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Cobra Resources PLC
28 April 2023

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28 April 2023

**Cobra Resources plc**
("Cobra" or the "Company")

**Final Results for the Year Ended 31 December 2022**

Cobra, a gold, rare earth and IOCG exploration company focused on the Wudinna Project in South Australia, announces its final results for the year ended 31 December 2022.

## Highlights

- Executed several exploration programmes including 4,000m of Aircore ("AC") drilling, 800m of Reverse Circulation ("RC") drilling, re-analysis of over 275 historical drillhole samples, and multiple geophysical surveys
- Programme defined Rare Earth Elements ("REE") resource above and proximal to gold mineralisation, as well as further along-strike gold mineralisation at the Clarke prospect
- Raised total of £2,279,500 through private placements to fast-track rare earth and gold resource growth through exploration activities, and provide sustaining capital
- Awarded additional exploration tenements considered highly prospective for gold and rare earth mineralisation, expanding Cobra's Gawler Craton landholding to 3,621 $km^2$
- Cash and cash equivalents at year-end of £1,272,742 (31 December 2021: £264,480)

## Post Year End

- Published in January 2023 a maiden rare earth JORC Mineral Resource of 20.9 Mt at 658 ppm Total Rare Earth Oxides, enabling a strategic baseline to advance an economically beneficial combination of gold and rare earth resources
    - o Defined significant rare earth Exploration Target at the Thompson prospect demonstrating district scale potential of rare earth mineralisation at Wudinna
- Completed in March 2023 20 RC drillholes for 2,466m across Barns, White Tank and Clarke prospects aimed at gold resource expansion
    - o Drilling intersected encouraging geology supportive of further gold and rare earth mineralisation across all three prospects
    - o Assays submitted to laboratory with initial results expected imminently
- Commenced in March 2023 a 6,000m AC drilling programme targeting rare earth resource expansion and other objectives
- Announced in April 2023 the fulfillment of Stage 3 expenditure obligations to increase ownership of the Wudinna Project to 75%

**Greg Hancock, Chairman of Cobra, commented:**

"I am pleased to report on a year of exceptional advancement for Cobra, where we have not only expanded the extent of gold mineralisation outside of our existing gold resources, but defined a complementary opportunity in overlying rare earth mineralisation.

The Company is now in the enviable position to expand complementary gold and rare earth resources in a time where fiscal uncertainty is driving a rising gold market and the ethical sourcing of rare earths is critical to global decarbonisation through electrification. To have this opportunity in a single project benefitting from close spatial proximity of resources in an attractive mining jurisdiction is an advantage not many junior explorers can claim."

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The person who arranged for the release of this announcement was Rupert Verco, Managing Director of the Company.

**About Cobra**

Cobra is defining a unique multi-mineral resource at the Wudinna Project in South Australia's Gawler Craton, a tier one mining and exploration jurisdiction which hosts several world-class mines. Cobra's Wudinna tenements, totalling 3,261 $km^2$, contain extensive orogenic gold mineralisation and are characterised by potentially open-pitable, high-grade gold intersections, with ready access to infrastructure. Cobra has 22 orogenic gold targets outside of the current 211,000 Oz gold JORC Mineral Resource Estimate. In 2021, Cobra discovered rare earth mineralisation proximal to and above the gold mineralisation which has been demonstrated to be regionally scalable. In 2023, Cobra published a maiden rare earth JORC Mineral Resource Estimate of 20.9 Mt at 658 ppm Total Rare Earth Oxides enabling a strategic baseline to advance an economically beneficial combination of gold and rare earth resources.

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## CHAIRMAN'S STATEMENT

### INTRODUCTION

I am pleased to report on a year of exceptional advancement for Cobra, where we have not only expanded the extent of gold mineralisation outside of our existing gold resources, but defined a complementary opportunity in overlying rare earth mineralisation.

The team's approach to defining the economic potential of rare earths at Wudinna has been considered and cost efficient. Initial metallurgy demonstrates significant economic potential, whilst the knowledge gained of the geological process that both enriches and develops various rare earth mineral phases places us in a position to discover further rare earth mineralisation with higher quantities of ionic mineralisation, and to advance metallurgical testing of our defined rare earth resource.

During the year, we were awarded a South Australia Advanced Discovery Initiative ("ADI") grant that has enabled us to test multiple geophysical processes that have defined a number of targets peripheral to the Clarke prospect and highlighted geophysical characteristics that define both gold and rare earth mineralisation.

The Wudinna landholding was strategically grown during the year through the awarding of additional mineral exploration tenements, which now see the Company's Gawler Craton land tenure totalling 3,621 $km^2$.

In the midst of a year of significant rising expenses across our sector, the team has managed to execute a number of exploration programmes, including a regional Rotary Air Blast ("RAB") programme and the aforementioned geophysical surveys, whilst we also defined over 15 rare earth occurrences through re-analysis of historical drill samples. Despite an unseasonably wet spring reducing our Reverse Circulation ("RC") programme, the results of drilling extended gold mineralisation at the Clarke prospect to over 600m.

The Company is now in the enviable position to expand complementary gold and rare earth resources in a time where fiscal uncertainty is driving a rising gold market and the ethical sourcing of rare earths is critical to global decarbonisation through electrification. To have this opportunity in a single project benefitting from close spatial proximity of resources in an attractive mining jurisdiction is an advantage not many junior explorers can claim.

**BACKGROUND**

Cobra began life as a publicly listed company with the aim of finding suitable precious, base or other energy metals and minerals projects in Australia or Africa. During 2019, the Board identified several potentially suitable projects, which were reviewed in detail to evaluate their strengths, growth potential and long-term value to shareholders.

