the Group and Company remains a going concern. At 31 March 2022, the Group has cash and cash equivalents of £1,226,328 and no borrowings.

The Group's financial projections and cash flow forecasts covering a period of at least twelve months from the date of approval of these financial statements show that the Group will have sufficient available funds in order to meet its contracted and committed expenditure. Further details are included in Note 21 to the financial statements.

Based on their assessment of the financial position, the Directors have a reasonable expectation that the Group and Company will be able to continue in operational existence for the next 12 months and continue to adopt the going concern basis of accounting in preparing these Financial Statements.

### Cash and cash equivalents

Cash includes petty cash and cash held in current bank accounts. Cash equivalents include short-term investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

### Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any provision for impairment losses.

Depreciation is charged on each part of an item of property, plant and equipment so as to write off the cost of assets less the residual value over their estimated useful lives, using the

straight-line method. Depreciation is charged to the income statement. The estimated useful lives are as follows:

Office equipment	3 years
Furniture and fittings	5 years
Machinery and equipment	5 years
Motor vehicles	5 years
Land	Not depreciated

Expenses incurred in respect of the maintenance and repair of property, plant and equipment are charged against income when incurred. Refurbishments and improvements expenditure, where the benefit is expected to be long lasting, is capitalised as part of the appropriate asset.

An item of property, plant and equipment ceases to be recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on cessation of recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset ceases to be recognised.

### Exploration and development costs

All costs associated with mineral exploration and investments are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished or a project abandoned, the related costs are written off in the period in which the event occurs. Where the Group maintains an interest in a project, but the value of the project is considered to be impaired, a provision against the relevant capitalised costs will be raised.

The recoverability of all exploration and development costs is dependent upon continued good title to relevant assets being held, the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

### Impairment testing

Individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may exceed its recoverable amount, being the higher of net realisable value and value in use. Any such excess of carrying value over recoverable amount or value in use is taken as a debit to the income statement.

Intangible exploration assets are not subject to amortisation and are tested annually for impairment.

### Provisions

A provision is recognised in the Statement of Financial Position when the Group or Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are

determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

### Leased assets

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset. Lease payments are allocated between principal and finance cost. All other short term leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight-line basis over the lease term.

### Taxation

There is no current tax payable in view of e losses to date.

Deferred income taxes are calculated using the Statement of Financial Position liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Statement of Financial Position date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, in which case the related current or deferred tax is also charged or credited directly to equity.

### Investments in subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The investments in subsidiaries held by the Company are valued at cost less any provision for impairment that is considered to have occurred, the resultant loss being recognised in the income statement.

# Notes to the Financial Statements continued

For the year ended 30 September 2021

## Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares, both ordinary and deferred.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issues.
- "Other reserves" represent the fair values of share options and warrants issued.
- "Retained reserves" include all current and prior year results, including fair value adjustments on financial assets, as disclosed in the consolidated statement of comprehensive income.
- "Exchange reserve" includes the amounts described in more detail in the following note on foreign currency below.

## Foreign currency translation

The consolidated financial statements are presented in pounds sterling which is the functional and presentational currency representing the primary economic environment of the Group.

Foreign currency transactions are translated into the respective functional currencies of the Company and its subsidiaries using the exchange rates prevailing at the date of the transaction or at an average rate where it is not practicable to translate individual transactions. Foreign exchange gains and losses are recognised in the income statement.

Monetary assets and liabilities denominated in a foreign currency are translated at the rates ruling at the Statement of Financial Position date.

The assets and liabilities of the Group's foreign operations are translated at exchange rates ruling at the Statement of Financial Position date. Income and expense items are translated at the average rates for the period. Exchange differences are classified as equity and transferred to the Group's exchange reserve. Such differences are recognised in the income statement in the periods in which the operation is disposed of.

## Share-based payments

The Company awards share options to certain Company Directors and employees to acquire shares of the Company. Additionally, the Company has in previous years issued warrants to providers of equity finance.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee.

The fair value is appraised at the grant date and excludes the impact of non-market vesting conditions. Fair value is measured by use of the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to "other reserves".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior years if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital and, where appropriate, share premium.

A gain or loss is recognised in profit or loss when a financial liability is settled through the issuance of the Company's own equity instruments. The amount of the gain or loss is calculated as the difference between the carrying value of the financial liability extinguished and the fair value of the equity instrument issued.

## Financial instruments

### Financial assets

The Group's financial assets comprise equity investments held as financial assets at fair value through profit or loss as required by IFRS 9, and financial assets at amortised cost, being cash and cash equivalents and receivables balances. Financial assets are assigned to the respective categories on initial recognition, based on the Group's business model for managing financial assets, which determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially measured at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment under the expected credit loss model.

The Group's receivables fall into this category of financial instruments. Discounting is omitted where the effect of discounting is immaterial.

Equity investments are held as financial assets at fair value through profit or loss. These assets are initially recognised at fair value and subsequently carried in the financial statements at fair value, with net changes recognised in profit or loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:



- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **Impairment of financial assets**

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

The amount of the expected credit loss is measured as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that are expected to be received (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

### **Financial liabilities**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and are held at amortised cost. After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

### **Derecognition**

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

### **Critical accounting estimates and judgements**

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting policies and estimates in determining the financial condition and results of the Group and Company are those requiring the greater degree of subjective or complete judgement. These relate to:

#### *Capitalisation and recoverability of exploration costs (Note 10):*

Capitalised exploration and evaluation costs consist of direct costs, licence payments and fixed salary/consultant costs, capitalised in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources". The group and company recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral assets. Exploration and evaluation assets are initially measured at cost. Exploration and evaluation costs are assessed for indications of impairment annually. Where the carrying amount of an asset exceeds its recoverable amount an impairment is recognised. Any impairment is recognised directly in profit or loss.

#### *Recoverability of investment in subsidiaries including intra group receivables (Note 9 and 11)*

The recoverability of investments in subsidiaries, including intra group receivables, is directly linked to the recoverability of the exploration assets in those entities, which is subject to the same estimates and judgements as explained above.

