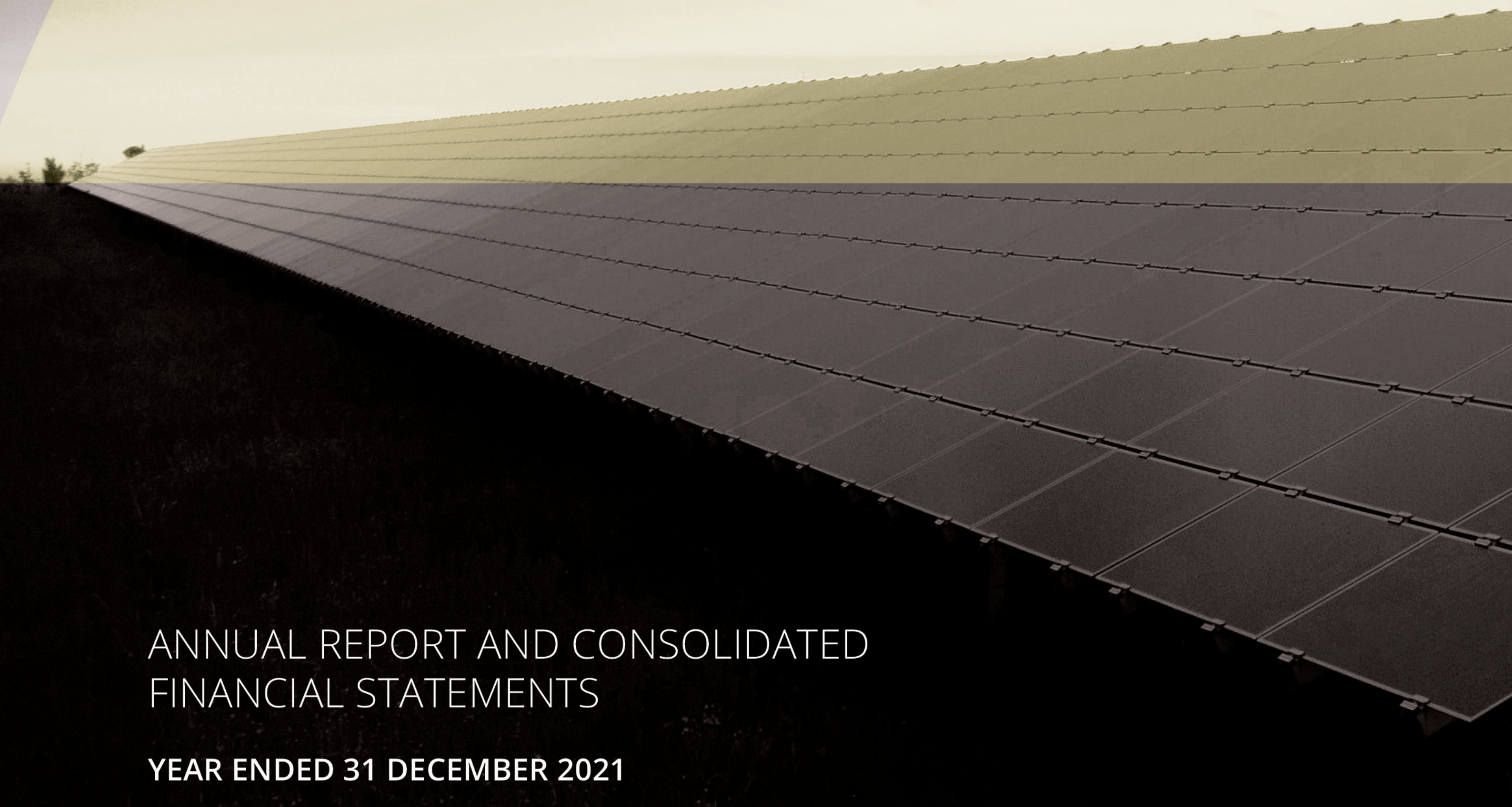
PEMBRIDGE RESOURCES



ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Contents

Chairman and Chief Executive's Statement

We are pleased to present the report and Financial Statements of Pembridge Resources Plc ("Pembridge" or "the Company") for the year ended 31 December 2021.

Introduction

In December 2019, I set out a 4-stage strategy for Pembridge and, as set out below, am pleased to report that the first three stages have been completed with the recent capital raise and listing of Minto Metals Corp. We are now looking forward to involvement in new projects. The reason that copper projects remain interesting to the Company is the increasing de-carbonisation of energy markets – to generate, transmit and use more electrical power, more and more copper will be needed. Consistent with this interest in de-carbonisation, Pembridge intends also to consider renewable energy investment opportunities.

1. Strengthen financially Pembridge Resources to ensure that the company can meet all its obligations until cash flows commence from investment in Minto

   Achieved May 2020

2. Bring Minto mine into operation, establish a strong management team to execute operation and growth plan and extend life of mine from 4 years (confirmed at time of acquisition) to at least 8 years and prepare new 43-101 technical report confirming this extension of life of mine

   Achieved May 2021

3. Provide Minto with the capital required to implement cost saving operational improvements, expand exploration activities, increase production and mine life, and establish a strong working capital position – achieved with successful capital raise of CAD$31 million and listing on TSX Venture Exchange

   Achieved November 2021

4. Identify new projects that Pembridge can invest in, generating value by leveraging future cash flow from Minto investment as well as existing and new Pembridge investor base. Considering primarily copper resource opportunities in Africa, North America and other prospective regions as well as renewable energy investment opportunities in Central and Eastern Europe

   Ongoing

Chairman and Chief Executive's Statement

Minto Metals Corp.

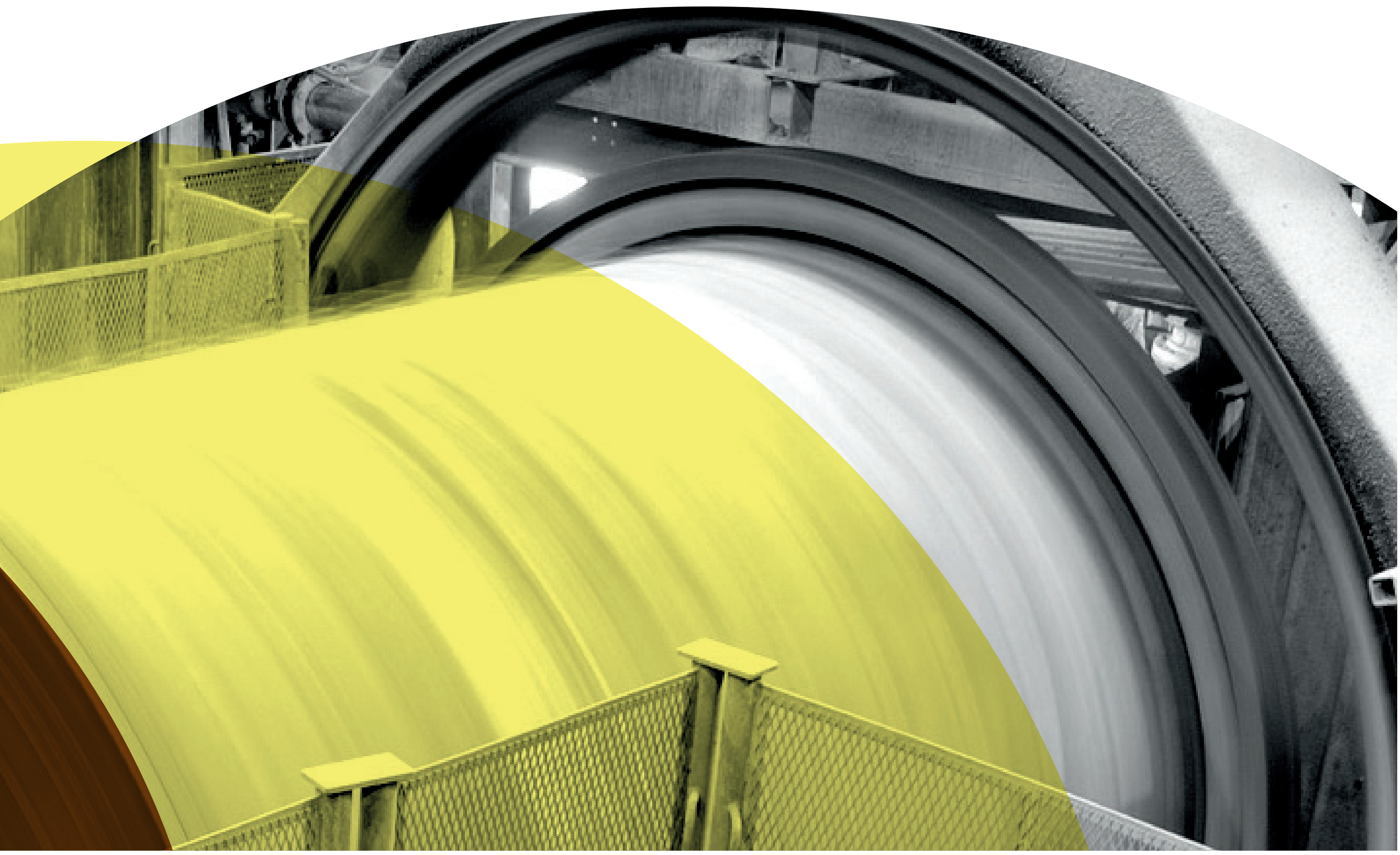
The Company announced on 19 November 2021 that its subsidiary, Minto Explorations Ltd. ("Minto Explorations"), had completed a "reverse take-over" (the "RTO") of 1246778 B.C. Ltd ("778") pursuant to an amended and restated amalgamation agreement dated November 5, 2021, between Minto Explorations and 778 (the "Amalgamation Agreement"). Pursuant to the Amalgamation Agreement, 778 and Minto Explorations amalgamated and the resulting amalgamated entity was named Minto Metals Corp. ("Minto Metals").

A new equity capital raise took place alongside the RTO process and Minto Metals received C$31 million of new equity, of which C$4 million was invested by Pembridge, funded by the issue of convertible loan notes. Following the RTO and equity raise, Minto Metals has 72,491,851 shares outstanding, of which Pembridge owns 8,086,714, or 11.2%.

The shares of the newly formed Minto Metals Corp. ("Minto Metals") commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "MNTO" on 29 November 2021.

As a result of the part of the reverse take-over process that formed Minto Metals, the Shareholder's Agreement between Pembridge and the other owners of Minto Explorations Ltd. has been terminated and Pembridge and Minto Metals have executed the Future Expenditures Agreement ("FEA"). As a result of the FEA, Minto Metals now assumes the obligations of Pembridge with respect to all outstanding Capstone payments arising under the Share Purchase Agreement for the acquisition of Minto Exploration Ltd. (now renamed to Minto Metals Corp.).

Pembridge will continue to have a management role in Minto Metals with its Chairman and CEO, Gati Al-Jebouri, now a director of Minto Metals and chairman of its Audit Committee. However, because Minto Metals is a listed company whose shares are all voting shares, Pembridge's 11.2% holding does not give the Company control or substantial influence over Minto Metals. As a result, Pembridge now accounts for its investment in Minto Metals not as a subsidiary but as a financial asset, which is revalued on a mark-to-market basis.



Chairman and Chief Executive's Statement

Share capital

On 7 January 2021, the Board of Directors approved the issuance and allotment of 14,250,000 new ordinary shares at a price of 4p each, raising proceeds of £570,000. Of these new shares, Gati Al-Jebouri, CEO and Chairman of the Board of Pembridge, subscribed for 3,000,000 and Guy Le Bel, a non-executive director, subscribed for 250,000.

The Company announced on 17 December 2021 that it was raising a total of £400,000 of new equity. This was to take the form of two tranches of £160,000, being 3,200,000 shares at a price of 5p each, to be issued in December 2021 and January 2022, and a convertible loan from Gati Al-Jebouri of £80,000 which does not carry interest and is to be converted into 1,600,000 shares at 5p each on or shortly after 17 May 2022. In accordance with this, on 22 December 2021, the Company issued 3,200,000 new ordinary shares at a price of 5p each, raising proceeds of £160,000.