The Wudinna Project has been the Company's primary focus since acquiring earn-in rights to the project in 2019 through the negotiation of the "Wudinna Heads of Agreement". The primary objective of the Company's exploration focus to date has been to add to the existing 211,000 Oz gold JORC Mineral Resource Estimate. The articulated strategy to achieve this has been through refining resource extension opportunities, and defining near-resource targets through low-cost, high-value geochemical domaining of elemental signatures reflective of existing gold mineralisation.

Since Cobra's involvement in the Wudinna Project began in 2019, the Company's approach to exploration has been to provide considered exposure to exploration success across a range of commodities, considerate of cost and discovery potential from a world-class mineral domain.

The balance of exploration activities executed in 2022 have focused on our three-pronged approach:

1. Systematically grow existing gold resources towards 1 million Oz
2. Define the mineral potential of rare earths
3. Advance high-value IOCG targets

Our strategy is to advance exploration targeting by endorsing technological advancement and implementing cost-effective exploration, where targets are de-risked through geophysical and geochemical definition, yielding a pipeline of targets from concept through to resource definition.

Owing to the discovery of rare earths at the Clarke prospect in 2021, the Company defined a strategic and cost-efficient exploration programme with dual considerations to advance gold resources, expand on the rare earth discovery to define economic potential and advance copper-gold targets.

The Company's adopted approach maximises value from existing datasets, and minimises costs and environmental disturbance. The Company was awarded a South Australian ADI grant to execute two geophysical programmes aimed at testing new techniques to define the magnetic and resistive features of mineralised structures at the Clarke prospect, advancing prospect growth, and identifying other regional targets.

Rare earth mineralisation has been defined across 15 targets where grades and intersections are of economic interest. Through re-analysis and Aircore drilling, sufficient drill density enabled the Company to announce a post-period, maiden Rare Earth Elements ("REE") JORC resource estimate of 20.9 Mt at 658 ppm Total Rare Eearth Oxides ("TREO") where Magnet Rare Earth Oxides ("MREO") equate to 23.6% of the TREO. The rare earth mineral resource occurs above and proximal to a defined 94, 000 Oz gold resource at the Baggy Green prospect and overlies 500m of intersected gold mineralisation at the Clarke prospect.

The regional rare earth prospectivity of the project is demonstrated by the defined Exploration Target at the Thompson prospect of 81-233 Mt at an average grade of 640-856 ppm TREO.

The defined rare earth resource from just 12 months of rare earth focused work, together with its complementary nature to the Company's 211,000 Oz gold resource, places the Company in a unique position to grow dual commodity resources.

Through the 2022 exploration programme, the Company has achieved the 75% project earn-in milestone defined under the terms of the Wudinna Heads of Agreement between Lady Alice Mines Pty Ltd (a Cobra Resources Company) and Peninsula Resources (an Andromeda Metals subsidory). Both parties are working to consolidate the structure in which the parties intend to progress the Wudinna Project.

**OPERATIONAL REVIEW**

Results from the 2022 exploration programme have been transformative in defining a rare earth resource that is complementary to a growing gold resource. The 2022 exploration programme included:

- The re-analysis of samples from over 275 (13,150m) historical drillholes testing for lanthanides
- Drilling of 91 Aircore drillholes for over 4,000m
- 28.2 line km of Loupe TEM profiling at the Clarke prospect
- 12.6 line km of Controlled Source Audio-Frequency Magnetotellurics at the Clarke prospect

- 800m of RC drilling at the Clarke prospect

**Rare Earth Re-analysis of Historical Drill Samples**

Available samples from historical drilling enabled the evaluation and definition of rare earth mineralisation across gold resources and regional gold targets. Signature intersections yielded from re-analysis included:

Clarke prospect:

- WUD6-0561 intersected a true width of 7m at 1,465 ppm TREO from 41m, including 6m at 2,499 ppm TREO from 42m
- WUD6-0552 intersected 12m at 1124 ppm TREO from 18m

Thompson prospect:

- SCH-0922 intersected 31m at 1,427 ppm TREO from 12m, including 12m at 3,168 ppm TREO from 12m
- KO11S-1133 intersected 30m at 1,124 ppm TREO (MREO 27%) from 18m, including 18m at 1,445 ppm TREO from 24m
- KO11S-1074 intersected 15m at 1,198 ppm TREO (MREO 29%) from 18m
- SCH-0939 intersected 6m at 1,839 ppm TREO from 36m

Baggy Green prospect:

- WUD6-0763 intersected 22m at 716 ppm TREO from 12m
- WUD6-0685 intersected 30m at 681 ppm TREO from 18m

Anderson prospect:

- WUD1-0231 intersected 18m at 2,024 ppm TREO from 24m, including 12m at 2,767 ppm TREO from 30m, above the previously reported 1m at 1.013 g/t gold from 79m
- WUD1-0383 intersected 40m at 641 ppm TREO from 12m, including 6m at 1,077 ppm TREO from 36m
- WUD1-0328 intersected 15.6m at 612 ppm TREO from 15.5m

**Aircore Drilling Programme**

Aircore drilling was used to follow-up rare earth re-analysis results, de-risk follow-up gold focused RC drilling at Clarke, and to provide geochemical samples to refine IOCG targets 1-3. Through this programme, Cobra:

- Defined further gold mineralisation at Clarke, where CBAC0014 intersected 12m at 1.25 g/t gold from 18m, increasing the intersected strike extent at Clarke beyond 500m
- Refined further gold targets at Clarke, where broad zones of gold in saprolite has been defined north of previously intersected gold mineralisation. In comparison to drilled mineralisation zones, the anomalous zones northwest of Clarke are more significant, supporting further mineralisation down-dip and along-strike where notable saprolite intersections included:
    - 16m at 0.22 g/t gold from 12m, including 2m at 0.9 g/t gold from 16m [CBAC0020]
    - 12m at 0.29 g/t gold from 18m [CBAC0013]
    - 18m at 0.14 g/t gold from 14m [CBAC0007]
    - 6m at 0.31 g/t gold from 16m [CBAC0027]
    - 10m at 0.16 g/t gold from 10m [CBAC0016]
    - 12m at 0.10 g/t gold from 20m [CBAC0009]
    - 8m at 0.12 g/t gold from 50m [CBAC0017]
- Expanded the zone of high-grade rare earth mineralisation at Clarke, with significant intersections demonstrating basket assemblages, lithologies and environmental conditions supportive of ionic adsorption mineralisation. Signature intersections included:
    - 14m at 3,703 ppm TREO from 18m, including 6m at 6,648 ppm TREO from 22m [CBAC0021]
    - 10m at 2,220 ppm TREO from 42m, including 2m at 8,163 ppm TREO from 48m [CBAC0022]
    - 34m at 854 ppm TREO from 16m, including 4m at 1,205 ppm TREO from 34m [CBAC0023]
    - 26m at 928 ppm TREO from 14m, including 6m at 2,046 ppm TREO from 22m [CBAC0027]

- Yielded numerous rare earth intersections across nine regional targets, demonstrating regional scalability and prospectivity for clay-hosted rare earth mineralisation, where high-grade mineralisation supports scalable footprints:

    - o At Thompson, where CBAC0085 intersected 32m at 1,336 ppm TREO from 8m, with the MREO equating to 25% of the TREO
    - o At Barns, peripheral to the gold resource where CBAC0065 intersected 32m at 920 ppm TREO from 24m, with the MREO equating to 26% of the TREO
    - o At Anderson, where CBAC0075 intersected 8m at 2,535 ppm TREO from 18m, with the MREO equating to 29% of the TREO
    - o At Bradman, where CBAC0059 intersected 10m at 869 ppm TREO from 32m, with the MREO equating to 24% of the TREO

- Tested saprolite above three of the Company's IOCG geophysical targets, where geochemical analysis demonstrates prospectivity for copper/gold porphyry style mineralisation

Due to the complexity of rare earth mineralisation, the Company's approach to defining the economic potential of rare earth mineralisation was to identify rare earth mineral phases, confirm clay adsorption and confirm metallurgical potential. This was successfully achieved through collaborations with a number of academic and world-leading research institutions. Technical studies implemented to define rare earth mineralisation potential at the Wudinna Project included:

**Mineralogical** determination by X-Ray Diffraction ("XRD") analysis, performed by the Commonwealth Scientific and Industrial Research Institute ("CSIRO"), where:

- XRD analysis supports that a component of rare earth bursary is adsorbed to the primary clay particles, being kaolin and montmorillonite, in similar fashion to the highly desirable IAC hosted deposits of southern China

**Lithological analysis** by HyLogger Spectral Analysis, performed by the Geology Survey of South Australia ("GSSA"), which has demonstrated:

- Strong associations between elevated rare earths, kaolinite quantity, and reducing crystallinity
- Strong associations between muscovite and phengite to gold mineralisation

**Rare earth phase** determination by Scanning Electron Microscopy ("SEM") performed by the Critical Minerals Institute ("UniSA") highlighted:

- Primary rare earth enrichment in alteration mineral assemblages associated with hydrothermal gold mineralisation
- Secondary rare earth minerals formed within the saprock, where grade peaks are not directly associated with elevated phosphate
- Elevated rare earth grades in clays where primary and secondary rare earth phases are low

**Diagnostic metallurgical testing** carried out by the Australian Nuclear Science and Technology Organisation ("ANSTO") focused on extraction techniques adopted to ionic phase mineralisation using $H_2SO_4$ as a lixiviant, yielding recoveries of up to 34% TREE from samples across two holes at Clarke at ambient temperatures.

**Identification of clay adsorption potential** from Aircore and RC drill samples. The Company tested the sample acidity/alkalinity via standard soil pH tests of over 240 samples. The resultant dataset highlight a strong association between elevated grades and pH ranges 6-7 and 9-10. These conditions are identified through academia as being conditions that best promote physisorption; the process in which REEs ionically bind to clay particles.

**Advanced Discovery Initiative Geophysical Surveys**

In June 2022, the Company executed a 28.2 line km Loupe TEM survey at the Clarke prospect, which:

- Confirmed that defined gold mineralisation at Clarke is located along distinct linear terminations bordering highly conductive zones. This is interpreted to represent redial shear structures promoting dilation under N-S compression
- Identified four additional repeat structures, branching from the major regional E-W fault, within the survey. These are interpreted as structural juxtaposition or "dilatational jolts" prospective for further gold

mineralisation and warrant follow-up drill testing

- Defined three conjugate NE trending structures north of Clarke which correlate with highly anomalous gold in saprolite intersected in recent Aircore drilling

- Demonstrated that high-grade rare earth mineralisation correlates to highly conductive zones that define troughs of deep saprolite weathering
- Validated a cost-efficient method of defining and modelling zones prospective for rare earth mineralisation

Across November and December 2022, the Company engaged Zonge Geophysics to execute a 12.6 line km of Controlled Source Audio-Frequency Magnetotellurics ("CSAMT") at the Clarke prospect, which demonstrated that:

- Increases in saprolite depth are locally related to structures containing gold mineralisation, hydrothermal alteration, sulphides and subsequently elevated rare earths. Deeper weathering profiles are considered to be a product of acidic weathering conditions that result from the presence of sulphides

- A zone of moderate conductivity immediately adjacent to the interpreted Clarke gold-bearing structure is interpreted to reflect sodic alteration associated with gold mineralisation

- Regional, unmineralised structures display different geophysical responses to localised mineralised structures. These include shallow saprolite weathering and strong conductive down-plunge responses that are thought to be related to the presence of saline groundwater

- Gold mineralisation is contained in second order structures where dilation is likely increased by the relative proximity to primary structures, and alteration subsequently yields a de-magnetised geophysical response

Structural observations made through the CSAMT survey have been applied to the regional Airborne Electromagnetic ("AEM") survey conducted by Newmont in 2004. A number of demagnetised zones are interpreted to contain first and second order structures and are comparable to the structural interpretation at the dual gold and rare earth Clarke prospect. Results support basement interpretations and structural inferences derived from the Loupe TEM survey completed in November 2022.