# Notes to the Financial Statements continued

For the year ended 30 September 2021

## 3 Operating loss

	Year ended 30 September 2021 £	Year ended 30 September 2020 £
The operating loss is stated after charging:		
Depreciation of property, plant and equipment	<b>51,822</b>	3,809
Operating lease expenses	<b>31,337</b>	23,768
Auditors' remuneration – fees payable to the Company's auditor for the audit of the parent company and consolidated financial statements	<b>26,000</b>	25,750

## 4 Earnings per share

Basic and Diluted	Year ended 30 September 2021	Year ended 30 September 2020
Weighted number of shares in issue during the year	<b>892,410,767</b>	512,411,527
	£	£
Loss from continuing operations attributable to owners of the parent	<b>(1,413,206)</b>	(704,413)
Loss from discontinued operations attributable to owners of the parent	–	(1,986,469)

Basic earnings per share has been calculated by dividing the loss attributable to equity holders of the company after taxation by the weighted average number of shares in issue during the year. There is no difference between the basic and diluted earnings per share as the effect on the exercise of options and warrants would be to decrease the earnings per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods is set out in Note 13.

## 5 Income tax

The relationship between the expected tax expense based on the corporation tax rate of 19% for the year ended 30 September 2021 (2020: 19%) and the tax expense actually recognised in the income statement can be reconciled as follows:

	Year ended 30 September 2021 £	Year ended 30 September 2020 £
Group loss for the year	<b>(1,413,206)</b>	(2,690,882)
Loss on activities at effective rate of corporation tax of 19% (2020: 19%)	<b>(268,509)</b>	(511,268)
Expenses not deductible for tax purposes	<b>63,927</b>	11,940
Loss on disposal of subsidiary not deductible for tax purposes	–	344,623
Income not taxable	<b>19,309</b>	8,794
Depreciation in excess of capital allowances	<b>51,822</b>	3,809
Loss carried forward on which no deferred tax asset is recognised	<b>133,451</b>	142,102
Current tax expense	–	–
Deferred tax (see below)	–	–
Total income tax expense	–	–

The Company has unused tax losses of approximately £8,100,000 (2020 £6,950,000) to carry forward and set against future profits; and the Company has capital losses of £197,000 to carry forward and set against future capital gains of the Company. The related deferred tax asset has not been recognised in respect of these losses as there is no certainty in regard to the level and timing of future profits.

## 6 Staff numbers and costs

Group and Company	Year ended 30 September 2021 Number	Year ended 30 September 2020 Number
Directors	3	3
Administration	3	2
<b>Total</b>	<b>6</b>	<b>5</b>

The aggregate payroll costs of these persons were as follows:

	£	£
Staff wages and salaries	<b>61,604</b>	43,270
Directors' cash based emoluments	<b>277,353</b>	211,815
Social security costs	<b>22,817</b>	18,218
Pension contributions	<b>1,400</b>	1,721
	<b>363,174</b>	275,024

The remuneration of the directors, who are the key management personnel of the Group, in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures' was as follows:

	£	£
Directors' cash based emoluments	<b>267,353</b>	211,815
Employer's national insurance contributions	<b>22,817</b>	16,497
Pension contributions	<b>1,316</b>	1,315
	<b>291,486</b>	229,627

### Directors' remuneration

As required by AIM Rule 19, details of remuneration earned in respect of the financial year ended 30 September 2021 by each Director are set out below:

#### Year ended 30 September 2021

Director	Salary		Consulting		Pension £	Total £
	Paid £	Accrued £	Paid £	Accrued £		
C Brown	<b>165,000</b>	–	–	–	<b>1,316</b>	<b>166,316</b>
W Tang	<b>54,000</b>	<b>4,000</b>	<b>26,584</b>	<b>2,769</b>	–	<b>87,353</b>
A Jones	<b>22,500</b>	<b>2,500</b>	–	–	–	<b>25,000</b>
	<b>241,500</b>	<b>6,500</b>	<b>26,584</b>	<b>2,769</b>	<b>1,316</b>	<b>278,669</b>

#### Year ended 30 September 2020

Director	Paid £	Salary		Consulting fees £	Pension £	Total £
		Accrued £	Accrued £			
C Brown	120,000	10,000	–	–	1,315	131,315
W Tang	48,000	10,000	–	23,815	–	81,815
	168,000	20,000	–	23,815	1,315	213,130

The highest paid Director received remuneration of £165,000 (2020: £130,000), excluding share-based payments.

# Notes to the Financial Statements continued

For the year ended 30 September 2021

## 7 Finance income

	Year ended 30 September 2021 £	Year ended 30 September 2020 £
<b>Finance income</b>		
Interest on cash and cash equivalents	<b>288</b>	478
	<b>288</b>	478

## 8 Property, plant and equipment

<b>Group</b>	Furniture & fittings £	Office Equipment £	Machinery & equipment £	Land and Building £	Total £
<b>Cost</b>					
At 1 October 2020	2,982	18,880	184,209	–	<b>206,071</b>
Additions	–	18,360	328,927	822,705	<b>1,169,992</b>
At 30 September 2021	2,982	37,240	513,136	822,705	1,376,063
<b>Depreciation</b>					
At 1 October 2020	2,880	14,157	5,495	–	<b>22,532</b>
Depreciation for the year	102	3,258	46,615	–	<b>51,822</b>
At 30 September 2021	2,982	17,415	52,110	–	<b>74,354</b>
<b>Net book value</b>					
At 1 October 2020	102	4,723	180,517	–	<b>185,341</b>
At 30 September 2021	–	19,825	461,027	822,705	<b>1,303,557</b>

<b>Company</b>	Furniture & fittings £	Office Equipment £	Machinery & equipment £	Land and Building £	Total £
<b>Cost</b>					
At 1 October 2020	890	18,880	3,865	–	<b>23,635</b>
Additions	–	18,360	47,995	–	<b>57,051</b>
At 30 September 2021	890	27,936	51,860	–	<b>80,686</b>
<b>Depreciation</b>					
At 1 October 2020	890	14,157	3,865	–	<b>18,912</b>
Depreciation for the year	–	2,883	559	–	<b>33,42</b>
At 30 September 2021	890	17,040	4,424	–	<b>22,354</b>
<b>Net book value</b>					
At 1 October 2020	161	–	387	–	<b>548</b>
At 30 September 2021	–	10,896	47,436	–	<b>58,332</b>

The Group and the Company's property, plant and equipment are free from any mortgage or charge. The comparable table for 2020 is detailed below.