Convertible loan notes

In June 2021, the Company issued convertible loan notes with a value of USD 3 million, with an interest rate of 14%, redeemable after two years, in order that it could participate in Minto's capital raise. The loan notes may be converted at the option of the note holder into Ordinary Shares in the Company at any time from 1 June 2022 until 31 May 2023 at an exercise price of $0.113 (8p at an exchange rate of £1 - $1.415). Gati Al-Jebouri has invested USD 500,000 in the convertible loan notes.

Financials

During the year the Company made a profit of US$20,580,000 (2019 – loss of US$11,193,000). The operating profit for the year of $21,225,000 comprised exceptional gains of $18,571,000 resulting from the assumption of the Capstone liability by Minto Metals Corp. as part of the reverse takeover process, a gain on mark-to-market revaluation of the Company's investment in Minto of US$3,800,000 and administrative costs of $1,146,000. The operating loss in 2020 of $10,954,000 comprised an exceptional expense of US$9,369,000 on revaluing the Capstone liability due to actual and expected increased copper prices and administrative costs of US$1,585,000. The closing cash and cash equivalents balance is US$280,000 (2020: US$16,000).

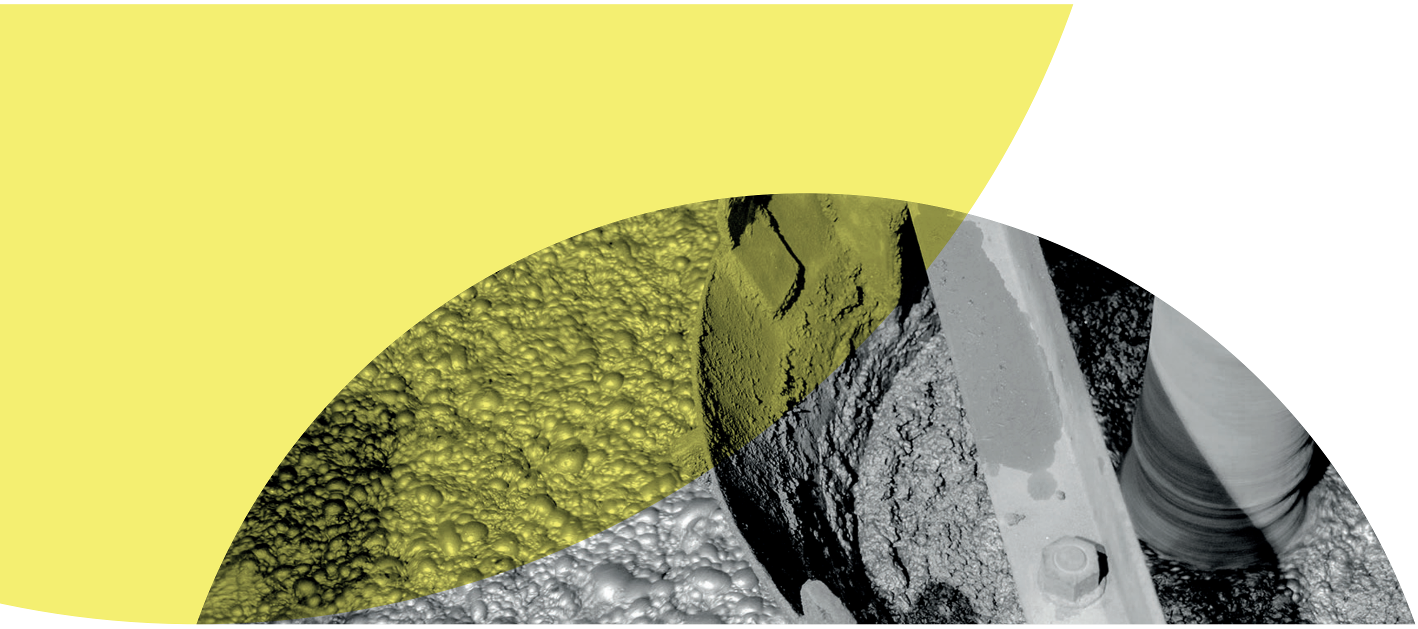
Principal Risks and Uncertainties

Directors have identified the following as the principal risks and uncertainties facing the Company.

Nature of Risk	How we manage it
Funding Risk The Company may need to secure additional funding to cover working capital needs. **Impact** Shortage of cash for operational costs.	The Company has liquid investments in the form of its shares in Minto Metals Corp, expects to receive cash from Minto in the form of debt repayments and future dividends and has the capability to raise funds through equity and loans from shareholders and other sources.
COVID-19 The COVID-19 pandemic affected the operations of many businesses severely in 2020 and 2021 and continues to be an issue for many in 2022. **Impact** The Company's fortunes are linked to those of the Minto mine, which can be affected by quarantine and travel restrictions on its workers.	By following government requirements on quarantining workers, vaccinating employees and using preventative measures on the site, the mine has remained open and operated effectively in the year.
Copper Price Risk The value of the Company is dependent partly on the market value of copper. **Impact** A high copper price will help the Minto mine to provide a return to its investors and make it easier for the Company to raise funds.	Demand for copper is widely considered to be a growth area for the medium term. In addition, management are considering other areas of investment to enable diversification of risk.

Principal Risks and Uncertainties

Nature of Risk	How we manage it
Regulatory Risk As a listed company, Pembridge has to comply with relevant laws and listing rules. **Impact** Failure to comply with regulations can result in penalties.	The Company has appointed experienced management and has advisors whose knowledge of the regulatory environment enables them to ensure compliance.
Human Resources Risk The achievement of the Company's objectives will be dependent on the Company attracting and retaining qualified and motivated staff. **Impact** The efficiency of a particular aspect of the Company's operations could be affected leading to reduced profitability.	The Company has attracted and will retain a qualified team by providing a competitive remuneration policy, which includes financial performance incentives so as to align the team with its shareholders.
Investment Risk The investments the Company makes may fail to generate value. **Impact** The investments are impaired.	Pembridge has a comprehensive investment policy and strategy, as outlined in its Financial Prospects Policy ("FPP") procedures, that will assist in prudent measures being made to identify and perform due diligence on the investments that the Company makes.



Principal Risks and Uncertainties

Business Review & Development

A review of the business and its operations can be found in the Chairman's and Chief Executive's statement on page 2.

Section 172(1) statement

The Board of Pembridge Resources plc is aware that the decisions we make may affect the lives of many people. The Board makes a conscious effort to try and understand the interests of our stakeholders, and to reflect them in the choices we make in creating long-term sustainable success for the business.

The Board views engagement with our shareholders and wider stakeholder groups as essential work. We are aware that we need to listen to each stakeholder group, so that we can understand specific interests, and foster effective and mutually beneficial relationships. By understanding our stakeholders, we can build their needs into the decisions we take.

Throughout this Annual Report, we provide examples of how we:

- Consider the likely consequences of long-term decisions;
- Foster relationships with stakeholders;
- Understand our impact on our local community and the environment; and
- Demonstrate the importance of behaving responsibly.

This section serves as our section 172 statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement. Section 172 of the Companies Act 2006 (CA) requires Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account the following factors (among others) listed in S172:

(a) the likely consequences of any decision in the long term,

(b) the interests of the company's employees,

(c) the need to foster the company's business relationships with suppliers, customers and others,

(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly as between members of the company.

The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Board regularly reviews our principal stakeholders and how we engage each group. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

Response to Covid-19 related issues

The Covid-19 pandemic has impacted how we operate the Company. The team of the Company now works from home with extensive use of conference calling technology and limited in-person meetings. All regulations set by the UK government have been adhered to with respect to Covid-19.

Minto listing

Pembridge and its fellow investors identified a listing as a way to assist Minto to its next phase of development. To this end, they worked together during 2021 and Minto has now raised C$31 million of new equity and is listed on the TSXV. In addition, Pembridge invested USD 3 million in Minto's capital raise, which maintained the Company's share of Minto and added to its potential return from the business.

By order of the Board

Gati Al-Jebouri
Chairman and Chief Executive Officer
28 April 2022

Corporate and Social Responsibility Report (CSR)

Pembridge is committed to complying with all Health and Safety, environmental and social legislation and protecting the health and general wellbeing of its employees. It is committed to preserving the environment.

Environment

As a company focused on mining and renewable energy, concern for the environment is of utmost importance to Pembridge. It is our policy to reduce to a minimum the potential environmental impact of our activities and have a positive impact on the areas in which we operate.

Health, Safety and Security

The health, safety and security of the personnel and communities in which we operate takes priority in the management of our operations. Our goal is to prevent injury and ill health to employees by providing a safe and healthy working environment and by minimising risks associated with occupational hazards. The Company requires the same standards in the businesses in which it invests.

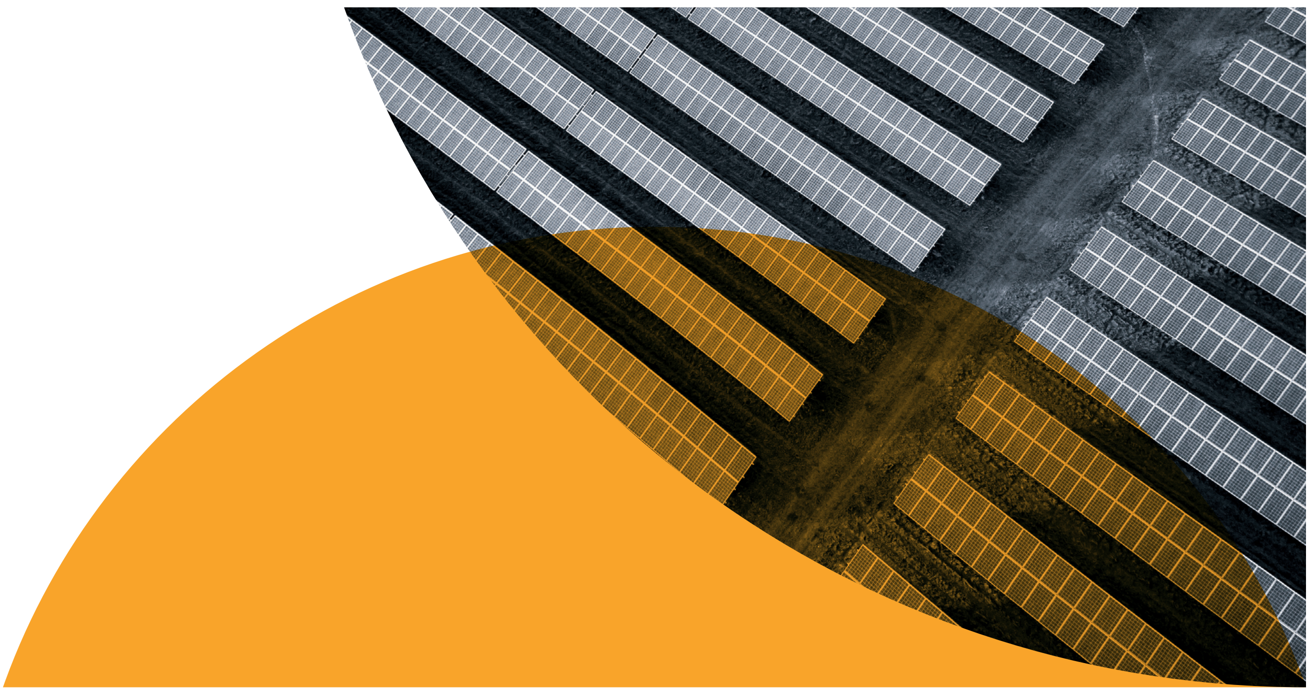
Business Ethics

Pembridge is committed to carrying out all its operations with high moral and legal standards. Pembridge has an anti-corruption and anti-bribery policy which are in line with the requirements of the UK Bribery Act and equivalent legislation in other countries where it operates. Staff and contractors are made aware of their obligations both on recruitment and by periodical updates.

The Strategic Report (comprising the Chairman's and Chief Executive's statement and principal risks and uncertainties) on pages 2-8 was approved by the Board of Directors and was signed on its behalf by Gati Al-Jebouri, Chairman of the Board.