Seven additional targets with structural similarities and corresponding to anomalous gold in calcrete were added to the March 2023 RC drill programme.

**RC Drilling at the Clarke Prospect**

A total of 11 RC holes were drilled in November 2022 totalling 800m, where:

- The strike of intersected gold mineralisation at the Clarke prospect was increased to 600m, occurring outside of the existing 211,000 Oz MRE through the following intersections:

    - CBRC0059 intersected 6m at 4.15 g/t gold from 34m, including 4m at 5.74 g/t gold from 34m

    - CBRC0057 intersected 18m at 0.6 g/t gold from 57m, including 1m at 1.80 g/t gold from 58m and 2m at 2.16 g/t gold from 68m

    - CBRC0066 intersected 8m at 0.6 g/t gold from 58m, including 2m at 1.31 g/t gold from 62m

- Further rare earth mineralisation intersected peripheral to expanded gold strike further supports the Company's dual resource strategy. Rare earth intersections included:

    - CBRC0058 intersected 24m at 1,093 ppm TREO from 26m, where the MREO equates to 26% of the TREO, including 19m at 1,243 ppm TREO from 29m (MREO: 26%)

    - CBRC0062 intersected 20m at 683 ppm TREO from 31m, where the MREO equates to 22% of the TREO, including 2m at 2,249 ppm TREO (MREO: 19%)

    - CBRC0066 intersected 31m at 514 ppm TREO from 36m, where the MREO equates to 22% of the TREO

    - CBRC0057 intersected 21m at 519 ppm TREO from 13m, where MREO equates to 23% of the TREO

    - CBRC0059 intersected 14m at 611 ppm TREO from 14m, where MREO equates to 23% of the TREO

Gold and rare earth drilling results from the 2022 exploration programme demonstrated the growth potential of existing gold resources, formed the basis of a maiden rare earth resource estimate, and demonstrated the scale potential for further resource expansion as well as the potential for further discoveries.

**ISSUES OF SHARES DURING THE PERIOD**

On 16 February 2022, 63,000,000 Ordinary shares were issued pursuant to an oversubscribed private placement at 1.5 pence each, raising £945,000.

On 26 October 2022 and 1 November 2022, 88,966,668 Ordinary shares were issued pursuant to an oversubscribed private placement at 1.5 pence each, raising £1,334,500. 2,572,372 Ordinary shares were issued to

former LAM owners at 1.5p each, and 600,000 Ordinary shares were issued to third party suppliers for settlement of fees in lieu of cash on or around the same date.

**POST PERIOD END EVENTS**

In January 2023, the Company took a fundamental step towards defining a globally unique mineral occurrence by announcing a maiden rare earth resource of 20.9 Mt at 658 ppm TREO that encompasses the Clarke and Baggy Green gold prospects and occurs within the saprolite above and proximal to gold mineralisation. In addition, a defined Exploration Target at the Thompson prospect demonstrates the district scale potential of rare earth mineralisation at the Wudinna Project. In March 2023, the Company completed 20 RC drillholes for 2,466m across the Barns, White Tank and Clarke prospects aimed at gold resource expansion. Drilling intersected encouraging geology supportive of further gold and rare earth mineralisation across all three prospects. Assays have been submitted to the laboratory with initial results expected imminently. In March 2023, the Company also commenced a 6,000m AC drilling programme targeting rare earth resource expansion and other objectives.

**CONCLUSION**

The Company has managed to overcome challenging financial conditions and record-breaking wet weather to deliver a year of exploration success which culminated in a maiden rare earth resource and will contribute to an expanded gold resource. This provides a unique and valuable mineral inventory from which the Company can grow and commence the process of determining project economics. I thank our shareholders for their continued commitment in uncertain times - their loyal support has enabled the Company to achieve exploration success and will enable further growth. I thank my fellow directors for their contribution throughout the year, our Exploration Manager, Robert Blythman, for his tireless efforts, our valued stakeholders, and our contractors and service providers. We are committed to unlocking the mineral wealth of the Wudinna Project.



**Greg Hancock**

**Non-Executive Chairman**

**27 April 2023**

## CONSOLIDATED INCOME STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 31 December 2022 | 31 December 2021 |
|---|---|---|---|
| | | £ | £ |
| Other Income | | - | - |
| Other Expenses | 2 | (488,608) | (567,213) |
| **Operating loss** | | (488,608) | (567,213) |
| Finance income and costs | 3 | (20,530) | (1,110,298) |
| | | (509,138) | (1,677,511) |
| Change in estimate of contingent consideration | 14 | - | - |
| **Loss before tax** | | (509,138) | (1,677,511) |
| Taxation | 6 | - | - |
| **Loss for the year attributable to equity holders** | | (509,138) | (1,677,511) |
| | | | |
| **Earnings per Ordinary share** | | | |
| Basic and diluted loss per share attributable to owners of the Parent Company | 7 | (£0.0010) | (£0.0073) |

All operations are considered to be continuing.