## 8 Property, plant and equipment *continued*

### Group

	Furniture & fittings £	Office equipment £	Machinery & equipment £	Total £
<b>Cost</b>				
At 1 October 2019	2,982	12,917	3,865	<b>19,764</b>
Additions	-	5,963	180,344	<b>186,307</b>
At 30 September 2020	2,982	18,880	184,209	<b>206,071</b>
<b>Depreciation</b>				
At 1 October 2019	2,328	12,917	3,478	<b>18,723</b>
Depreciation for the year	552	1,240	2,017	<b>3,809</b>
At 30 September 2020	2,880	14,157	5,495	22,532

### Net book value

At 1 October 2019	654	-	387	<b>1,041</b>
At 30 September 2020	102	4,723	180,517	<b>185,341</b>

### Company

	Furniture & fittings £	Office equipment £	Machinery & equipment £	Total £
<b>Cost</b>				
At 1 October 2019	890	12,917	3,865	<b>17,672</b>
Additions	-	5,963	-	<b>5,963</b>
At 30 September 2020	890	18,880	3,865	<b>23,635</b>
<b>Depreciation</b>				
At 1 October 2019	729	12,917	3,478	<b>17,124</b>
Depreciation for the year	161	1,240	387	<b>1,788</b>
At 30 September 2020	890	14,157	3,865	<b>18,912</b>
<b>Net book value</b>				
At 1 October 2019	161	-	387	<b>548</b>
At 30 September 2020	-	4,723	-	<b>4,723</b>

## 9 Investments

	Investment in subsidiaries £
Cost as at 1 October 2020	-
Addition	<b>272</b>
Disposal	-
Balance at 30 September 2021	<b>272</b>

The comparable table for 2020 is detailed below:

	Investment in subsidiaries £
Cost as at 1 October 2019	<b>852,728</b>
Addition	-
Disposal	<b>(852,728)</b>
Balance at 30 September 2020	-

# Notes to the Financial Statements continued

For the year ended 30 September 2021

## 9 Investments continued

### Investment in subsidiaries

At 30 September 2021, the Company had interests in the following subsidiary undertakings:

Subsidiaries:	Principal country of incorporation	Principal activity	Description and effective country of operation	Proportion of shares held
Mercator Gold Australia Pty Ltd	Australia	Mineral Exploration	Australia	100%
Warm Springs Renewable Energy Corporation	USA	Dormant	USA	90%
Copper Flat Corporation	USA	Dormant	USA	100%
Lux Exploration Pty Ltd	Australia	Mineral Exploration	Australia	100%

Registered office address of the subsidiaries:

Mercator Gold Australia Pty Ltd	58 Gipps Street, Collingwood Victoria, 3066, Australia
Warm Springs Renewable Energy Corporation	315 Paseo de Peralta, Santa Fe, NM 87501, USA
Copper Flat Corporation (formerly New Mexico Copper Corporation)	315 Paseo de Peralta, Santa Fe, NM 87501, USA
Lux Exploration Pty Ltd	58 Gipps Street, Collingwood Victoria, 3066, Australia

### Financial assets at fair value through profit or loss

	2021 £	2020 £
Quoted investments		
At 1 October	<b>26,870</b>	13,187
Fair value movements	<b>4,591</b>	13,683
At 30 September	<b>31,461</b>	26,870

The financial asset at 30 September 2021 and 2020 comprises shares in Tiger International Resources, Inc., and is held at fair value through profit or loss in accordance with IFRS 9 Financial Instruments.

## 10 Intangible assets – exploration and development costs

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
At 1 October	<b>1,869,184</b>	3,295,996	<b>1,333,282</b>	2,272,553
Additions	<b>1,452,297</b>	180,653	<b>76,862</b>	–
R&D tax credit refund	–	(307,818)	–	–
Disposal of Ochre	–	(1,156,020)	–	(939,271)
Disposal of licenses	–	(169,509)	–	–
Translation difference	–	25,882	–	–
At 30 September	<b>3,321,481</b>	1,869,184	<b>1,410,144</b>	1,333,282

An operating segment level summary of exploration and development costs of the Group is presented below:

	2021 £	2020 £
Danglay Gold Project, Philippines	<b>1,261,158</b>	1,185,297
Central Victorian Gold Projects, Australia	<b>2,059,322</b>	683,887
At 30 September	<b>3,321,481</b>	1,869,184

## 10 Intangible assets – exploration and development costs *continued*

### Danglay Gold Project, Philippines

In April 2013 ECR entered into an earn-in and joint venture agreement (the “Agreement”) in relation to the Danglay gold project in the Philippines. Cordillera Tiger Gold Resources, Inc. (“Cordillera Tiger”) is a Philippine corporation and the holder of the exploration permit (the “EP”) which represents the Danglay project.

Activities under the Agreement commenced in December 2013 and ceased when the Earn-In Option (as that term is defined in the Agreement) was terminated in August 2016. The Philippine mining industry is enduring a period of significant political and regulatory upheaval, which has been particularly intense and unpredictable since June 2016. In light of this, termination of the Earn-In Option was considered a prudent step for the Company to take.

The Agreement gave ECR the exclusive right and option to earn a 25% or 50% interest in Cordillera Tiger and thereby in the Danglay project. Under the terms of the Agreement, ECR was the operator of the Danglay project, through Cordillera Tiger. The completion of various exploration programmes generated valuable data which is relevant to the assessment of the project’s economic potential.