By order of the Board

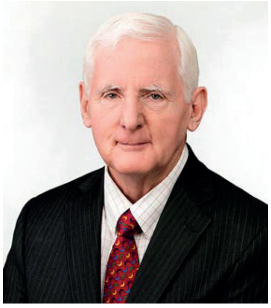
Gati Al-Jebouri
Chairman and Chief Executive Officer
28 April 2022



Board of Directors and Senior Management

Gati Al-Jebouri, *Chairman and Chief Executive Officer*

Mr Al-Jebouri, who was born in Bulgaria in 1969, graduated from the University of Bristol with a Civil Engineering degree in 1990 and from the Institute of Chartered Accountants as a chartered accountant in 1994. In 2001 he was appointed Deputy Minister of Energy of Bulgaria and in 2002 Bulgaria's First Deputy Minister of Finance. His varied career has included working for the accountancy firm KPMG in London and Bulgaria until being recruited to LUKOIL, where he soon became Director of investment and Finance in the London office. In 2003 he became Chief Financial Officer of LITASCO (LUKOIL International Trading and Supply Company), where he rose to Chief Executive Officer two years later. In 2010 he became Executive Director for Finance and Marketing of LUKOIL Mid East Ltd and in 2016 was promoted to Vice President LUKOIL and Head of Middle East Upstream. He has been a Non-Executive Director since 2017 and became Chairman and Chief Executive Officer on 19 September 2019.



Frank McAllister, *Non-Executive Director*

With over 50 years' industry experience, Francis McAllister has held various senior and Board positions in a number of metals and mining companies. He worked with ASARCO Incorporated for 33 years during which he became Chief Financial Officer in 1982 and then Executive Vice President of Copper Operations in 1993. Eventually he became ASARCO's President and Chief Operating Officer before becoming Chairman and Chief Executive Officer in 1999. In 1996 he became an Independent Director of Cliffs Natural Resources Inc and its Lead Director from 2004 to 2013. During the same period, he was also Chairman, CEO and a Director at Stillwater Mining Co, and served as President of the National Mining Association during 2012 and 2013. Francis holds an MBA from New York University, Bachelor of Science in Finance from the University of Utah and attended the Advanced Management Program at Harvard Business School.

Guy Le Bel, *Non-Executive Director*

Guy brings more than 35 years of international experience in strategic and financial mine planning to the Pembridge team. During 2021, Guy was CEO of Aquila Resources Ltd. He successfully turned around the company during 2021 and Aquila was acquired by Gold Resources Corp. at the end of the year. He was previously CEO and CFO of Golden Queen Mining Ltd, and, earlier, was Vice President Evaluations for Capstone Mining Corp, Director of Golden Queen Mining, RedQuest Capital Corp and was VP, Business Development at Quadra Mining Ltd. He also held business advisory, strategy and planning, business valuation, and financial planning management roles at BHP Billiton Base Metals Ltd., Rio Algom Ltd. and Cambior Inc. He has extensive experience across precious and base metals industries in the Americas. Guy holds an MBA Finance from École des Hautes Études Commerciales, a Master Applied Sciences, Mining Engineering - University of British Columbia and a B.Sc. Mining Engineering from Université Laval.

David James, *Chief Financial Officer and Company Secretary*

David is a Chartered Accountant, having qualified with KPMG in 1995. David has had a varied career including time spent in Budapest, Hungary and in blue chip multinational groups, followed by 10 years running his own business as a consolidation and reporting specialist, providing financial reporting services mainly to multinational listed companies before joining the Company in February 2020.

Directors' Report

The Directors present their report and the audited Financial Statements for the year ended 31 December 2021.

General information about the Company is provided in note 1 to the Financial Statements.

Principal activity

The principal activity of Pembridge is to operate as a base and precious metals focussed holding Company.

Business review and future development

A review of the business and future developments of the Company is included within the Chairman and Chief Executive's statement on pages 2 to 4, which forms part of the Strategic Report.

Results and dividends

During the year the Company made a profit of US$20,580,000 (2019 – loss of US$11,193,000). The operating profit for the year of $21,225,000 comprised exceptional gains of $18,571,000 resulting from the assumption of the Capstone liability by Minto Metals Corp. as part of the reverse takeover process, a gain on mark-to-market revaluation of the Company's investment in Minto of US$3,800,000 and administrative costs of $1,146,000. The operating loss in 2020 of $10,954,000 comprised an exceptional expense of US$9,369,000 on revaluing the Capstone liability due to actual and expected increased copper prices and administrative costs of US$1,585,000. The closing cash and cash equivalents balance is US$280,000 (2020: US$16,000). No dividends were paid during the year and the Directors do not recommend payment of a final dividend (2020: $nil).

Going concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will continue operating in the foreseeable future and will be able to service its debt obligations, realise its assets and discharge its liabilities as they fall due.

The Company has a planning, budgeting and forecasting process to determine the funds required to support their operations and expansionary plans. The budget for 2022 assumes that Pembridge starts to receive C$1m quarterly repayments of its C$4m loan from Minto, the first of which was received in March 2022. The first repayment more than covers the interest payable on the $3m convertible loans, which is due in June 2022, and the remaining three instalments of C$1m (c. £589k each as hedged) and interest thereon (expected to be nearly C$1m, to be received in March 2023) will be available to fund the Company's operating costs, to fund new ventures or to start repaying the Company's £4.5m loan (including interest accrued to 31 December 2021) from Gati Al-Jebouri. Minto's dividend policy is not controlled by Pembridge, although Pembridge has one of the seven seats on Minto's Board. However, it is likely that Minto will start to distribute some of its profits in the future which would continue the inflow of cash to Pembridge.

Pembridge does not presently plan to sell its 11.2% holding in Minto, but Minto is now a publicly listed company so this can be done if necessary to raise funds. A restriction on pre-existing owners selling shares means that, as at December 2021, Pembridge could sell only 10% of its shares, but that restriction will lift in the following stages so that it would be possible to sell these shares if the cash proceeds were needed.

10% - no restriction

20% - restriction ends 25 May 2022

30% - restriction ends 25 November 2022

40% - restriction ends 25 May 2023

Having prepared forecasts based on current resources, assessing methods of obtaining additional finance and assessing the possible impact of COVID-19, the Directors believe the Company has sufficient resources to meet its obligations for a period of 12 months from the date of approval of these Financial Statements. Taking these matters into consideration, the Directors continue to adopt the going concern basis of accounting in preparing these Financial Statements. The Financial Statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Post reporting date events

These are set out in note 26 to the financial statements.

Directors

The Directors who served during the year ended 31 December 2021 and up to the date of signing the Financial Statements were as follows:

Gati Al-Jebouri	Chairman and Chief Executive Officer
Francis McAllister	Non-Executive Director
Guy Le Bel	Non-Executive Director

Directors' Report

Substantial shareholders

As at 31 December 2021, the total number of issued ordinary shares with voting rights in the Company was 92,165,156. Details of the Company's capital structure and voting rights are set out in Note 20 to the Financial Statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital on the date these Financial Statements were approved by the Board.

Party Name	Number of Ordinary Shares	% of Share Capital
Gati Al-Jebouri	18,799,716	20.4%
Jonathan Armstrong	6,012,121	6.5%
Frank McAllister	4,663,540	5.1%
Guy Le Bel	3,073,545	3.3%
Richard Calleri	6,756,837	7.3%
Ruggero Maman	5,424,242	5.9%

Capital structure

The Company's capital consists of ordinary shares which rank pari passu in all respects and are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the Company or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors, amend the Company's articles of association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after, or terminate upon, a change of control of the Company following a takeover bid, or arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

Directors' indemnities

Pembridge maintained liability insurance for its Directors and officers during the period and also as at the date of approval of the Directors' Report.

Financial instruments

The financial risk management policies and objectives are set out in detail in Notes 22 and 24 of the Financial Statements.

Information on exposure to risks

Principal risks and uncertainties are discussed in the Strategic Report on page 6, while liquidity risks are covered in Note 22.

Greenhouse gas emissions

The Company consumed less than 40,000 KWh of energy in the United Kingdom during the period for which the Directors' Report is prepared.

Corporate Governance

The Governance Report is presented on pages 13 to 15.

Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these Financial Statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditors, PKF Littlejohn LLP, have expressed their willingness to continue in office and a resolution that they be re-appointed will be proposed at the general meeting.

By order of the Board

Gati Al-Jebouri
Chairman and Chief Executive Officer
28 April 2022

Governance Report

Introduction

Pembridge Resources Plc recognises the importance of, and is committed to, high standards of Corporate Governance. At the date of this Report, and whilst the Company is not formally required to comply with the UK Corporate Governance Code, the Company will try to observe, where practical, the requirements of the UK Corporate Governance Code. The UK Corporate Governance Code can be found at frc.org.uk/our-work/publications/Corporate-Governance.

The Company will comply with QCA Code, as published by the Quoted Companies Alliance, to the extent they consider appropriate in light of the Company's size, stage of development and resources.

The Company is currently a small company with a modest resource base. The Company has a clear mandate to optimise the allocation of limited resources to support its development plans. As such, the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate for the size and maturity of the organisation.

Set out below are the Company's corporate governance practices for the year ended 31 December 2021.

Leadership

The Company is headed by an effective Board which is collectively responsible for the long-term success of the Company.

The role of the Board - The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. To achieve this, the Board directs and monitors the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year, the Board met on 6 occasions.

Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations.

Matters reserved specifically for Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of;

- The Company's overall strategy;
- Financial Statements and dividend policy;
- Management structure including succession planning, appointments and remuneration; material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Company's corporate governance and compliance arrangements; and
- Corporate policies.

Summary of the Board's work in the year **–** During the year, the Board considered all relevant matters within its remit, but focused in particular on the liquidity and financial stability of both the Company and the listing of Minto. Certain other matters are delegated to the Board Committees, namely the Audit and Remuneration Committees.

Attendance at meetings:

Member	Meetings attended
Francis McAllister	6
Guy Le Bel	6
Gati Al-Jebouri	6

All Directors attended 100% of Board meetings they were entitled to attend during the period. The Board is pleased with the high level of attendance and participation of Directors at Board and committee meetings.

The Chairman sets the Board Agenda and ensures adequate time for discussion.

Governance Report

Non-executive Directors - The non-executive Directors bring a broad range of business and commercial experience to the Company and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-executive Directors are initially appointed for a term of three years which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board Committee has access to the advice of the Company Secretary.

The Company Secretary - The Company Secretary role is carried out by the Chief Financial Officer.

Effectiveness

The Board comprises of a combined Chairman and Chief Executive Officer and two independent non-executive Directors. Biographical details of the Board members are set out on page 10 of this report. The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Independence - The Board considers each of the non-executive Directors to be independent in character and judgement.

Appointments – the Board is responsible for reviewing and the structure, size and composition of the Board and making recommendations to the board with regards to any required changes.

Commitments – All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction – All new Directors received an induction as soon as practical on joining the Board.

Conflicts of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation – The company has a policy of appraising Board performance annually. Having reviewed various approaches to Board appraisal, the Company has concluded that for a Company of its current scale, an internal process of regular meetings is most appropriate, in which all Board members discuss any issues as and when they arise in relation to the Board or any individual member's performance.

Although the Board consists of only male Directors, the Board supports diversity in the Boardroom and the Financial Reporting Council's aims to encourage such diversity. The following table sets out a breakdown by gender at 31 December 2021:

	Male	Female
Directors	3	-
Senior Managers	1	-

Accountability

The Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. This is achieved through this report and as required other periodic financial and trading statements.

Going concern - The Company's business activities, together with factors likely to affect its future operations, financial position, and liquidity position are set out in the Directors' Report and the Principal risks and Uncertainties sections of the Strategic Report. In addition, the notes to Financial Statements discloses the Company's financial risk management practices with respect to its capital structure, liquidity risk, foreign exchange risk, and other related matters.

Governance Report

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations and has the ability to access additional financing, if required, over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving Financial Statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Internal controls - The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliance and risk management. The Company has necessary procedures in place for the year under review and up to the date of approval of the Annual Report and Financial Statements. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Directors carry out a risk assessment before signing up to any commitments.

The Audit Committee is made up of the two non-executive directors and regularly reviews and reports to the Board on the effectiveness of the system of internal control. Given the size of the Company and the relative simplicity of the systems, the Board considers that there is no current requirement for an internal audit function. The procedures that have been established to provide internal financial control are considered appropriate for a Company of its size and include controls over expenditure, regular reconciliations and management accounts.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Remuneration

A Remuneration Committee was established during 2019 and is made up of the two non-executive directors. Remuneration paid to Directors in the period under review is disclosed in the Directors' Remuneration Report.