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Loss for the year | (509,138) | (1,677,511) |
| **Other Comprehensive income** | | |
| Items that may subsequently be reclassified to profit or loss: | | |
| - Exchange differences on translation of foreign operations | 290,754 | (81,246) |
| **Total comprehensive loss attributable to equity holders of the Parent Company** | (218,384) | (1,758,757) |

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
**31 DECEMBER 2022**

| | Notes | 2022 | 2021 |
|---|---|---|---|
| | | £ | £ |
| **Non-current assets** | | | |
| Intangible Fixed Assets | 9 | 2,727,290 | 2,012,405 |
| Property, plant and equipment | 10 | 1,428 | 1,680 |
| **Total non-current assets** | | 2,728,718 | 2,014,085 |
| **Current assets** | | | |
| Trade and other receivables | 11 | 84,469 | 36,891 |
| Cash and cash equivalents | 12 | 1,272,742 | 264,480 |
| **Total current assets** | | 1,357,211 | 301,371 |
| **Current liabilities** | | | |
| Trade and other payables | 13 | 79,999 | 50,336 |
| Contingent consideration | 14 | 148,914 | 187,500 |
| **Total current liabilities** | | 228,913 | 237,836 |
| **Net assets** | | 3,857,016 | 2,077,620 |

| | | | |
|---|---|---|---|
| **Capital and reserves** | | | |
| Share capital | 15 | 5,152,495 | 3,601,104 |
| Share premium account | | 2,794,647 | 1,378,561 |
| Share based payment reserve | | (16,908) | 962,201 |
| Retained losses | | (4,348,182) | (3,848,456) |
| Foreign currency reserve | | 274,964 | (15,790) |
| **Total equity** | | 3,857,016 | 2,077,620 |

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 27 April 2023.

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION
**31 DECEMBER 2022**

| | Notes | 2022 | 2021 |
|---|---|---|---|
| | | £ | £ |
| **Non-current assets** | | | |
| Investment in subsidiary | 8 | 432,260 | 432,260 |
| Property, plant and equipment | 10 | 1,428 | 1,680 |
| Intangible Fixed Assets | 9 | 33,251 | 33,251 |
| **Total non-current assets** | | 466,939 | 467,190 |
| **Current assets** | | | |
| Trade and other receivables | 11 | 2,664,401 | 2,009,103 |
| Cash and cash equivalents | 12 | 1,075,372 | 200,088 |
| **Total current assets** | | 3,739,773 | 2,209,191 |
| **Current liabilities** | | | |
| Trade and other payables | 13 | 11,873 | 31,960 |
| Contingent consideration | 14 | 148,914 | 187,500 |
| **Total current liabilities** | | 160,787 | 219,460 |
| **Net assets** | | 4,045,925 | 2,456,921 |
| **Capital and reserves** | | | |
| Share capital | 15 | 5,152,495 | 3,601,104 |
| Share premium account | | 2,794,647 | 1,378,561 |
| Share based payment reserve | | (16,908) | 962,201 |
| Retained losses | | (3,884,309) | (3,484,945) |
| **Equity shareholders' funds** | | 4,045,925 | 2,456,921 |

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not included its own income statement and statement of comprehensive income in these financial

statements. The Parent Company's loss for the period amounted to £399,363 (2021: £1,485,505 loss).

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 27 April 2023.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Share capital | Share premium | Share based payment reserve | Retained losses | Foreign currency reserve | Total |
|---|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ | £ |
| As at 1 January 2021 | 2,829,566 | 564,173 | 1,006,238 | (2,239,982) | 65,456 | 2,225,451 |
| Loss for the year | - | - | - | (1,677,511) | - | (1,677,511) |
| Translation differences | - | - | - | - | (81,246) | (81,246) |
| Comprehensive loss for the year | - | - | - | (1,677,511) | (81,246) | (1,758,757) |
| Shares issued | - | - | - | - | - | - |
| Share based payment expired | - | - | (69,037) | 69,037 | - | - |
| Exercise of options & warrants | - | - | - | - | - | - |
| Cost of share issue | 771,538 | 814,388 | - | - | - | 1,585,926 |
| Share warrant charge | - | - | - | - | - | - |
| Share option charge | | - | 25,000 | - | - | 25,000 |
| At 31 December 2021 | 3,601,104 | 1,378,561 | 962,201 | (3,848,456) | (15,790) | 2,077,620 |
| Loss for the year | - | - | - | (509,138) | - | (509,138) |
| Translation differences | - | - | - | 9,413 | 290,754 | 300,167 |
| Comprehensive loss for the year | - | - | - | (499,725) | 290,754 | (208,971) |
| Shares issued | 1,551,390 | 640,289 | (44,576) | - | - | 2,147,104 |
| Share issue cost | | (207,735) | | | | (207,735) |
| Warrants expired | - | 924,906 | (924,906) | - | - | - |
| Warrants issued | | 58,626 | (58,626) | | | |
| Share option charge | | | 49,000 | - | - | 49,000 |
| At 31 December 2022 | 5,152,495 | 2,794,647 | (16,908) | (4,348,181) | 274,964 | 3,857,017 |

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

Share capital: Nominal value of shares issued

Share premium: Amount subscribed for share capital in excess of nominal value, less share issue costs

Share based payment reserve: Cumulative fair value of warrants and options granted

Retained losses: Cumulative net gains and losses, recognised in the statement of comprehensive income

Foreign currency reserve: Gains/losses arising on translation of foreign controlled entities into pounds sterling.

The accompanying notes are an integral part of these financial statements.