In December 2015, the Company published an NI43-101 technical report (the “Report”) in relation to the Danglay project. The Report also disclosed a target for further exploration, as permitted by NI43-101. The Report supports the disclosure on 5 November 2015 of an inferred mineral resource estimate for oxide gold mineralisation at Danglay.

Under the Agreement, the estimation of this mineral resource and the making of expenditures exceeding US\$500,000 in connection with the Danglay project, entitled ECR to a 25% interest in Cordillera Tiger.

Following the end of the year under review, ECR Minerals received formal recognition for its 25% shareholding in Philippines based company Cordillera Tiger Gold Resources, Inc. (“Cordillera Tiger”), having invested some £1.2 million in the Danglay gold project to date.

In July 2021, Cordillera Tiger successfully renewed Exploration License EP-006 at the Danglay gold project, which is located in a prolific gold and copper mining district in the north of the Philippines.

The ECR Board believes the political climate for the minerals industry in the Philippines is improving and considers that the Danglay gold project has potential for further exploration to build upon the existing inferred mineral resource estimate of 63,500 ounces of gold at 1.55 g/t gold. This resource was reported by ECR in 2015 to the Canadian NI43-101 standard, based on exploration carried out at Danglay by ECR during 2014 and 2015. In addition to the resource, an NI43-101 target for further exploration (conceptual potential quantity and grade of mineralisation expressed as ranges) of 95,000 to 170,000 ounces of gold at 5 to 7.5 g/t was reported.

## 11 Trade and other receivables

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
<b>Non-current assets</b>				
Amount owed by a subsidiary	–	–	<b>5,133,826</b>	1,029,067
<b>Current assets</b>				
Amount owed by a subsidiary	–	–	<b>818,566</b>	669,774
Other receivables	<b>100,406</b>	24,778	<b>33,919</b>	15,883
Prepayments and accrued income	<b>45,741</b>	41,032	<b>25,612</b>	41,032
Inventory – drill rig spares	<b>75,722</b>	42,807	–	–
	<b>221,869</b>	108,617	<b>878,097</b>	726,689

The short-term carrying values are considered to be a reasonable approximation of the fair value.

# Notes to the Financial Statements continued

For the year ended 30 September 2021

## 12 Cash and cash equivalents

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
<b>Cash and cash equivalents consisted of the following:</b>				
Deposits at banks	<b>2,982,046</b>	1,497,231	<b>1,467,835</b>	1,207,190
Cash on hand				
	<b>2,982,046</b>	1,497,231	<b>1,467,835</b>	1,207,190

## 13 Share capital and share premium accounts

The share capital of the Company consists of three classes of shares: ordinary shares of 0.001p each which have equal rights to receive dividends or capital repayments and each of which represents one vote at shareholder meetings; and two classes of deferred shares, one of 9.9p each and the other of 0.099p each, which have limited rights as laid out in the Company's articles. In particular deferred shares carry no right to dividends or to attend or vote at shareholder meetings and deferred share capital is only repayable after the nominal value of the ordinary share capital has been repaid.

### a) Changes in issued share capital and share premium

	Number of shares	Ordinary shares £	Deferred 9.9p shares £	Deferred 'B' 0.099p shares £	Deferred 0.199p shares £	Total shares £	Share premium £	Total £
At 1 October 2020	659,198,912	6,591	7,194,816	3,828,359	257,161	11,286,927	47,090,048	58,376,975
Issue of shares								
less costs	357,359,639	3,574	-	-	-	3,574	5,503,514	5,507,088
<b>Balance at</b>								
<b>30 September 2021</b>	<b>1,016,558,551</b>	<b>10,165</b>	<b>7,194,816</b>	<b>3,828,359</b>	<b>257,161</b>	<b>11,290,501</b>	<b>52,593,562</b>	<b>63,884,063</b>

All the shares issued are fully paid up and none of the Company's shares are held by any of its subsidiaries.

### b) Potential issue of ordinary shares

#### Share options

The number and weighted average exercise prices of share options valid at the year-end are as follows:

	Weighted average exercise price 2021 £	Number of options 2021	Weighted average exercise price 2020 £	Number of options 2020
Exercisable at the beginning of the year	<b>0.051</b>	<b>8,209,968</b>	0.108	9,254,670
Granted during the year	<b>0.0113</b>	<b>25,000,000</b>	-	-
Exercised during the year	<b>0.0117</b>	<b>(16,118,841)</b>		
Expired during the year	<b>5</b>	<b>(56,000)</b>	0.55	(1,044,702)
Exercisable at the end of the year	<b>0.0113</b>	<b>17,035,127</b>	0.051	8,209,968

The options outstanding at 30 September 2021 have a weighted average remaining contractual life of two year and seven months (2020: one year and seven months).

The options outstanding at the end of the year have the following expiry date and exercise prices:

Date granted	Expiry Date	Exercise Price in	No. of Options
27 February 2017	26 February 2022	£0.01725	5,835,127
30 July 2018	29 July 2023	£0.01125	11,200,000



### 13 Share capital and share premium accounts *continued*

#### Share-based payments

There were no options issued during the year.

#### Share warrants

	Weighted average exercise price 2021 £	Number of warrants 2021	Weighted average exercise price 2020 £	Number of warrants 2020
Exercisable at the beginning of the year	0.01625	425,384,824	0.01767	283,937,327
Exercised during the year	0.0138	(310,603,127)	-	-
Expired during the year	0.0125	(4,841,325)	0.01658	(5,277,778)
Granted during the year	0.0375	49,999,999	0.01350	146,725,275
Exercisable at the end of the year	0.02878	159,940,371	0.01625	425,384,824

The warrants outstanding at the end of the year have the following expiry date and exercise prices:

Date granted	Expiry Date	Exercise Price £	No. of Warrants
6 June 2017	5 June 2022	0.05	27,678,195
20 April 2020	19 April 2022	0.01	49,500,000
30 July 2020	29 July 2022	0.021	571,429
30 July 2020	29 July 2022	0.021	32,190,748
30 April 2021	29 April 2023	0.0375	49,999,999

### 14 Trade and other payables

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade payables	<b>156,301</b>	45,032	<b>9,605</b>	17,258
Social security and employee taxes	<b>34,034</b>	6,663	<b>19,197</b>	6,663
Other creditors and accruals	<b>12,397</b>	69,927	<b>12,397</b>	69,927
	<b>202,731</b>	121,622	<b>41,198</b>	93,848

### 15 Capital management

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern and develop its mineral exploration and development and other activities to provide returns for shareholders and benefits for other stakeholders.