Nomination

Currently due to the size of the Company there is no Nomination Committee.

Shareholder relations

Communication and dialogue – Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim results. All Directors are kept aware of changes in major shareholders in the Company and are available to meet with shareholders who have specific interests or concerns. The Company issues its results promptly to individual shareholders and also publishes them on the Company's website: www.pembridgeresources.com. Regular updates to record news in relation to the Company are included on the Company's website.

The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Company's business, its strategies and governance. Meetings are also held with the corporate governance representatives of institutional investors when requested.

Annual General Meeting - At an AGM, individual shareholders are normally given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 21 working days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld, are announced to the London Stock Exchange and are published on the Company's website as soon as practical after the meeting.

Gati Al-Jebouri
Chairman and Chief Executive Officer
28 April 2022

Directors' Remuneration Report

During 2019 the Company put in place a remuneration committee comprising its two non-executive directors.

The items included in this report are unaudited unless otherwise stated.

Statement of Pembridge Resources Plc's policy on Directors' remuneration

The Company's policy is to maintain levels of remuneration so as to attract, motivate, and retain Directors and Senior Executives of the highest calibre who can contribute their experience to deliver industry leading performance with the Company's operations. Currently Director's remuneration is not subject to specific performance targets.

In 2020, the Company implemented a remuneration policy so that a meaningful proportion of Executive and Senior Management's remuneration is structured so as to link rewards to corporate and individual performance, align their interests with those of shareholders and to incentivise them to perform at the highest levels. No Director takes part in any decision directly affecting their own remuneration. This has not changed in 2021.

Directors' remuneration

The Directors who held office at 31 December 2021 and who had beneficial interests in the ordinary shares of the Company are summarised as follows:

Name of Director	Position	No.of shares held
Gati Al-Jebouri	Chairman and Chief Executive Officer	18,799,716
Francis McAllister	Non-Executive Director	4,663,540
Guy Le Bel	Non-Executive Director	3,073,545

The Directors entered into service agreements at the time of the Company's admission to the main market in August 2018. Mr. Al-Jebouri entered into a new service agreement when he became Chairman and Chief Executive Officer on 19 September 2019. Details of Directors' emoluments and of payments made for professional services rendered are set out below.

Remuneration components

For the year ended 31 December 2021 salaries, fees and share based payments were the main components of remuneration, with health insurance also for the Chief Executive Officer. This is expected to continue in 2022.

Directors' Remuneration Report

Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors for the years ended 31 December 2021 and 2020:

	2021			2020		
	Fees US$'000	**Health insurance US$'000**	**Total US$'000**	**Fees US$'000**	**Health insurance US$'000**	**Total US$'000**
Francis McAllister	17	-	17	26	-	26
Gati Al-Jebouri	236	16	252	301	16	317
Guy Le Bel	17	-	17	26	-	26
Total	270	16	286	353	16	369

Directors beneficial share interests (audited)

The interests of the Directors who served during the year in the share capital of the Company at 31 December 2021 and at the date of this report or their resignation (if earlier) were as follows:

Name of Director	Number of ordinary shares held at 31 December 2021	Number of ordinary shares held as at the date of this report	Number of options / warrants	Number of share options / warrants vested but unexercised
Francis McAllister	4,663,540	4,663,540	1,395,833	1,395,833
Guy Le Bel	3,073,545	3,073,545	1,395,833	1,395,833
Gati Al-Jebouri	18,799,716	18,799,716	8,259,779	2,235,000

Directors' Remuneration Report

Total pension entitlements (audited)

The Company currently has a statutory workplace pension scheme in place but did not pay pension amounts in relation to any Directors.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Payments to past Directors (audited)

The Company has not paid any compensation to past Directors.

Payments for loss of office (audited)

No payments were made to Directors for loss of office during the year.

Consideration of shareholder views

The Board considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Policy on payment for loss of office

Payment for loss of office would be determined by the remuneration committee once appointed, taking into account contractual obligations.

Other matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

Approved on behalf of the Board

Gati Al-Jebouri
Chairman and Chief Executive Officer
28 April 2022

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 Financial Statements in accordance with UK-adopted international accounting standards. 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 Company and of the profit or loss of the Company 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 applicable international accounting standards in conformity with the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the requirements of the Companies Act 2006 and, as regards the Financial Statements, UK-adopted IFRS (UK-adopted international accounting standards). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

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' Responsibility Statement Pursuant to Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on page 10, confirm that, to the best of their knowledge and belief:

- the Financial Statements have been prepared in accordance with UK-adopted IFRS (UK-adopted international accounting standards), and give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the annual report and Financial Statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Independent Auditor's Report to the Members of Pembridge Resources Plc

Opinion

We have audited the financial statements of Pembridge Resources plc (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement 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 UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- 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 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 public interest 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 director's 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 company's ability to continue to adopt the going concern basis of accounting included a review of forecast financial information for a minimum period of 12 months following the date of approval of these financial statements, substantiating key inputs and stress testing the model as considered appropriate. The key considerations relating to the going concern assumption relate to the liquidity of the company's investment in Minto, a publicly listed company, as well as the recoverability of the CAD$4m loan due from Minto, the first CAD$1m instalment of which was received in 2022.

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 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.

Independent Auditor's Report to the Members of Pembridge Resources Plc

Our application of materiality

Materiality 2021	Materiality 2020	Basis for materiality
$210,000	*$88,100*	*2% net assets (2020: 5% of loss before tax)*

The benchmark used to calculate materiality has changed compared to the prior year. In 2020, materiality for the company was based upon the result before tax in order to gain sufficient coverage of expenses in our testing. The circumstances of the company have changed in that it no longer holds an investment in subsidiary related to Minto Explorations Limited, as a result of that entity engaging in a public listing during the year. As a result of this transaction, the company now holds in relation to Minto an interest in a financial instrument accounted for at fair value through profit or loss, which is revalued at each financial year end. We therefore consider net assets to be the key benchmark as the most significant asset, and that of most importance to users of the financial statements, will be the Minto financial asset. As these shares are now highly liquid, their value is also now factored into the directors' assessment of the company's ability to continue to be treated as a going concern. The company also holds several loan balances and the repayment terms of these will have implications for going concern, along with the valuation of the Minto financial asset.

Performance materiality was set at 70% (2020: 70%).

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 involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain, including classification and valuation of certain financial instruments and valuation of share based payments. We also addressed the risk of management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report to the Members of Pembridge Resources Plc

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
Classification and valuation of Minto investment (Note 15)	
During the year, the company's former subsidiary, Minto Explorations Limited ('Minto') became publicly listed under the name Minto Metals Corp ('MNTO') on the TSXV exchange in Canada, through a reverse takeover process. At the time of the listing of Minto on the Canadian stock exchange, the Shareholders' Agreement between the company and the other owners of Minto was terminated. **Pembridge participated in the capital raise and retained its shareholding of 11.2% in Minto Metals, however the share structure changed and therefore Minto Metals now has only one class of shares, meaning the company no longer held 100% of the voting rights with its shareholding, but only 11.2%. Management has concluded that this investment should be treated as a financial asset at fair value through profit or loss.** **There is a risk that this treatment is not appropriate in accordance with the requirements of IFRS 10 Consolidated Financial Statements, IAS 28 Investments in Associates and Joint Ventures and IFRS 9 Financial assets.** **There is a further risk that the investment has not been recorded at the correct value and is therefore materially misstated at the year end.**	Our work in this area included: • Reviewing and providing challenge to management's paper on the classification of the investment balance in accordance with IAS 28 Investments in Associates and Joint Ventures and IFRS 9 Financial Instruments, vouching key assumptions to supporting documentation where applicable; • Ensuring that the asset is correctly classified and recorded in accordance with IFRS 9; and • Recalculating the market value using the year end share price and the number of shares held. Based on work performed, we are satisfied that the investment in Minto has been classified and valued appropriately and in accordance with IFRS.

Independent Auditor's Report to the Members of Pembridge Resources Plc

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 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited 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 directors' responsibilities statement, the directors are responsible for the preparation of the 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 financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Pembridge Resources Plc

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 company and the sector in which it operates 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 and relevant industry experience. We also selected a specific audit team based on experience with auditing entities within this industry facing similar audit and business risks.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from:
    - Disclosure & Transparency Rules
    - Listing Rules
    - Companies Act 2006
    - UK employment law
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management;
    - A review of Board minutes;
    - A review of legal ledger accounts; and
    - A review of RNS announcements.
- 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 there were no other significant risks of material misstatement due to fraud.
- As in all of our audits, 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.

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. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Pembridge Resources Plc

Other matters which we are required to address

We were appointed by the Board of Directors on 10 February 2017 to audit the financial statements for the year ending 31 December 2016 and subsequent financial periods. Our total uninterrupted period of engagement is 6 years, covering the periods ending 31 December 2016 to 31 December 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

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.

Eric Hindson

Eric Hindson
(Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28 April 2022

Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	Year ended 31 December 2021 US$'000	Year ended 31 December 2020 US$'000
Depreciation and amortisation		-	(3)
Administrative, legal and professional expenses		(1,186)	(1,307)
Exceptional items			
– revaluation of Capstone liability	7	(1,429)	(9,369)
– payment of Capstone liability by Minto in March 2021	7	5,000	-
– assumption of the Capstone liability by Minto Metals Corp	7	15,000	-
– mark-to-market valuation of investment in Minto Metals Corp	7	3,800	-
Foreign exchange gain / (loss)		40	(275)
Operating profit / (loss)	7	**21,225**	**(10,954)**
Finance income		274	222
Finance cost	11	(919)	(461)
Profit / (loss) before income tax		**20,580**	**(11,193)**
Income tax	12	-	-
Profit / (loss) for the year		**20,580**	**(11,193)**
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		**20,580**	**(11,193)**

Earnings per share expressed in US cents		Year ended 31 December 2021	Year ended 31 December 2020
Profit / (loss) per share attributable to the equity holders of the Company	13		
- Basic		24.4c	(15.8c)
- Diluted		19.1c	(15.8c)

All amounts relate to continuing activities and are attributable to the shareholders of the Company.

The notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2021
Registered number: 07352056

	Note	31 December 2021 US$'000	31 December 2020 US$'000
Assets			
Non-current assets			
Investment in subsidiary	14	-	9,202
Investments in financial assets	15	16,036	-
Receivable from Minto	16	5,000	3,399
Total non-current assets		21,036	12,601
Current assets			
Trade and other receivables	16	4,157	428
Cash and cash equivalents	17	280	16
Total current assets		4,437	444
Total assets		**25,473**	**13,045**
Non-Current liabilities			
Borrowings	19	(3,000)	(5,198)
Deferred consideration due to Capstone	25	(5,000)	-
Total non-current liabilities		(8,000)	(5,198)
Current liabilities			
Trade and other payables	18	(434)	(214)
Borrowings	19	(6,145)	(20)
Deferred consideration due to Capstone	25	-	(18,571)
Total current liabilities		(6,579)	(18,805)
Total liabilities		**(14,579)**	**(24,003)**
Net assets / (liabilities)		**10,894**	**(10,958)**
Equity			
Share capital	20	1,212	965
Share premium	20	10,000	9,222
Capital redemption reserve		1,011	1,011
Other reserve		293	46
Retained deficit		(1,622)	(22,202)
Equity attributable to shareholders of the Company		**10,894**	**(10,958)**

The Financial Statements were approved and authorised for issue by the Board on 28 April 2022 and signed on behalf of the Board by:

Gati Al-Jebouri
Chairman and Chief Executive Officer

The notes form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital US$'000	Share premium US$'000	Capital redemption reserve US$'000	Other reserve US$'000	Retained deficit US$'000	Total US$'000
Balance at 1 January 2020	**825**	**8,900**	**1,011**	**369**	**(11,483)**	**(378)**
Loss for the year	-	-	-	-	(11,193)	(11,193)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(11,193)	(11,193)
Proceeds from shares issued	140	322	-	-	-	462
Equity element of convertible loan	-	-	-	(53)	-	(53)
Share-based payments	-	-	-	204	-	204
Transfer to retained deficit after surrender of share options	-	-	-	(474)	474	-
Total transactions with owners recognised directly in equity	140	322	-	(323)	474	613
Balance at 31 December 2021	**965**	**9,222**	**1,011**	**46**	**(22,202)**	**(10,958)**
Profit for the year	-	-	-	-	20,580	20,580
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	20,580	20,580
Proceeds from shares issued	247	789	-	-	-	1,036
Direct cost of shares issued	-	(11)	-	-	-	(11)
Share based payments	-	-	-	247	-	247
Total transactions with owners recognised directly in equity	247	778	-	247	-	1,272
Balance at 31 December 2021	**1,212**	**10,000**	**1,011**	**293**	**(1,622)**	**10,894**

The notes form an integral part of these financial statements.