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Share capital | Share premium | Share based payment reserve | Retained losses | Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| At 1 January 2021 | 2,829,566 | 564,173 | 1,006,238 | (2,068,475) | 2,331,502 |
| Loss for the year | - | - | - | (1,485,506) | (1,485,506) |
| Comprehensive loss for the year | - | - | - | (1,485,506) | (1,485,506) |
| Shares issued | 771,538 | 814,388 | - | - | 1,585,926 |
| Lapsed warrants | - | - | (69,037) | 69,037 | - |
| Exercise of options & warrants | - | - | - | - | - |
| Cost of share issue | - | - | - | - | - |
| Share warrant charge | - | - | - | - | - |
| Share option charge | - | - | 25,000 | - | 25,000 |
| At 31 December 2021 | 3,601,104 | 1,378,561 | 962,201 | (3,484,944) | 2,456,921 |
| Loss for the year | - | - | - | (399,363) | (399,363) |
| Comprehensive loss for the year | - | - | - | (399,363) | (399,363) |
| Shares issued net of costs | 1,551,391 | 640,289 | (44,576) | - | 2,147,104 |
| Warrants expired | - | 924,906 | (924,906) | - | - |
| Share issuance costs | - | (207,735) | - | | (207,735) |
| Issuance of warrants | | 58,626 | (58,626) | | - |
| Share option charge | - | - | 49,000 | - | 49,000 |
| At 31 December 2022 | 5,152,495 | 2,794,647 | (16,908) | (3,884,307) | 4,045,927 |

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

Share capital: Nominal value of shares issued

Share premium: Amount subscribed for share capital in excess of nominal value, less share issue costs

Share based payment reserve: Cumulative fair value of warrants and options granted

Retained losses: Cumulative net gains and losses, recognised in the statement of comprehensive income

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT
**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Notes | 31 December 2022 £ | De |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss before tax | | (509,138) | (1 |
| Equity settled share based payments | | 49,000 | |
| Loss on derecognition of financial liability | | - | |
| Depreciation | 10 | 252 | |
| Foreign exchange | | 159,015 | |
| (Increase) / decrease in trade and other receivables | 11 | (13,493) | |
| Decrease in trade and other payables | 13 | (34,254) | |
| Shares issued in lieu of cash | | - | |
| **Net cash used in operating activities** | | (348,618) | |
| **Cash flows from investing activities** | | | |
| Payments for exploration and evaluation activities | 9 | (714,885) | |
| **Net cash used in investing activities** | | (714,885) | |
| **Cash flows from financing activities** | | | |
| Proceeds from the issue of shares | | 2,279,500 | |
| Payment for share issuance costs | | (207,735) | |
| **Net cash generated from financing activities** | | 2,071,765 | |
| **Net increase/(decrease) in cash and cash equivalents** | | 1,008,262 | (1 |
| Cash and cash equivalents at beginning of year | | 264,480 | |
| **Cash and cash equivalents at end of year** | 12 | 1,272,742 | |

The accompanying notes are an integral part of these financial statements

## PARENT COMPANY CASH FLOW STATEMENT
**FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Notes | 31 December 2022 £ | De |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss before tax | | (399,363) | (1 |

| | | | |
|---|---|---|---|
| Equity settled share based payments | | 49,000 | |
| Loss on derecognition of financial liability | | - | |
| Depreciation | 10 | 252 | |
| Foreign exchange loss/gain | | - | |
| Increase in trade and other receivables | 11 | (196,283) | |
| Decrease in trade and other payables | 13 | (20,087) | |
| Shares issued in lieu of cash | | - | |
| **Net cash used in operating activities** | | (1,113,083) | |
| | | | |
| **Cash flows from investing activities** | | | |
| Loan to Subsidiary | 11 | - | |
| **Net cash used in investing activities** | | - | |
| | | | |
| **Cash flows from financing activities** | | | |
| Proceeds from the issue of shares | | 1,649,500 | |
| Proceeds of shares and warrants issued | | (207,735) | |
| **Net cash generated from financing activities** | | 1,441,765 | |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 875,284 | |
| Cash and cash equivalents at beginning of year | | 200,088 | |
| **Cash and cash equivalents at end of year** | 12 | 1,075,372 | |

**NOTES TO THE FINANCIAL STATEMENTS**

## 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

### General information

The Company is a public company limited by shares which is incorporated in England. The registered office of the Company is 9th Floor, 107 Cheapside, London, EC2V 6DN, United Kingdom. The registered number of the Company is 11170056.

The principal activity of the Group is to objective is to explore, develop and mine precious and base metal projects.

### Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

### Accounting policies

***Basis of preparation of Financial Statements***

The Group and Company Financial Statements have been prepared in accordance with UK-adopted international accounting standards. The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the United Kingdom applicable to companies under IFRS. The Group and Company Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on an asset acquisition.

The Financial Statements are presented in pounds sterling, which is the functional currency of the Parent Company. The functional currency of Lady Alice Mines Pty Ltd is Australian Dollars.

The preparation of the Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 1.

***Changes in accounting policies***

i) New and amended standards adopted by the Group and Company

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 December 2022 but did not result in any material changes to the financial statements of the Group or Company.

Of the other IFRS and IFRIC amendments, none are expected to have a material effect on the future Group or Company Financial Statements.

ii) New standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

| Standard | Impact on initial application | Effective date |
|---|---|---|
| IAS 1 (Amendments) | Presentation of Financial Statements: Disclosure of Accounting Policies | 1 January 2023 |
| IAS 12 (Amendments) | Income Taxes - Deferred Tax related to Assets and Liabilities | 1 January 2023 |
| IAS 8 (Amendments) | Accounting policies, changes in accounting estimates and errors: Definition of Accounting Estimates | 1 January 2023 |
| IAS 1 (Amendments) | Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current | TBC |

None are expected to have a material effect on the Group or Company Financial Statements.

***Going concern***

The Financial Statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group and Company, including the current level of resources and the required level of spending on exploration and evaluation activities. As part of their assessment, the Directors have also taken into account the ability to raise additional funding whilst maintaining sufficient cash resources to meet all commitments.

The Group meets its working capital requirements from its cash and cash equivalents. The Company is pre-revenue, and to date the Company has raised finance for its activities through the issue of equity and debt.

The Group has £1,252,742 of cash and cash equivalents at 31 December 2022. The Group's and Company's ability to meet operational objectives and general overheads is reliant on raising further capital in the near future.

The Directors are confident that further funds can be raised and it is appropriate to prepare the financial statements on a going concern basis, however there can be no certainty that any fundraise will complete. These conditions indicate existence of a material uncertainty related to events or conditions that may cast significant doubt about the Group's and Company's ability to continue as a going concern, and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include the adjustments that would be required if the Group and Company could not continue as a going concern.