The Group's capital structure comprises all the components of equity (all share capital, share premium, retained earnings when earned and other reserves). When considering the future capital requirements of the Group and the potential to fund specific project development via debt, the Directors consider the risk characteristics of the underlying assets in assessing the optimal capital structure.

# Notes to the Financial Statements continued

For the year ended 30 September 2021

## 16 Related party transactions

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Amounts owed to Directors	<b>10,606</b>	35,207	<b>10,606</b>	35,207

Details of Directors' emoluments are disclosed in Note 6. The amounts owed to Directors relate to accrued emoluments, consulting fees and expenses due.

During the year the Company provided additional advances of £ 10,483 under a loan to Mercator Gold Australia Pty Ltd and charged expenses and management fees of £131,486. The balance owed to the Company is shown in Note 11.

The Company and the Group have no ultimate controlling party.

## 17 Commitments and contingencies

### Capital expenditure commitment

As at 30 September 2021, the Group had no commitments (2020: £Nil).

The Group is committed to issuing a further AUD 150,000 worth of Ordinary Shares in ECR contingent on commercial production being established from the Bailieston projects.

### Contingencies

The Group entered into no agreements during the year ended 30 September 2021 which would result in disclosure of contingent assets or liabilities.

## 18 Financial instruments

### Categories of financial instrument

Group	2021	2020
	£	£
<i>Financial assets (amortised cost)</i>		
Trade and other receivables (excluding prepayments)	<b>100,406</b>	67,585
Inventory	<b>75,722</b>	
Cash and cash equivalents	<b>2,982,046</b>	1,497,231
	<b>3,158,174</b>	1,546,816
<i>Financial assets (fair value through profit or loss)</i>		
Equity investments	<b>31,463</b>	26,870
	<b>31,463</b>	26,870
<i>Financial liabilities (amortised cost)</i>		
Trade and other payables	<b>232,185</b>	114,959
	<b>232,185</b>	114,959
<b>Company</b>		
<i>Financial assets (amortised cost)</i>		
Trade and other receivables (excluding prepayments)	<b>852,485</b>	685,657
Cash and cash equivalents	<b>1,467,835</b>	1,207,190
	<b>2,320,320</b>	1,892,847
<i>Financial assets (fair value through profit or loss)</i>		
Equity investments	<b>31,463</b>	26,870
	<b>31,463</b>	26,870
<i>Financial liabilities (amortised cost)</i>		
Trade and other payables	<b>41,198</b>	87,185
	<b>41,198</b>	87,185

## 18 Financial instruments *continued*

### Risk management objectives and policies

The Group's principal financial assets comprise cash and cash equivalents, trade and other receivables, investments and prepayments. The Group's liabilities comprise trade payables, other payables including taxes and social security, and accrued expenses.

The Board determines as required the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts to mitigate financial risks.

### Credit risk

The Group's cash at bank is held with reputable international banks. Cash is held either on current account or on short-term deposit at floating rates of interest determined by the relevant prevailing base rate. The fair value of cash and cash equivalents at 30 September 2021 and 30 September 2020 did not differ materially from their carrying value.

### Market risk

The Group's financial instruments potentially affected by market risk include bank deposits, and trade payables. An analysis is required by IFRS 7, intended to illustrate the sensitivity of the Group's financial instruments (as at period end) to changes in market variables, being exchange rates and interest rates. The Group's exposure to market risk is not considered to be material.

### Interest rate risk

The Group has no material exposure to interest rate risk. Since the interest accruing on bank deposits was relatively immaterial there is no material sensitivity to changes in interest rates.

### Foreign currency risk

The Group is exposed to foreign currency risk in so far as some dealings with overseas subsidiary undertakings are in foreign currencies.

### Fair value of financial instruments

The fair values of the Company's financial instruments at 30 September 2021 and 30 September 2020 did not differ materially from their carrying values.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: valuation techniques based on observable inputs either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, by the level in the fair value hierarchy into which the measurement is categorised.

### Group and Company

	Level 1	Level 2	Level 3	Total
	£	£	£	£
<b>30 September 2021</b>				
Financial assets at fair value through profit or loss	<b>31,463</b>	–	–	<b>31,463</b>
	<b>31,463</b>	–	–	<b>31,463</b>

### Group and Company

	Level 1	Level 2	Level 3	Total
	£	£	£	£
<b>30 September 2020</b>				
Financial assets at fair value through profit or loss	26,870	–	–	26,870
	26,870	–	–	26,870

### Liquidity risk

The Group finances its operations primarily through the issue of equity share capital and debt in order to ensure sufficient cash resources are maintained to meet short-term liabilities and future project development requirements. Management monitors availability of funds in relation to forecast expenditures in order to ensure timely fundraising. Funds are raised in discrete tranches to finance activities for limited periods.

# Notes to the Financial Statements continued

For the year ended 30 September 2021

## 18 Financial instruments continued

Funds surplus to immediate requirements may be placed in liquid, low risk investments.

The Group's ability to raise finance is subject to market perceptions of the success of its projects undertaken during the year and subsequently. Due to the uncertain state of financial markets there can be no certainty that future funding will continue to be available.

The table below sets out the maturity profile of financial liabilities as at 30 September 2021.