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Share capital	Nominal value of shares issued.
Share premium	Amount subscribed for share capital in excess of nominal value, less share issue costs.
Capital redemption reserve	Reserve created on cancellation of deferred shares.
Other reserve	Cumulative fair value of warrants and share options granted, together with the equity element of the convertible loan.
Retained deficit	Cumulative net gains and losses recognised in the statement of comprehensive income.

Cash Flow Statement

For the year ended 31 December 2021

	Note	Year Ended 31 December 2021 US$'000	Year Ended 31 December 2020 US$'000
Cash flows from operating activities			
Loss for the year		20,580	(11,193)
Adjusted for:			
Net finance costs		645	239
Unrealised FX on debt included in administrative expenses		(31)	232
Depreciation		-	3
Tax charge / (credit)		-	-
Share based payments		247	204
Revaluation of Capstone liability		(3,571)	9,369
Assumption of the Capstone liability by Minto Metals Corp		(15,000)	-
Mark-to-market valuation of investment in Minto Metals Corp		(3,800)	-
Movement in fair value of derivatives		(26)	-
		(956)	**(1,146)**
Movements in working capital			
Increase in trade and other receivables		-	(596)
Decrease in trade and other payables		(55)	(1,524)
Cash used by operations		**(1,011)**	**(3,266)**
Income taxes recovered / (paid)		-	-
Net cash used in operating activities		**(1,011)**	**(3,266)**
Cash flows from investing activities			
Purchase of investments		(3,034)	-
Net cash used in investing activities		**(3,034)**	**-**
Cash flows from financing activities			
Interest payments		-	-
Repayment of borrowings		(20)	(50)
Proceeds from borrowings		3,304	2,471
Proceeds from issuance of shares		1,025	462
Net cash generated from financing activities		**4,309**	**2,883**
Net increase / (decrease) in cash and cash equivalents		**264**	**(383)**
Cash and cash equivalents at beginning of year		16	399
Cash and cash equivalents at end of year	17	**280**	**16**

The notes form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2021

1. NATURE OF OPERATIONS AND GENERAL INFORMATION

The principal activity of the Company is to operate as a mining focused holding Company. The Company has an investment in a listed entity which owns the Minto copper-gold-silver mine in Yukon, Canada.

Pembridge Resources Plc is incorporated and domiciled in England. The address of the Company's registered office is 200 Strand, London, WC2R 1DJ. Pembridge Resources Plc's shares are listed on the Standard Segment of the Official List of the London Stock Exchange.

The Company's Financial Statements are presented in United States dollars (US$), which is also the functional currency of the Company, and rounded to the nearest thousand.

2. BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with UK-adopted international accounting standards.

The Financial Statements have been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on a business combination and contingent consideration measured at fair value.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 4.

Going concern

The Financial Statements have been prepared on a going concern basis, which assumes that the Company will continue operating in the foreseeable future and will be able to service its debt obligations, realise its assets and discharge its liabilities as they fall due.

The Company has a planning, budgeting and forecasting process to determine the funds required to support their operations and expansionary plans. The budget for 2022 assumes that Pembridge starts to receive C$1m quarterly repayments of its C$4m loan from Minto, the first of which was received in March 2022. The first repayment more than covers the interest payable on the $3m convertible loans, which is due in June 2022, and the remaining three instalments of C$1m (c. £589k each as hedged) and interest thereon (expected to be nearly C$1m, to be received in March 2023) will be available to fund the Company's operating costs, to fund new ventures or to start repaying the Company's £4.5m loan (including interest accrued to 31 December 2021) from Gati Al-Jebouri. Minto's dividend policy is not controlled by Pembridge, although Pembridge has one of the seven seats on Minto's Board. However, it is likely that Minto will start to distribute some of its profits in the future which would continue the inflow of cash to Pembridge.

Pembridge does not presently plan to sell its 11.2% holding in Minto, but Minto is now a publicly listed company so this can be done if necessary to raise funds. A restriction on pre-existing owners selling shares means that, as at December 2021, Pembridge could sell only 10% of its shares, but that restriction will lift in the following stages so that it would be possible to sell these shares if the cash proceeds were needed.

10% - no restriction
20% - restriction ends 25 May 2022
30% - restriction ends 25 November 2022
40% - restriction ends 25 May 2023

Having prepared forecasts based on current resources, assessing methods of obtaining additional finance and assessing the possible impact of COVID-19, the Directors believe the Company has sufficient resources to meet its obligations for a period of 12 months from the date of approval of these Financial Statements. Taking these matters into consideration, the Directors continue to adopt the going concern basis of accounting in preparing these Financial Statements. The Financial Statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Notes to the Financial Statements

For the year ended 31 December 2021

3. STANDARDS AND INTERPRETATIONS NOT YET APPLIED BY THE COMPANY

3.1 New and amended standards mandatory for the first time for the financial year beginning 1 January 2022

The following new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Company:

Standard		Effective date
IFRS 16 (Amendments)	Leases – Covid-19-related rent concession beyond 30 June 2021	1 April 2021
IFRS 9, IAS 39 and IFRS 7 (Amendments)	Interest rate benchmark reform - Phase 2	1 January 2021

The Directors believe that the adoption of these standards has not had a material impact on the financial statements other than changes to disclosures.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the condensed interim financial statements are listed below. The Company intends to adopt these standards, if applicable when they become effective.

Standard		Effective date
IAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2023*
IAS 1 (Amendments)	Presentation of Financial Statements	1 January 2023*
IAS 8 (Amendments)	Accounting policies, Changes in Accounting Estimates	1 January 2023*
IFRS 3 (Amendments)	Business Combinations – reference to the Conceptual Framework	1 January 2022*
IAS 16 (Amendments)	Property, plant and equipment	1 January 2022*
IAS 37 (Amendments)	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022*
IFRS 2018-2020 Cycle	Annual Improvements	1 January 2022*
IAS 12 (Amendments)	Income taxes – deferred tax related to assets and liabilities arising from a single transaction	1 January 2023*
IFRS 17 (Amendments)	Insurance contracts – initial application of IFRS 17 and IFRS 9 – comparative information	1 January 2023*

**Subject to UK endorsement*

The Company are evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Company's results or shareholders' funds.

Notes to the Financial Statements

For the year ended 31 December 2021

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, described in Note 5, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognised in the financial statements are as follows:

Financial instruments

Financial assets and liabilities are designated upon inception to various classifications. The designation determines the method by which the financial instruments are carried on the balance sheet subsequent to inception and how changes in value are recorded. The designation may require the Company to make certain judgments, taking into account management's intention of the use of the financial instruments.

Since its listing on the TSXV Exchange, Minto Metals is a listed company whose shares are all voting shares, which means that Pembridge's 11.2% holding does not give the Company control or substantial influence over Minto Metals. As a result, Pembridge now accounts for its investment in Minto Metals not as a subsidiary but as a financial asset, which is revalued on a mark-to-market basis.

Income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

The determination of the ability of the Company to utilise tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets, and what tax rates are expected to be in effect when temporary differences reverse. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realised or the timing of utilizing the losses.

Share based payments

Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant of share options and warrants. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life, volatility and dividend yield and making assumptions about them. The assumptions used for estimating fair value for share based payment transactions are disclosed in Note 21.

Notes to the Financial Statements

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES

Reporting foreign currency transactions in functional currency

In preparing the Financial Statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising, if any, are recognised in profit or loss.

Taxes

Income tax represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable result for the period. Taxable profit or loss differs from reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Compound instruments and borrowings

The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual agreement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar debt instruments. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. Where the nature of the instrument is such that an equity component could exist in principle, but the event that would cause this (such as conversion on a 'fixed for fixed' basis on a sale) is inherently uncertain, no value is attributed to it.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs are expensed in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

On initial recognition, financial assets are recognised at fair value and are subsequently classified and measured at: (i) amortised cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI, but the Company has not so elected in respect of its investment in Minto Metals Corp.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts receivable are measured at amortised cost with subsequent impairments recognised in the statement of income / (loss). Derivative assets are measured at FVTPL with subsequent changes recognised in profit or loss.

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortised cost. All financial liabilities are classified and subsequently measured at amortised cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as amortised cost and carried on the statement of financial position at amortised cost. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of financing costs in the statement of comprehensive income. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy described as follows:

(i) Level 1 – quoted market prices in active markets for identical assets or liabilities

(ii) Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

(iii) Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

External valuers are involved for the valuation of assets and liabilities acquired in a business combination, and significant liabilities such as contingent consideration.

Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Notes to the Financial Statements

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment and collectability of financial assets

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognised based on expected credit losses. This applies to financial assets measured at amortised cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognised for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognised in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortised cost decreases, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks. Any interest earned is accrued monthly and classified as finance income. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in profit or loss as interest expense from discounting obligations.

Employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Earnings per share

Basic earnings / (loss) per share is computed by dividing net earnings available (attributable) to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings / (loss) per share.

The dilutive effect of convertible securities is reflected in diluted earnings / (loss) per share by application of the "if converted" method.

Investment in subsidiary

The Company recognises its investments in subsidiaries at cost, less any provision for impairment.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from proceeds.

Share based payments

The fair value of services received from employees and third parties in exchange for the grant of share options and warrants is recognised as an expense, except for those granted in connection with the issue of new ordinary shares which are shown as a deduction in equity. A corresponding increase is recognised in other reserves in equity. The fair value of the share options and warrants is calculated using an appropriate valuation model. At each reporting period end the Company revises its estimate of the number of options that are expected to become exercisable. The proceeds received net of any attributable transaction costs are credited to share capital (nominal value) and share premium when exercised.

Notes to the Financial Statements

For the year ended 31 December 2021

6. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the Board, who are responsible for allocating resources and assessing performance of the operating segment.

The Company has one operating segment, being investment activities, therefore all IFRS 8 disclosures are incorporated within other notes to the Financial Statements.

7. OPERATING PROFIT / (LOSS)

Audit fees and staff costs are shown in notes 8 and 9.

Exceptional items are analysed below.

	Year Ended 31 December 2021 US$'000	Year Ended 31 December 2020 US$'000
Revaluation of Capstone liability	(1,429)	(9,369)
Payment of Capstone liability by Minto in March 2021	5,000	-
Assumption of the Capstone liability by Minto Metals Corp	15,000	-
Mark-to-market valuation of investment in Minto Metals Corp	3,800	-
	22,371	(9,369)

The payment of the Capstone liability for the acquisition of Minto Exploration Ltd is dependent on certain conditions related to production and copper prices being met. At the end of 2020, the payments were not certain in amount or timing, which meant that the value placed on the liability was less than the maximum possible US$ 20 million. During 2021, all conditions were met and the full balance because payable, which resulted in a further charge of US$1,429,000.

Minto made a payment of US$5 million of the obligation to Capstone in March 2021 on behalf of Pembridge under the terms of the Shareholders' Agreement then in force, which reduced the obligation to US$15 million.

The assumption of the Capstone liability by Minto Metals Corp was part of the reverse take-over process under which Minto Exploration Ltd. amalgamated with 1246778 B.C. Ltd. to form Minto Metals Corp. As part of this process, the Shareholder's Agreement between Pembridge and the other owners of Minto Explorations Ltd. was terminated and Pembridge and Minto Metals Corp ("Minto") executed the Future Expenditures Agreement ("FEA"). As a result of the FEA, Minto assumed the obligations of Pembridge with respect to all outstanding Capstone payments arising under the Share Purchase Agreement for the acquisition of Minto Exploration Ltd. Minto had paid $5 million of the full US$20 million already, so the amount of the promissory note issued by Minto to Pembridge in respect of this was US$15 million. Of this amount, US$10 million was paid prior to 31 December 2021 and the remaining US$5 million is now payable on 15 January 2023.