***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Parent Company and companies controlled by the Parent Company, the Subsidiary Companies, drawn up to 31 December each year.

Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities, and is exposed to, or has rights to, variable returns from its involvement in the subsidiary. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, where appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred unless they result from the issuance of shares, in which case they are offset against the premium on those shares within equity.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Investments in subsidiaries are accounted for at cost less impairment.

***Segmental reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The Group's operations are located Australia with the head office located in the United Kingdom. The main tangible assets of the Group, cash and cash equivalents, are held in the United Kingdom and Australia. The Board ensures that adequate amounts are transferred internally to allow all companies to carry out their operational on a timely basis.

The Directors are of the opinion that the Group is engaged in a single segment of business being the exploration of gold in Australia. The Group currently has two geographical reportable segments - United Kingdom and Australia.

***Foreign currencies***

For the purposes of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences arising are included in the profit or loss for the period.

For the purposes of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Gains and losses from exchange differences so arising are shown through the Consolidated Statement of Changes in Equity.

***Property, plant and equipment***

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates: Office Equipment: 33.33% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Statement of Comprehensive Income.

***Impairment of tangible fixed assets***

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

***Exploration and evaluation assets***

Exploration and evaluation assets comprises all costs which are directly attributable to the exploration of a project area. The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

***Exploration and evaluation assets recorded at fair-value on acquisition***

Exploration assets which are acquired are recognised at fair value. When an acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

***Impairment of intangible assets***

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Early stage exploration projects are assessed for impairment using the methods specified in IFRS 6.

**Financial Assets**

*Loans and Receivables*

(a) Classification and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an instrument level.

The Group's and Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

*Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group and Company. The Group and Company measure financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and Company's financial assets at amortised cost include trade and other receivables (not subject to provisional pricing) and cash and cash equivalents.

*Derecognition*

A financial asset is primarily derecognised when:

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

*Impairment of financial assets*

The Group and Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

***Financial liabilities***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

***Subsequent measurement***

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

*Derecognition*

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

***Cash and cash equivalents***

The Company considers any cash on short-term deposits and other short-term investments to be cash and cash equivalents.

***Share capital***

The Company's Ordinary shares of nominal value £0.01 each ("Ordinary Shares") are recorded at such nominal value and proceeds received in excess of the nominal value of Ordinary Shares issued, if any, are accounted for as share premium. Both share capital and share premium are classified as equity. Costs incurred directly to the issue of Ordinary Shares are accounted for as a deduction from share premium, otherwise they are charged to the income statement.

***Current and deferred income tax***

Tax represents income tax and deferred tax. Income tax is based on profit or loss for the year. Taxable profit or loss differs from the loss for the year as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items of income or expense 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 Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the 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 assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the intention is to settle current tax assets and liabilities on a net basis.

**Share based payments**

The fair value of services received in exchange for the grant of share warrants is recognised as an expense in share premium or profit or loss, in accordance with thenature of the service provided. A corresponding increase is recognised in equity.

***Judgements and key sources of estimation uncertainty***

The preparation of the Financial Statements in conformity with IFRS requires the directors to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, may not accurately reflect the related actual outcome. Share options and warrants are measured at fair value at the date of grant. The fair value is calculated using the Black Scholes method for both options and warrants as the management views the Black Scholes method as providing the most reliable measure of valuation.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. The determination of fair value is based on key assumptions involving estimation of the probability of meeting each performance target and the timing thereof. As part of the acquisition of Lady Alice Mines Pty Ltd, contingent consideration with an estimated fair value of £296,536 was recognised at the acquisition date. See note 18 for further details. The Group is required to remeasure the contingent liability at fair value at each reporting date with changes in fair value recognised in accordance with IFRS 9. Therefore, as at 31 December 2022, the contingent consideration reflects an estimated fair value of £148,914.

## 2. EXPENSES BY NATURE

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Administrative expense | 79,905 | 73,819 |
| Corporate expense and Finance | 169,813 | 191,230 |
| Professional fees | 960 | 960 |

| | | |
|---|---|---|
| Wages & Salaries expense | 237,927 | 301,204 |
| | **488,605** | **567,213** |

## 3. FINANCE COSTS

| | 31 December 2022 £ | 31 December 2021 £ |
|---|---|---|
| Loss on settlement of settlement of financial liability | - | 1,077,607 |
| Other finance costs | 20,530 | 32,691 |
| | **20,530** | **1,110,298** |

## 4. SEGMENT INFORMATION

The Group's prime business segment is mineral exploration.

The Group operates within two geographical segments, the United Kingdom and Australia. The UK sector consists of the parent company which provides administrative and management services to the subsidiary undertaking based in Australia.

The following tables present expenditure and certain asset information regarding the Group's geographical segments for the years ended 31 December 2022 and 2021:

| **Operational Results** | **31 December 2022 £** | **31 December 2021 £** |
|---|---|---|
| Revenue | - | - |
| Loss after taxation | | |
| - United Kingdom | (399,363) | (1,485,507) |
| - Australia | (109,776) | (192,004) |
| Total | (509,139) | (1,677,511) |

| **2022** | **Australia £** | **United Kingdom £** | **Total £** |
|---|---|---|---|
| Non-current assets | 2,261,779 | 466,939 | 2,728,718 |
| Current assets | 242,603 | 3,739,773 | 3,982,376 |
| Total liabilities | (34,131) | (160,787) | (194,918) |

| **2021** | **Australia £** | **United Kingdom £** | **Total £** |
|---|---|---|---|
| Non-current assets | 1,546,895 | 467,190 | 2,014,085 |

| | | | |
|---|---|---|---|
| Current assets | 92,244 | 209,127 | 301,371 |
| Total liabilities | (18,376) | (219,460) | (237,836) |