	2021 £	2020 £
Due in less than 1 month	<b>232,185</b>	121,622
Due between 1 and 3 months	-	-
Due between 3 months and 1 year	-	-
Due after 1 year	-	-
	<b>232,185</b>	121,622

## 19 Segmental report

The Group is engaged in mineral exploration and development. The Chief Operating Decision Maker is considered to be the Board of Directors, who segment exploration activities by geographical region in order to evaluate performance individually. The segmental breakdown of exploration assets is shown in Note 10.

Management information in respect of profit or loss expenditures is not segmented but is considered at Group level.

## 20 Cash used in operations

	Note	Group		Company	
		Year ended 30 September 2021 £	Year ended 30 September 2020 £	Year ended 30 September 2021 £	Year ended 30 September 2020 £
Operating activities					
Loss for the year before tax		<b>(1,413,206)</b>	(2,690,882)	<b>(800,558)</b>	(2,399,369)
Adjustments:					
Loss on disposal of subsidiary		-	1,986,469	-	1,813,804
Depreciation expense property, plant and equipment	8	<b>51,822</b>	3,809	<b>3,442</b>	1,788
(Gain)/Loss on financial assets at fair value		<b>(4,593)</b>	(13,683)	<b>(4,593)</b>	(13,683)
Interest income		<b>(288)</b>	(487)	<b>(260)</b>	-
Net gain on disposal of licenses			(106,192)		-
Decrease/(Increase) in accounts receivable		<b>(37,531)</b>	36	<b>(151,408)</b>	(155,702)
Decrease/(Increase) in inventory		<b>(75,722)</b>	-	-	-
Foreign exchange on operating activities		<b>(15)</b>	69,998		-
Increase/(Decrease) in accounts payable		<b>81,109</b>	82,546	<b>(52,650)</b>	57,755
<b>Net cash used in operations</b>		<b>(1,398,424)</b>	(668,377)	<b>(1,006,026)</b>	(694,408)

## 21 Events after the reporting date

- On 1 October 2021, the Company announced the appointment of Dr Trevor George Davenport (“Trevor” “Dr Davenport”) as an Independent Non-Executive Director of ECR Minerals plc, with immediate effect.
- On 25 October 2021 the Company provided an update to shareholders on drilling progress at historic reserve number 4, otherwise known as ‘Cherry Tree’, which is part of the Company’s Bailieston Project. A total of 1545 metres of diamond drilling has been completed to date at the Cherry Tree prospect. The company is currently drilling the final drillhole (BCTDD010) before moving back to complete drilling of the HR3 ‘Byron’ area. Visual examination of drill core BCTDD009 shows the most intense quartz-sulphidic vein drilled to date at Cherry Tree. Orientated diamond core has delineated sulphidic fault zones containing broad low-grade gold mineralisation emanating from a central anticlinal hinge zone.
- On 1 November 2021 the Company announced the passing of CEO, Craig Brown.
- On 29 November 2021 the Company announced an update to shareholders on its initial successful results from recently commenced ‘phase 2 drilling’ within HR3 at Bailieston, Victoria, Australia. With permission been granted early October 2021. Phase two drilling commenced with BH3DD009 across the central portion of the Maori Reef. Drilling was targeted to follow up the down-dip of an historical Reverse Circulation drillhole intersection which returned 1m @ 11 g/t Au. BH3DD009 was successful in drilling mineralisation between 47m and 56.7m depth and the best intersection was 0.7m @ 28.06 g/t Au from 52.7m depth.
- On 2 December 2021 the Company was pleased to announce that its 25% shareholding in Philippines based company Cordillera Tiger Gold Resources, Inc. (“Cordillera Tiger”, “Cordillera”) has been formalised and the Company is now in receipt of the share certificate.
- On 15 December 2021 the Company pleased to confirm the grant of exploration licenses EL006907 and EL007484. In particular, the granting of license EL006907 linking Creswick to Ballarat East-Nerrina goldfield was something our former CEO Craig Brown always viewed as a key step in developing our Creswick interests and our understanding of the Dimocks Main Shale. Licence EL007484 is an important addition to our enlarged footprint to the east of Victoria in the Tambo region. There is a minimum expenditure requirement of \$160,050 AUD over the five-year term.
- On 22 December 2021 the Company provide updated results from the initial first drill section across the ‘Maori’ Anticline target within HR3 at Bailieston, Victoria, Australia. Assay results for a further two diamond holes across the first drilled section of the upper part of the ‘Maori Anticline’ target have now been received. These results follow-up ECR’s previous announcement released on the 29/11/2021 in regards to hole BH3DD009 where an initial successful result of 0.7m @ 28.06 g/t Au from 52.7m was recorded. Holes BH3DD010 and BH3DD011 were subsequently drilled on the same azimuth, but at two different angles to test the up and down dip continuance of the grade in BH3DD009.
- On 23 December 2021 the Company announced a further to the HR3 drilling update announced on December 22nd, soil sample results from HR3 have identified further gold anomalies, giving further confidence in our previous geological interpretations for dilational jog zones within the HR3 goldfield at Bailieston, Victoria, Australia.
- On 10 January 2022 the Company plc announced that it has submitted an application to renew current exploration license EL006184 for an extended five-year term.
- On 24 January 2022 the Company announced the appointment of Andrew Scott as a Non-Executive Director. Furthermore, the company announced the continuous role of the Audit Partner at PKF LittleJohn for an additional period of one more year in order to aid in the transition of the untimely death of former CEO Craig Brown.
- On 24 January 2022 the Company confirmed that it has issued options over 30,000,000 ordinary shares in the Company, to senior employees and certain directors / PDMRS of the Company. The options vest immediately; have an exercise price of 2.2p and whilst they can then be exercised at any time for a period of three years, exercise is conditional on the Volume Weighted Average Price of the shares being 3.75 pence per share for 10 days at the time of exercise (“New Options”).
- On 3 February 2022 the Company announced that exploration licences EPM27901, EPM27902 and EPM27903 have been granted to its subsidiary LUX Exploration Limited (“LUX”), in the Lolworth Region, North Queensland. With the three exploration licenses covers a total 964km<sup>2</sup> with historic stream sediment sampling indicates that the Lolworth Range is prospective for gold, tungsten and tin.