Subsequent to Minto's reverse take-over process, Minto became a listed company whose shares are all voting shares, under which structure Pembridge's 11.2% holding does not give control of Minto. Until that time, Pembridge did have control of Minto through owning all the voting shares of Minto Exploration Ltd, and accounted for it as a subsidiary, at historic cost. As a result, Pembridge now accounts for its investment in Minto not as a subsidiary but as a financial asset, which is revalued on a mark-to-market basis. The revaluation of the investment from its historic cost to its market value of C$2.50 per share at 31 December 2021 resulted in a gain of US$3,800,000.

8. AUDITOR'S REMUNERATION

	Year Ended 31 December 2021 US$'000	Year Ended 31 December 2020 US$'000
Remuneration receivable by the Company's auditors for the audit of the Financial Statements	41	48
Total remuneration	41	48

Notes to the Financial Statements

For the year ended 31 December 2021

9. EMPLOYEES AND KEY MANAGEMENT

The total Directors' emoluments for the year, including share based payments, were US$286,000 (2020 - US$369,000). Detailed disclosure of Directors' remuneration is disclosed in the Directors' remuneration report on page 16.

The average number of employees in the Company was 2 (2020 – 3).

Key management personnel as defined under IAS 24 have been identified as only the Board of Directors.

	Year Ended 31 December 2021 US$'000	Year Ended 31 December 2020 US$'000
Staff costs		
Wages and salaries	442	766
Social security costs	48	95
Injury protection and health insurance	17	18
Pensions	5	10
Share based payments	247	204
	759	1,093

10. RELATED PARTY TRANSACTIONS

The Company has borrowings from its Chairman and CEO, Gati Al-Jebouri, which which date from 2019 and 2020. These incur interest of 10% per annum and are repayable on 31 December 2022. The Company also pays an arrangement fee in the amount of 6% of the amounts drawn down under the Convertible Loan. Under this facility, the Company had borrowed £3,430,000 (US$4,646,000) at 31 December 2021 and 2020.

The capital raise and listing of Minto on the TSXV were expected to be completed by the end of July 2021. As a result of conditions outside the control of Minto's management, the capital raise and listing were delayed, which led to a postponement to the first cash receipt from Minto from Q3 2021 to Q1 2022. This has impacted the cash flow of Pembridge and, to ensure that the company has sufficient funds to meet all its ongoing obligations, Pembridge's Chairman and CEO, Gati Al-Jebouri, provided an additional facility of up to £200,000, which was approved by the Pembridge Board of Directors and entered into on 21 September 2021. The Facility carries interest at an annual rate of 14%, to be paid upon repayment, and an arrangement fee in the amount of 6% of the amounts drawn down. Under this facility, the Company had borrowed £145,000 (US$196,000) at 31 December 2021.

Gati Al-Jebouri has invested US$500,000 in the convertible loan notes described in note 19.

In December 2021, the Company agreed to a convertible loan of £80,000 with Gati Al-Jebouri. The loan carries no interest and is to be converted to new ordinary shares at an exercise price of 5p on or shortly after 17 May 2022.

11. FINANCE COSTS

	Year Ended 31 December 2021 US$'000	Year Ended 31 December 2020 US$'000
Interest on loans – Loan from Director	674	461
Interest on loans – Convertible loan notes	245	-
	919	461

Notes to the Financial Statements

For the year ended 31 December 2021

12. INCOME TAX

Current tax:	Year Ended 31 December 2021 US$'000	Year Ended 31 December 2020 US$'000
UK corporation tax on the result for the year	-	-
Total current taxation	-	-
Deferred taxation	-	-
Income tax	-	-
Differences explained below:		
Profit / (loss) before tax	20,580	(11,193)
Profit / (loss) before tax multiplied by the standard rate 19% (2020: 19%)	3,910	(2,127)
Effect of:		
Non-qualifying depreciation	-	1
Expenses not deductible	11	1,804
Non-taxable portion of unrealised gains	(4,250)	-
Tax losses for which no deferred income tax asset was recognised	329	322
Yukon mining taxes		
Tax charge / (credit) for the year	-	-
Unrecognised deferred tax asset		
Tax losses UK – excess management expenses	3,350	3,056
	3,350	3,056

The deferred tax assets are currently unrecognised as the likelihood of sufficient future taxable profits does not yet meet the definition of "probable".

The unrecognised deferred tax asset has no expiry period.

Notes to the Financial Statements

For the year ended 31 December 2021

13. EARNINGS PER SHARE

The calculation of basic and diluted loss per ordinary share is based on the following data:

	Year Ended 31 December 2021	Year Ended 31 December 2020
Basic profit / (loss) per share (US cents)	24.4c	(15.8c)
Diluted profit / (loss) per share (US cents)	19.1c	(15.8c)
Weighted average number of shares for basic profit / (loss) per share	84,449,176	70,742,894
Weighted average number of shares for diluted profit / (loss) per share	107,884,498	70,742,894

The basic and diluted result per share have been calculated using the profit attributable to shareholders of the Company of US$20,580,000 (2020: loss US$11,193,000) as the numerator, i.e. no adjustment to profit/(loss) was necessary. The basic and dilutive loss per share for 2020 are the same as the effect of the exercise of share options and warrants would be anti-dilutive.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 21.

14. INVESTMENT IN SUBSIDIARY

	Minto Exploration Ltd. US$'000
At 1 January and 31 December 2020	9,202
At 1 January 2021	9,202
Reclassification (see note 15)	(9,202)
At 31 December 2021	-

15. INVESTMENTS IN FINANCIAL ASSETS

	Minto Metals Corp US$'000	Vulcan Green Copper Ltd. US$'000	Total US$'000
At 1 January 2021	-	-	-
Reclassification (see note 14)	9,202	-	9,202
Additions	3,000	34	3,034
Revaluation to fair market value	3,800	-	3,800
At 31 December 2021	16,002	34	16,036

On the date of Minto's listing, when the investment was reclassified from a subsidiary to a financial asset, the existing shares in Minto owned by the Company had a fair market value, at the subscription price for new shares of C$2.60, of US$13,588,000.

As part of the Minto capital raise that completed with its listing as Minto Metals Corp in 2021, Pembridge invested US$3 million. This maintained Pembridge's interest in Minto at 11.2%. The share structure of Minto Metals Corp, with all shares being voting shares, means that Pembridge does not control Minto Metals Corp. so has not reported it as a subsidiary in these accounts. It is now reported as a financial asset, valued at its fair market value based on its closing share price on TSXV on 31 December 2021 of C$2.50.

In July 2021, the Company made an investment of £25,000 in Vulcan Green Copper Ltd. ("Vulcan") as part of Vulcan's capital raise of £500,000. Vulcan is the holder of the Kitumba Copper project in Zambia and is valued at £3.5 million post capital raise. The Pembridge investment represents just under 1% of Vulcan's share capital.

Notes to the Financial Statements

For the year ended 31 December 2021

16. TRADE AND OTHER RECEIVABLES

	31 December 2021 US$'000	31 December 2020 US$'000
Receivable from Minto	4,106	403
Other receivables	-	-
Prepayments	25	23
VAT and other sales taxes	-	2
Derivative asset	26	-
Trade and other receivables - current	4,157	428
Other receivables – non-current: Receivable from Minto	5,000	3,399

The receivable from Minto due in less than one year is primarily the funding for the surety account, which is to be paid by Minto in quarterly instalments during 2022. The receivable from Minto due in more than one year is Minto's commitment under a promissory note to pay the remaining $5 million due to Capstone on Pembridge's behalf, and this payment is due on 15 January 2023.

17. CASH AND CASH EQUIVALENTS

	Company 31 December 2021 US$'000	Company 31 December 2020 US$'000
Cash and short-term deposits	280	16

18. TRADE AND OTHER PAYABLES

	31 December 2021 US$'000	31 December 2020 US$'000
Accrued interest	245	-
Other payables and accruals	189	214
	434	214

Accrued interest is from the convertible loan notes and will be payable in June 2022.

Other payables are non-interest bearing and normally settled in the month following date of invoice.

Notes to the Financial Statements

For the year ended 31 December 2021

19. BORROWINGS

	31 December 2021 US$'000	31 December 2020 US$'000
Convertible loan notes	3,000	-
Loans from directors	-	5,198
Borrowings – non-current	3,000	5,198
Loans from directors	6,145	-
Other loans - current	-	20
Total borrowings	9,145	5,218

The Company has borrowings from its Chairman and CEO, Gati Al-Jebouri, which incur interest of 10% per annum and are repayable on 31 December 2022, which date from 2019 and 2020. The Company also pays an arrangement fee in the amount of 6% of the amounts drawn down under the Convertible Loan. Under this facility, the Company had borrowed £3,430,000 (US$4,646,000) at 31 December 2020 and 2021.

The capital raise and listing of Minto on the TSXV were expected to be completed by the end of July 2021. As a result of conditions outside the control of Minto's management, the capital raise and listing were delayed, which led to a postponement to the first cash receipt from Minto from Q3 2021 to Q1 2022. This has impacted the cash flow of Pembridge and, to ensure that the company has sufficient funds to meet all its ongoing obligations, Pembridge's Chairman and CEO, Gati Al-Jebouri, provided an additional facility of up to £200,000, which was approved by the Pembridge Board of Directors and entered into on 21 September 2021. The Facility carries interest at an annual rate of 14%, to be paid upon repayment, and an arrangement fee in the amount of 6% of the amounts drawn down. Under this facility, the Company had borrowed £145,000 (US$196,000) at 31 December 2021.

In June 2021, the Company issued convertible loan notes with a value of USD 3 million, with an interest rate of 14%, redeemable after two years, in order that it could participate in Minto's capital raise. The loan notes may be converted into Ordinary Shares in the Company at any time from 1 June 2022 until 31 May 2023 at an exercise price of $0.113 (8p at an exchange rate of £1 - $1.415) at the option of the noteholder. Gati Al-Jebouri has invested US$500,000 in the convertible loan notes. Interest of US$245,000 has been accrued and is disclosed in note 18.

In December 2021, the Company agreed a convertible loan of £80,000 with Gati Al-Jebouri. The loan carries no interest and is to be converted to new ordinary shares at an exercise price of 5p on or shortly after 17 May 2022.

Notes to the Financial Statements

For the year ended 31 December 2021

20. SHARE CAPITAL AND PREMIUM

Allotted, called up and fully paid	Number of ordinary shares	Share Capital – ordinary shares US$000	Share premium US$000	Total US$000
At 1 January 2021	74,406,993	965	9,222	10,187
Proceeds from shares issued	17,758,523	247	778	1,025
At 31 December 2021	92,165,516	1,212	10,000	11,212

Ordinary shares have attached to them full voting, dividend and capital distribution rights (including on a winding up).

On 22 December 2021, the Company issued 3,200,000 new ordinary shares at a price of 5p each, raising proceeds of £160,000 (US$217,000).

On 7 January 2021, the Board of Directors approved the issuance and allotment of 14,250,000 new ordinary shares at a price of 4p each, raising proceeds of £570,000, and of a further 308,523 shares to repay a loan of US$20,250.

On 16 April 2020 the Board of Directors approved the issuance and allotment of 11,175,499 new ordinary shares at a price of 3.3p each, raising proceeds of £368,000. In order to enable this share issue within the rules of the London Stock Exchange the directors agreed to surrender their share options and the following changes were made to the Convertible Loan Agreement with Pembridge's Chairman and Chief Executive Officer, Gati Al-Jebouri:

- removing the right of Mr. Al-Jebouri to convert any of the loans to shares in the Company;
- the maturity date of the loans was extended from 25 October 2021 to 31 December 2022. The extension in maturity corresponds with the Company's expectations with regard to inflow of funds from Minto Explorations Ltd to the Company; and
- In consideration for these changes, the Company agreed to increase the interest rate on the loan from 8% to 10% with effect from 1st May 2020, with the accumulated interest to be paid only at the maturity date of the loan with no interim payments.

To increase the share capital headroom and so enable the share issue in April 2020, the Directors surrendered their rights to options over 4,085,000 shares.