# Notes to the Financial Statements *continued*

*For the year ended 30 September 2021*

## **21 Events after the reporting date** *continued*

- On 1 February 2022 the Company announced an update regarding the Creswick exploration to shareholders, proposed development plan for the licence and the search for a new CEO.
- On 14 March 2022 the Company announced a current update on drilling at HR3 including results and geological interpretation completed for BH3DD012, current drilling activities and future drilling plans within EL5433. Diamond drill hole BH3DD012 was drilled 100m south and parallel to the previously announced hole (BH3DD019). Five mineralised zones have been identified and correlated to the Maori Anticline. The best intercepts within each of the five mineralised zones include 0.8m @ 3.81 g/t Au (Zone 1); 0.5m @ 3.87 g/t Au (Zone 2); 0.5m @ 4.26 g/t Au (Zone 3); 0.6m @ 2.25 g/t Au (Zone 4) and 1m @ 0.51 g/t Au (Zone 5).

**PLEASE NOTE THAT THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, please consult your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000 immediately. If you have recently sold or transferred all of your ordinary shares in ECR Minerals PLC, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. If you have sold or transferred only part of your holding of ordinary shares in ECR Minerals PLC, you are advised to consult your stockbroker, bank or other agent through whom the sale or transfer was effected.**

## **ECR MINERALS PLC**

(the "Company")

(Registered in England and Wales No 05079979)

### **NOTICE OF ANNUAL GENERAL MEETING**

**Although the COVID-19 crisis is now largely under control and the UK Government has lifted restrictions on public gatherings, the holding of the Company's AGM will still be facilitated by the Company remotely to ensure a quorum is present. Shareholders should therefore not attend the meeting in person and instead are strongly encouraged to submit their proxy vote, appointing the Chairman of the meeting as their proxy to ensure that their votes are registered. This will ensure that votes are registered in accordance with shareholders' wishes regardless of any restrictions or disruption around the AGM and will also help protect the health and safety of shareholders and directors. This can be done by completing the forms of proxy in accordance with the instructions set out below, which must be received before the proxy voting deadline of 9.00 a.m. on Monday 25 April 2022. Further information is contained in the Notes to this Notice of Annual General Meeting.**

NOTICE is hereby given that the Annual General Meeting of the Company will be held at Office T3, Hurlingham Studios, Ranelagh Gardens, London SW6 3PA on **Monday 25 April 2022 at 9.00 a.m.** for the purpose of considering and, if thought fit, passing Resolutions 1 to 6 as ordinary resolutions, and Resolutions 7 as a special resolution:

#### **Ordinary Resolutions**

- 1 To receive, consider and adopt the annual accounts of the Company for the year ended 30 September 2021, together with the reports of the directors and auditors thereon.
- 2 That Weili (David) Tang, a director retiring in accordance with article 79.1.2 of the Company's articles of association, be re-elected as a director of the Company.
- 3 That Adam Craig Jones, a director retiring in accordance with article 79.1.2 of the Company's articles of association, be elected as a director of the Company.
- 4 That Dr Trevor George Davenport, a director retiring in accordance with article 79.1.1 of the Company's articles of association, be elected as a director of the Company.
- 5 That Andrew Scott, a director retiring in accordance with article 79.1.1 of the Company's articles of association, be elected as a director of the Company.
- 6 In view of the recent and untimely death of former CEO Craig Brown, it is in the best interests of the Company for the current Responsible Individual to extend their position for one more year, and therefore to re-appoint the current RI PKF Littlejohn LLP as auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
- 7 To authorise the audit committee to determine the remuneration of the auditors of the Company.
- 8 That the directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the "CA 2006") to exercise all the powers of the Company to allot shares or grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £10,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 30 June 2023 or, if earlier, the date of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

#### **Special Resolution**

- 9 That, subject to the passing of Resolution 8, the directors be empowered to allot equity securities (as defined by section 560 of the CA 2006) pursuant to the authority conferred by Resolution 6 for cash, and/or sell treasury shares for cash, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities of up to an aggregate nominal value of £10,000. The authority granted by this resolution will expire at the conclusion of the Company's next annual general meeting after this resolution is passed or, if earlier, at the close of business on 30 June 2023 save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

By order of the board



**Weili (David) Tang**

Chairman

Registered Office:  
Office T3, Hurlingham Studios  
Ranelagh Gardens  
London  
SW6 3PA

31 March 2022

## NOTES ON RESOLUTIONS

The following paragraphs explain, in summary, the resolutions to be proposed at the annual general meeting (the "Meeting").

### **Resolution 1: Receipt of the annual accounts**

Resolution 1 proposes that the Company's annual accounts for the period ended 30 September 2021, together with the reports of the directors and auditors on these accounts, be received, considered and adopted.

### **Resolution 2: Election of Weili (David) Tang**

Resolution 2 proposes that Mr Tang, who was last re-elected to the Board at the 2020 AGM and who is therefore required to retire in accordance with article 79.1.2 of the Company's articles of association, be re-elected as a director of the Company.

### **Resolution 3: Election of Adam Craig Jones**

Resolution 3 proposes that Mr Jones, who was last re-elected to the Board at the 2020 AGM and who is therefore required to retire in accordance with article 79.1.2 of the Company's articles of association, be re-elected as a director of the Company.

### **Resolution 4: Election of Dr Trevor George Davenport**

Resolution 4 proposes that Dr Davenport, who was appointed to Board on 1 October 2021 and who is therefore required to put himself forward for election in accordance with article 79.1.1 of the Company's articles of association, be elected as a director of the Company.

### **Resolution 5: Election of Andrew Scott**

Resolution 5 proposes that Mr Scott, who was appointed to Board on 24 January 2022 and who is therefore required to put himself forward for election in accordance with article 79.1.1 of the Company's articles of association, be elected as a director of the Company.