Notes to the Financial Statements

For the year ended 31 December 2021

21. SHARE BASED PAYMENTS

Movements in the number of share options and warrants and their related weighted average exercise prices are as follows:

	2021		2020	
	Options and warrants Number	Average exercise price (pence)	Options and warrants Number	Average exercise price (pence)
Outstanding at 1 January	7,907,466	9.77	7,859,800	19.09
Granted	28,148,673	7.83	7,206,666	5.69
Forfeited	(600,000)	43.40	(7,159,000)	15.90
Outstanding at 31 December	35,456,139	7.66	7,907,466	9.77
Exercisable at 31 December	7,006,666	7.01	1,200,800	36.44

The weighted average remaining contractual life for the share options and warrants outstanding as at 31 December 2021 was 2.2 years (2020: 6.2 years).

The fair value of share-based payment transactions is calculated using the Black-Scholes Option Pricing Model. Key inputs to the model were: volatility 77.75% (2020: 77.75%), risk free rate 0.75% (2020: 0.75%) and dividend yield 0% (2020: 0%). Share options and warrants outstanding at the end of year have the following expiry dates and exercise prices:

Grant-Vest	Expiry date	Exercise price (pence)	2021 Number	2020 Number
2017	2021	43.4	-	600,000
2018	2022	43.4	300,000	300,000
2019	2022	15.625	300,800	300,800
2020-2021	2023	5.00	2,791,666	2,791,666
2020-2021	2030	5.00	3,915,000	3,915,000
2021-2022	2023	8.00	26,548,673	-
2021-2022	2022	5.00	1,600,000	-

Notes to the Financial Statements

For the year ended 31 December 2021

22. FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument, are disclosed in note 5.

The Company held two investments in financial assets at 31 December 2021. The investment in Minto Metals Corp is classified as level 1 under the fair value hierarchy. Vulcan Green Copper Ltd is a private company and the investment in it is classified as level 3 under the fair value hierarchy.

The only other financial assets currently held by the Company are classified as receivables and cash and cash equivalents.

Categories of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities. Because of the conditional nature of the deferred consideration due to Capstone, this balance is shown at fair value and is subject to subsequent remeasurement with changes in fair value being booked to the income statement. As at 31 December 2021, all conditions had been satisfied and the remaining payable to Capstone is recognised in full.

	31 December 2021 US$'000	31 December 2020 US$'000
Financial assets		
At fair value through profit and loss		
Investment in Minto Metals Corp	16,002	-
Investment in Vulcan Green Copper Ltd	34	-
Trade receivables	-	-
At amortised cost		
Minto receivables	9,106	3,802
Other receivables	-	2
Cash and cash equivalents	280	16
	25,442	3,820
Financial liabilities		
At amortised cost		
Trade payables	-	-
Other payables	(434)	(214)
Borrowings	(9,145)	(5,218)
At fair value through profit and loss		
Deferred consideration due to Capstone	(5,000)	(18,571)
	(14,579)	(24,003)

As at 31 December 2021, trade and other receivables are all considered to be recoverable.

The fair value is equivalent to book value for current assets and liabilities at amortised cost.

Notes to the Financial Statements

For the year ended 31 December 2021

The main risks arising from the Company's financial instruments are liquidity risk and foreign currency risk. Interest rate risk is minimised by fixed rate borrowings as described in note 19. The Directors review and agree policies for managing these risks and these are summarised below.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors monitor cash flow on a regular basis and at quarterly Board meetings in the context of their expectations for the business, in order to ensure sufficient liquidity is available to meet foreseeable needs.

The Company's cash at bank is held with institutions with A+ credit ratings (Fitch).

As of December 31, 2021, the Company's liabilities that have contractual maturities were as follows:

		Contractual cash flows					
	Carrying amount US$'000	**Total US$'000**	**2022 US$'000**	**2023 US$'000**	**2024 US$'000**	**2025 US$'000**	**After 2025 US$'000**
Trade and other payables	434	434	434	-	-	-	-
Loan from Director	6,145	6,145	6,145	-	-	-	-
Convertible loan notes	3,000	3,000	-	3,000	-	-	-
Payable to Capstone	5,000	5,000	-	5,000	-	-	-
	14,579	14,579	6,579	8,000	-	-	-

As of December 31, 2020, the Company's liabilities that have contractual maturities were as follows:

		Contractual cash flows					
	Carrying amount US$'000	**Total US$'000**	**2021 US$'000**	**2022 US$'000**	**2023 US$'000**	**2024 US$'000**	**After 2024 US$'000**
Trade and other payables	214	214	214	-	-	-	-
Long term debt	5,218	5,218	20	5,198	-	-	-
Payable to Capstone	18,571	20,000	20,000	-	-	-	-
	24,003	25,432	20,234	5,198	-	-	-

Notes to the Financial Statements

For the year ended 31 December 2021

22. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk management

The carrying amounts of monetary assets and monetary liabilities denominated in a currency other than the relevant company's functional currency at the reporting date are as follows:

	CAD items in a USD functional company 31 December 2021 US$'000	GBP items in a USD functional company 31 December 2021 US$'000	CAD items in a USD functional company 31 December 2020 US$'000	GBP items in a USD functional company 31 December 2020 US$'000
Financial assets				
Other receivables	4,106	-	3,802	2
Cash and cash equivalents	-	280	-	16
	4,106	280	3,802	18
Financial liabilities				
Trade and other payables	-	(189)	-	(214)
Borrowings	-	(6,145)	-	(5,198)
	-	(6,334)	-	(5,412)
	4,106	(6,054)	3,802	(5,394)

Of the receivable from Minto, at 31 December 2021 C$4 million (US$3,166,000) was hedged against GBP using forwards, which provides a partial hedge against the Company's GBP borrowings.

The following table details the Company's sensitivity to a 10% increase and decrease in the US dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and equity where the US dollar strengthens 10% against the relevant currency. For a 10% weakening of the US dollar against the relevant currency, there would be an equal and opposite impact on the profit and equity, and the balances below would be negative.

		31 December 2021 US$'000	31 December 2020 US$'000
Effect on profit / (loss)	+10%	194	159
	-10%	(194)	(159)
Effect on equity	+10%	194	159
	-10%	(194)	(159)

Notes to the Financial Statements

For the year ended 31 December 2021

23. RECONCILIATION OF MOVEMENT IN NET DEBT

2021	At 1 January US$'000	New borrowing US$'000	Interest added to debt US$'000	Debt repaid US$'000	Other cash flows US$'000	Foreign exchange US$'000	At 31 December US$'000
Cash at bank and in hand	16	3,304	-	(20)	(3,020)	-	280
Borrowings	(5,218)	(3,304)	(674)	20	-	31	(9,145)
Net debt	(5,202)	-	(674)	-	(3,020)	31	(8,865)

2020	At 1 January US$'000	New borrowing US$'000	Interest added to debt US$'000	Debt repaid US$'000	Other cash flows US$'000	Foreign exchange US$'000	At 31 December US$'000
Cash at bank and in hand	399	2,471	-	(50)	(2,804)	-	16
Borrowings	(2,049)	(2,471)	(515)	50	-	(233)	(5,218)
Net debt	(1,650)	-	(515)	-	(2,804)	(233)	(5,202)

24. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company considers its capital to be equal to the sum of its total equity, disclosed on the Balance Sheet, and net debt. The Company's objectives when managing its capital are:

- To ensure that the Company and all of its businesses are able to operate as going concerns and ensure that the Company operates within the financial covenants contained within its debt facilities
- To have available the necessary financial resources to allow the Company to invest in areas that may deliver acceptable future returns to investors
- To maintain sufficient financial resources to mitigate against risks and unforeseen events
- To maximise shareholder value through maintaining an appropriate balance between equity and net debt

Notes to the Financial Statements

For the year ended 31 December 2021

25. COMMITMENTS AND CONTINGENCIES

Contingent consideration

On 3 June 2019, the Company acquired all of the outstanding common shares of Minto Explorations Ltd ("Minto") from Capstone Mining Corp (Capstone) ("Minto Acquisition"). The consideration for the Minto comprises up to US$20 million in total payments due to Capstone payable out of future cash flows and realisations from Minto and based on certain hurdles linked to production levels at Minto as well as future copper prices as detailed below. Of the three payments detailed below, the first is contingent only in respect of its timing, whereas payments 2 and 3 are contingent on copper prices reaching certain levels within a specified timeframe.

1. First payment to Capstone of US$5 million will be due at the earlier of when production at Minto has reached a steady state 60% of mill capacity and 31 January 2021 (the 'Restart Date').
2. Second payment to Capstone of US$5 million will be due once production at Minto has reached 60% of mill capacity and the copper price has averaged over US$3.00/lb (US$6,615/t) for two consecutive quarters, within three years of the Restart Date.
3. Final payment to Capstone of US$10 million will be due upon the copper price achieving an average of US$3.50/lb (US$7,717/t) for two consecutive quarters, within three years of the Restart Date.

Because the payments were dependent on the above conditions being met, they were not certain in amount or timing and the Company calculated a fair value as at 31 December 2020 for the total consideration due for the Minto Acquisition as US$18.6 million. During 2021, all conditions were satisfied and the payable to Capstone was recognised in full. Of the US$20 million, US$15 million was paid in 2021 and payment of the remaining US$5 million was deferred by agreement with Capstone until 15 January 2023.

	2021 $'000	2020 $'000
Current	-	18,571
Non-current	5,000	-
	5,000	18,571

26. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 28 January 2022, the Company issued 3,200,000 new ordinary shares at a price of 5p each, raising proceeds of £160,000.

Company Information

Directors	Gati Al-Jebouri Francis Ralph McAllister Guy Le Bel	(Chairman and Chief Executive Officer) (Non-Executive Director) (Non-Executive Director)
Secretary	David James	
Registered office	200 Strand London WC2R 1DJ	
Registered number	07352056 (England and Wales)	
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD	
Bankers	Bank of Scotland St James's Gate 14-16 Cockspur Street London SW1Y 5BL	
Solicitors	Armstrong Teasdale (UK) Limited 200 Strand London WC2R 1DJ	
Brokers	Tavira Securities 88 Wood Street London EC2V 7DA	
Registrars	Link Group 10th Floor Central Square 29 Wellington Street Leeds LS1 4DL	
Website	www.pembridgeresources.com	
TDIM	PERE	

PEMBRIDGE RESOURCES

Pembridge Resources plc Annual General Meeting

22 June 2022

Notice of Annual General Meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK, SOLICITOR, ACCOUNTANT, FUND MANAGER OR OTHER APPROPRIATE INDEPENDENT FINANCIAL ADVISER.

If you have sold or otherwise transferred all of your shares in Pembridge Resources plc (the "**Company**"), you should send this document together with the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee

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Notice of Annual General Meeting

Notice is given that the Annual General Meeting ("**AGM**") of the Company will be held at the offices of Armstrong Teasdale LLP, 38-43 Lincoln's Inn Fields, WC2A 3PE, on 22 June 2022 at 4:00 p.m. to consider, and if thought fit, to pass the resolutions below.

Resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions and resolution 9 will be proposed as a special resolution, and the authorities sought in resolutions 8 and 9 (inclusive) are designed to capture the authorities which the Company would request in the ordinary course.

Ordinary resolutions

1. To receive the Company's audited financial statements for the financial year ended 31 December 2021, together with the Directors' reports and the auditor's reports set out in the annual report for the year ended 31 December 2021 (the "**2021 Annual Report**").
2. To approve the Directors' remuneration report for the year ended 31 December 2021, as set out on pages 16 to 18 of the 2021 Annual Report.
3. To re-elect Gati Al-Jebouri as a director of the Company.
4. To re-elect Guy Le Bel as a director of the Company.
5. To re-elect Frank McAllister as a director of the Company.
6. To re-appoint PKF Littlejohn LLP as auditor of the Company to hold office from the conclusion of this meeting until the conclusion of the next AGM of the Company at which accounts are laid.
7. To authorise the Directors to set the fees paid to the auditor of the Company.
8. THAT the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the Act") to exercise all powers of the Company to allot shares and to grant rights to subscribe for or to convert any securities into ordinary shares (together "**Rights**") in the capital of the Company up to an aggregate nominal amount of £520,000, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, 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 the date falling 15 months after the passing of this resolution, but, in each case, so that the Company may make offers or agreements before the authority expires which would or might require shares to be allotted or Rights to be granted after the authority expires, and so that the Directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Special resolution

9. THAT (subject to passing of resolution 8 set out in the notice of this meeting) the Directors be empowered to allot equity securities (as defined in section 560 of the Act) of the Company for cash, pursuant to the authority of the directors under Section 551 of the Act conferred by resolution 8 above (in accordance with Section 570(1) of the Act), and/or by way of a sale of treasury shares for cash (in accordance with Section 573 of the Act), in each case, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to allotments of equity securities or the sale of treasury shares up to an aggregate nominal amount of £520,000; unless renewed, varied or revoked by the Company in general meeting, such power shall expire at the commencement of the next Annual General Meeting of the Company following the passing of this resolution, but so that the Company may before such expiry make an offer or agreement which would or might require ordinary shares to be allotted or treasury shares to be sold after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the power conferred by this resolution had not expired.