### **Resolution 6: Re-appointment of auditor**

Resolution 6 proposes the reappointment of the Company's existing auditor to hold office until the end of the next annual general meeting.

### **Resolution 7: Remuneration of auditor**

Resolution 7 is to authorise the audit committee of the Company to determine the remuneration of the Company's auditors.

### **Resolution 8: Authority to allot shares**

Resolution 8 is to renew the directors' power to allot shares in accordance with section 551 of the CA 2006. The authority granted at the annual general meeting on 19 April 2021 is due to expire on the earlier of 30 June 2022 or the proposed date of the Meeting.

If passed, the resolution will authorise the directors to allot equity securities up to a maximum nominal amount of £10,000, which represents approximately 112% of the Company's issued ordinary shares as at 23 March 2022 (being the latest practicable date before publication of this document).

If given, these authorities will expire at the annual general meeting in 2023 or on 30 June 2023, whichever is the earlier.

The directors have no present intention to issue new ordinary shares, other than pursuant to the exercise of options or warrants. However, the directors consider it prudent to maintain the flexibility to take advantage of business opportunities that this authority provides.

As at the date of this document the Company does not hold any ordinary shares in the capital of the Company in treasury.

### **Resolution 9: Disapplication of pre-emption rights**

Resolution 9 is to grant the directors the authority to allot equity securities for cash or sell any shares held in treasury otherwise than to existing shareholders pro rata to their holdings, as there may be occasions where it is in the best interests of the Company not to be required to first offer such shares to existing shareholders.

Accordingly, resolution 9 will be proposed as a special resolution to grant such a power and will permit the directors, pursuant to the authority granted by resolution 6, to allot equity securities (as defined by section 560 of the CA 2006) or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing holdings up to a maximum nominal value of £10,000 representing approximately 112% of the Company's issued ordinary shares as at 23 March 2022 (being the latest practicable date before publication of this document). If given, this authority will expire at the annual general meeting in 2023 or on 30 June 2023, whichever is the earlier.



## SHAREHOLDER NOTES

The following notes provide more detailed information about your voting rights, and how you may exercise them.

Shareholders' attention is drawn to the bold text at Notes 1 and 2 in relation to the ability of shareholders and their proxies and corporate representatives to attend the meeting in person

- 1 A member entitled to attend and vote at the meeting is ordinarily entitled to appoint another person(s) (who need not be a member of the Company) to exercise all or any of his rights to attend, speak and vote at the meeting. A member can appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to different shares held by him.
- 2 Your proxy should be the Chairman of the Meeting to ensure your vote is counted. Your proxy will vote as you instruct and must attend the meeting for your vote to be counted.  
  
Details of how to appoint the Chairman using the proxy form are set out in the notes to the proxy form. **If you appoint a person other than the Chairman of the Meeting as your proxy they will not be able to attend.**
- 3 An appointment of proxy is provided with this notice and instructions for use are shown on the form. In order to be valid, a completed appointment of proxy must be returned to the Company by one of the following methods:
  - 3.1 in hard copy form by post, by courier or by hand to the Company's registrars, Computershare Investor Services plc, at the address shown on the form of proxy; or
  - 3.2 in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,  
  
and in each case must be received by the Company by 9.00 a.m. on 25 April 2022 or in the case of any adjourned meeting 48 hours (excluding non-business days) before the adjourned meeting.  
  
Please note that any electronic communication sent to us/our registrars in respect of the appointment of a proxy that is found to contain a computer virus will not be accepted.
- 4 In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
- 5 Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- 6 To change your proxy instructions you may return a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact Computershare Investor Services plc. The deadline for receipt of proxy appointments (see above) also applies in relation to amended instructions. Any attempt to terminate

or amend a proxy appointment received after the relevant deadline will be disregarded. Where two or more valid separate appointments of proxy are received in respect of the same share in respect of the same meeting, the one which is last sent shall be treated as revoking the other or others.

- 7 CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 8 In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual.  
  
The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent, Computershare Investor Services plc (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
- 9 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
- 10 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 11 Only those shareholders registered in the Register of Members of the Company as at 6.00 p.m. on xx April 2022 (or, if the meeting is adjourned, on the date which is 48 hours (excluding non-business days) before the time

- of the adjourned meeting) shall be entitled to attend and vote at the meeting or adjourned meeting in respect of the number of shares registered in their respective names at that time. Changes to the Register of Members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting or adjourned meeting.
- 12 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
  - 13 You may not use any electronic address provided either in this notice Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.
  - 14 As at 23 March 2022 (being the last business day before the publication of this notice), the Company's issued ordinary share capital consisted of 1,038,344,551 ordinary shares carrying one vote each. The Company does not hold any shares in treasury. In addition, there are 72,674,911 deferred shares of £0.099 each, 3,867,029,332 deferred B shares of £0.00099 each and 129,226,440 new deferred shares of £0.00199 each which do not carry voting rights.
  - 15 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
    - 15.1 to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
    - 15.2 the answer has already been given on a website in the form of an answer to a question; or
    - 15.3 it is undesirable in the interests of the company or the good order of the meeting that the question be answered.
- Please however note the text in bold at notes 1 and 2 above.**
- 16 Information regarding the meeting is available from [www.ecrminerals.com](http://www.ecrminerals.com)

# Company Information

## **DIRECTORS**

Weili (David) Tang  
Non-Executive Chairman

Adam Craig Jones  
Non-Executive Director

Andrew Scott  
Non-Executive Director

Dr Trevor George Davenport  
Independent Non-Executive Director

## **COMPANY SECRETARY**

Weili (David) Tang  
Office T3  
Hurlingham Studios  
Ranelagh Gardens  
London SW6 3JA

## **REGISTERED AND HEAD OFFICE**

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## **AUDITOR**

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London E14 4HD

## **REGISTRARS**

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## **LEGAL ADVISERS**

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## **AIM NOMINATED ADVISER**

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## **AIM BROKERS OF RECORD**

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## **BANKERS**

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