Recommendation

Your board of Directors (the "**Board**") believe that each of the resolutions to be proposed at the AGM is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders vote in favour of all of the resolutions proposed, as the Directors intend to do in respect of their own beneficial holdings.

Attendance at and appointing a Proxy at the AGM

Assuming that the government does not introduce new guidelines between the date of this notice and the AGM regarding Covid-19 that would restrict gatherings, members will be able to attend the AGM in person. If you wish to attend, we request that you inform the Company Secretary beforehand.

The quorum for the AGM is any two shareholders or their proxies / corporate representatives. We are therefore making arrangements for the quorum to be satisfied by the attendance of two directors/employee shareholders. Proceedings will be as brief as possible and we will not be offering refreshments.

Shareholders are strongly encouraged to vote online at www.signalshares.com in accordance with the instructions available on this website. Shareholders are encouraged to return this as early as possible in advance of the AGM in accordance with the procedures set out on the website in order to vote remotely at the AGM and in any event no later than 4.00 p.m. on 20 June 2022.

Following the AGM, the results of the voting will be posted on the Company's website and notified to the London Stock Exchange.

BY ORDER OF THE BOARD

David James
Company Secretary
28 April 2022

Pembridge Resources plc
Registered Office: 200 Strand London WC2R 1DJ

Registered in England No. 07352056

Explanatory notes to the proposed resolutions

Resolutions 1 to 8 (inclusive) will be proposed as ordinary resolutions, which means that for each of those resolutions to be passed, more than half the votes cast must be cast in favour of the resolution. Resolution 9 will be proposed as a special resolution, which means that for such resolution to be passed, at least three-quarters of the votes cast must be cast in favour of the resolution.

Resolution 1 – Receipt of 2021 Annual Report

The Directors are required to lay the Company's audited financial statements and the Directors' and auditor's reports before shareholders each year at a general meeting of the Company. The audited financial statements and the Directors' and auditor's reports for the year ended 31 December 2021 are included in the 2021 Annual Report.

Resolution 2 – Approval of Directors' remuneration report

The Directors' remuneration report, set out in the 2021 Annual Report, summarises, for the year ended 31 December 2021, the major decisions taken on Directors' remuneration, any substantial changes relating to Directors' remuneration made during the year, and the context in which those changes occurred and decisions have been taken. It provides details of the remuneration paid to Directors in respect of the year ended 31 December 2021, including base salary, taxable benefits, short-term incentives (including percentage deferred), long-term incentives vested in the year, pension-related benefits, any other items in the nature of remuneration and any sum(s) recovered or withheld during the year in respect of amounts paid in earlier years. The Directors' Remuneration Report is subject to an annual advisory shareholder vote by way of an ordinary resolution; resolution 2 is to approve the Directors' Remuneration Report.

Resolutions 3 to 5 – Individual re-election of Directors

In accordance with the UK Corporate Governance Code (the "**Code**") and the Articles, every Director will stand for re-election at the AGM. Biographical details of each Director are set out below. Over half of the Directors standing for re-election/election are Non-executive Directors who are considered independent under the Code.

Gati Al-Jebouri - Chairman

Mr Al-Jebouri, who was born in Bulgaria in 1969, graduated from the University of Bristol with a Civil Engineering degree in 1990 and from the Institute of Chartered Accountants as a chartered accountant in 1994. In 2001 he was appointed Deputy Minister of Energy of Bulgaria and in 2002 Bulgaria's First Deputy Minister of Finance. His varied career has included working for the accountancy firm KPMG in London and Bulgaria until being recruited to LUKOIL, where he soon became Director of investment and Finance in the London office. In 2003 he became Chief Financial Officer of LITASCO (LUKOIL International Trading and Supply Company), where he rose to Chief Executive Officer two years later. In 2010 he became Executive Director for Finance and Marketing of LUKOIL Mid East Ltd and in 2016 was promoted to Vice President LUKOIL and Head of Middle East Upstream. He has been a Non-Executive Director since 2017 and became Chairman and Chief Executive Officer on 19 September 2019.

Frank McAllister – Non-Executive Director

With over 50 years' industry experience, Frank McAllister has held various senior and board positions in a number of metals and mining companies. He worked with ASARCO LLC for 33 years during which he became Chief Financial Officer in 1982 and then Executive Vice President of Copper Operations in 1993. Eventually became ASARCO's President and Chief Operating Officer before becoming Chairman and Chief Executive Officer in 1999. In 1996 he became an Independent Director of Cliffs Natural Resources Inc and its Lead Director from 2004 to 2013. From 2001 to 2013, Mr McAllister was chairman and chief executive officer of Stillwater Mining Company. Mr McAllister also served as president of the National Mining Association between 2012 and 2013. Mr McAllister holds an MBA from New York University, Bachelor of Science in Finance from the University of Utah and attended the Advanced Management Program at Harvard Business School.

Guy Le Bel - Non-Executive Director

Guy brings more than 35 years of international experience in strategic and financial mine planning to the Pembridge team. During 2021, Guy was CEO of Aquila Resources Ltd. He successfully turned around the company during 2021 and Aquila was acquired by Gold Resources Corp. at the end of the year. He was previously CEO and CFO of Golden Queen Mining Ltd, and, earlier, was Vice President Evaluations for Capstone Mining Corp, Director of Golden Queen Mining, RedQuest Capital Corp and was VP, Business Development at Quadra Mining Ltd. He also held business advisory, strategy and planning, business valuation, and financial planning management roles at BHP Billiton Base Metals Ltd., Rio Algom Ltd. and Cambior Inc. He has extensive experience across precious and base metals industries in the Americas. Guy holds an MBA Finance from École des Hautes Études Commerciales, a Master Applied Sciences, Mining Engineering - University of British Columbia and a B.Sc. Mining Engineering from Université Laval.

Resolution 6 – Re-appointment of auditor

The Company is required to appoint an auditor at each general meeting at which accounts are laid before shareholders, to hold office until the next such meeting. The Audit Committee has reviewed the effectiveness, performance, independence and objectivity of the existing external auditor, PKF Littlejohn LLP, on behalf of the Board, and concluded that the external auditor was in all respects effective.

Resolution 7 – Authority to agree auditor's remuneration

This resolution authorises the Directors, in accordance with standard practice, to negotiate and agree the fees to be paid to the auditor. In practice, the Audit Committee will consider and approve the remuneration of the auditor on behalf of the Board.

Resolution 8 – Authority to allot shares

This resolution seeks shareholder approval to grant the Directors the authority to allot shares in the Company, or to grant rights to subscribe for or convert any securities into shares in the Company ("**Rights**") pursuant to section 551 of the Act (the "**Section 551 authority**").

The authority contained in the resolution will be limited to an aggregate nominal amount of £520,000 and would give the Directors authority to allot shares in the Company or grant Rights in connection with a rights issue up to aggregate nominal amount of £520,000, representing approximately 55 per cent of the issued share capital (excluding shares held in treasury) as at 28 April 2022, being the last practicable date prior to the publication of this notice. This number of shares represents 20% of the present share capital, which may be issued without need for issuing a prospectus, and the number of shares that would additionally have to be issued in the event that the holders of the Company's US$3 million of convertible loan notes elect to convert those loan notes into shares, in the event of which a prospectus is to be prepared.

The Company does not hold any shares in treasury.

If approved, the Section 551 authority shall, unless renewed, revoked or varied by the Company, expire at the end of the Company's next AGM after the resolution is passed or, if earlier, at the close of business 15 months after the passing of this resolution. The exception to this is that the Directors may allot shares or grant Rights after the authority has expired in connection with an offer or agreement made or entered into before the authority expired. The Directors have no present intention to exercise the Section 551 authority.

Resolution 9 – Partial disapplication of pre-emption rights

This resolution seeks shareholder approval to grant the Directors the power to allot equity securities of the Company pursuant to section 570 and 573 of the Act (the "Section 570 and 573 power") without first offering them to existing shareholders in proportion to their existing shareholdings.

The power in resolution 9 will be limited to allotments for cash up to a maximum nominal value of £520,000, representing approximately 55 per cent of the issued share capital (excluding shares held in treasury) as at 28 April 2022, being the last practicable date prior to the publication of this notice.

Explanatory notes as to the proxy, voting and attendance procedures at the Annual General Meeting

The following notes explain your general rights as a shareholder and your right to attend and vote at this AGM or to appoint someone else to vote on your behalf. Members are entitled to appoint a proxy/proxies to exercise all or any of the rights to vote on their behalf at the meeting.

A form of proxy for the AGM does not accompany this Document. Instead, if you would like to vote on the Resolutions you can:

(a) submit a proxy vote online at www.signalshares.com. You will need to log into your online account, or register if you have not previously done so. To register you will need your Investor Code, which is detailed on your share certificate and is available from our registrars, Link Group. Once logged on, you can click on the 'Vote Online Now' button to vote;

(b) in the case of CREST members only, complete a CREST Proxy Instruction as set out in the Notes to the Notice of Annual General Meeting; or

(c) submit a hard copy form of proxy (appointing the Chairman of the AGM as your proxy). You may request this directly from our registrars, Link Group, by calling 0371 664 0300. Alternatively, you can request a hard copy proxy card by emailing shareholderenquiries@linkgroup.co.uk. Hard copy proxy forms must be returned to the Company's registrars at Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

1. To be entitled to attend and vote at the AGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at close of business on 20 June 2022 (or, in the event of any adjournment, close of business on the date which is 48 hours before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

   A member of the Company entitled to attend and vote at the meeting convened by the notice set out above is entitled to appoint one or more proxies to exercise all or any of its rights to attend and to speak and vote in that member's behalf at the meeting. A proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share. A form of proxy which may be used to make such appointment and give proxy instructions can be requested from Link Group on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group is open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales, and calls may be recorded and randomly monitored for security and training purposes.

2. In the case of joint holders, where more than one of the joint holders purport to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first name being the most senior).

3. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote to abstain from voting at his/her discretion. Your proxy will vote (or abstain from voting) as he/she thinks fit in relation to any other matter which is put to the AGM.

4. To be valid, any instruction appointing a proxy must be received at the Company's Registrar by no later than 4.00 p.m. on 20 June 2022. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the Registrar before the latest time for the receipt of proxies will take precedence.

5. The submission of a form of proxy, other such instrument or any CREST Proxy Instruction (as described in note 8 below) will not preclude a member from attending and voting at the meeting in person.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com). 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.

7. 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 the specifications of Euroclear UK & International Limited, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, to be valid, be transmitted so as to be received by Link Group (participating ID RA10 by the latest time for receipt of proxy appointments specified in this 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 Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

8. CREST members and, where applicable, their CREST sponsors, or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. 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, 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 system provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. 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.

9. 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 no more than one corporate representative exercises powers in relation to the same shares. A resolution of the directors, or other governing body, of the corporation will be required in order to evidence the valid appointment of the corporate representative, in accordance with section 323 of the Act.

10. Members may not use any electronic address (within the meaning of section 333(4) of the Act) provided either in this notice of meeting or any related documents to communicate with the Company for any purposes other than those expressly stated.

11. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

12. As at 28 April 2022 (being the last practicable date prior to any publication of this notice) the Company's issued share capital consists of 95,365,516 Ordinary Shares carrying one vote each.

A copy of this Notice, and other information required by Section 311A of the Act, can be found on the Company's website at www.pembridgeresources.com.

Shareholder enquiries

If you have any questions, please call the Company's Registrars, Link Group, on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you may send an email to enquiries@linkgroup.co.uk

PEMBRIDGE
RESOURCES

E : info@pembridgeresources.com

www.pembridgeresources.com