**5. DIRECTORS' EMOLUMENTS**

There were no employees during the period apart from the directors, who are the key management personnel. No directors had benefits accruing under money purchase pension schemes.

| Year ended 31 December 2022 | Remuneration £ | Fees £ | Bonus £ | Share Based payment £ | Total £ |
|---|---|---|---|---|---|
| G Hancock | - | 36,361 | - | 8,143 | **44,504** |
| R Verco | 131,516 | - | - | - | **131,516** |
| D Maling | - | 24,000 | - | 7,714 | **31,714** |
| D Clarke | - | 24,000 | - | 8,143 | **32,143** |
| | **131,516** | **84,361** | **-** | **24,000** | **239,877** |

- During the year £36,361 (2021: 38,422) was paid to Hancock Corporate Investments Pty Ltd, a company in which Greg Hancock is a Director, in respect of Directors fees and consultancy services.
- During the year £24,000 (2021: £24,227) was paid to Dan Maling, in respect of Directors fees.
- During the year £24,000 (2020: £31,066) was paid to The Springton Trust & Queens Road Mines, in which David Clarke is a Trustee, in respect of Directors fees and consultancy services.

| Year ended 31 December 2021 | Remuneration £ | Fees £ | Bonus £ | Share Based payment £ | Total £ |
|---|---|---|---|---|---|
| C Moulton | 92,178 | - | - | 20,000 | **112,178** |
| G Hancock | - | 38,422 | - | 8,143 | **46,565** |
| D Maling | - | 24,227 | - | 8,714 | **32,941** |
| D Clarke | - | 31,066 | - | 8,143 | **39,209** |
| | **92,178** | **93,715** | **-** | **45,000** | **230,893** |

- During the year £112,178 (2020: £179,727) was paid to Craig Moulton in respect of Wages & Salaries and Share based payments. The share based payments include £20,000 for 1,333,333 shares per his employment contract.
- During the year £38,422 (2020: £22,167) was paid to Hancock Corporate Investments Pty Ltd, a company in which Greg Hancock is a Director, in respect of Directors fees and consultancy services.
- During the year £24,227 (2020: £13,584) was paid to Dan Maling, in respect of Directors fees.
- During the year £31,066 (2020: £13,667) was paid to The Springton Trust & Queens Road Mines, in which David Clarke is a Trustee, in respect of Directors fees and consultancy services.

## 6. INCOME TAXES

### a) Analysis of tax in the period

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Current tax | - | - |
| Deferred taxation | - | - |
| | - | - |

### b) Factors affecting tax charge or credit for the period

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 19% (2021: 19%) and Australia of 25% (2021: 26%). The differences are explained below:

| | 31 December 2022 | 31 December 2021 |
|---|---|---|
| | £ | £ |
| Loss on ordinary activities before tax | (509,138) | (1,677,511) |
| Loss multiplied by weighted average applicable rate of tax | (112,010) | (332,167) |
| Effects of: | | |
| Expenses not deductible for tax | - | 225,471 |
| Losses carried forward not recognised as deferred tax assets | 112,010 | 106,696 |
| | - | - |

The weighted average applicable tax rate of 22% (2021: 19.8%) used is a combination of the standard rate of corporation tax rate for entities in the United Kingdom of 19% (2021: 19%), and 25% (2021: 25%) in Australia.

## 7. EARNINGS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributed to ordinary shareholders of £509,138 (2021: £1,677,511 loss) by the weighted average number of shares of 515,249,550 (2021: 360,110,510 ) in issue during the year.

The basic and dilutive loss per share are the same as the effect of the exercise of share warrants and options would be anti-dilutive.

## 8. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

| Company | Investments | Loans | Total |
|---|---|---|---|
| | £ | £ | £ |
| At 1 January 2022 | 432,260 | - | 432,260 |
| At 31 December 2022 | 432,260 | - | 432,260 |

Investments in Group undertakings are stated at cost less impairment. In 2019 the Company acquired 100% of the issued share capital of Lady Alice Mines Pty Ltd and in turn, 100% of the units in the Lady Alice Trust which is wholly owned by Lady Alice Mines Pty Ltd.

At 31 December 2021 the Company held the following interests in subsidiary undertakings, which are included in the consolidated financial statements and are unlisted.

| Name of company | Registered office address | Proportion held | Business |
|---|---|---|---|
| Lady Alice Mines Pty Ltd | Level 2, 40 Kings Park Road, West Perth, WA, Australia | 100% | Mining |
| Lady Alice Mines Unit Trust[1] | Level 2, 40 Kings Park Road, West Perth, WA, Australia | 100% | Mining |

[1]Lady Alice Mines Unite Trust is a wholly owned entity of Lady Alice Mines Pty Ltd.

**9. INTANGIBLE FIXED ASSETS**

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are all internally generated except for those acquired at fair value as part of a business combination.

| | Total |
|---|---|
| **Group** | **£** |
| At 1 January 2021 | 1,495,519 |
| Additions | 516,886 |
| At 1 January 2022 | 2,012,405 |
| Additions | 714,885 |
| At 31 December 2022 | 2,727,290 |

| | Total |
|---|---|
| **Company** | **£** |
| At 1 January 2021 | 33,251 |
| Additions | - |
| At 1 January 2022 | 33,251 |
| Additions | - |
| At 31 December 2022 | 33,251 |

The Directors undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

• The Group's right to explore in an area has expired, or will expire in the near future without renewal;

• No further exploration or evaluation is planned or budgeted for;

• A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or

• Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was necessary for the year ended 31 December 2022.

**10. PROPERTY, PLANT AND EQUIPMENT - Group and Company**

| **2022** | **Office Equipment** | **Total** |
|---|---|---|
| **Cost** | **£** | **£** |
| At 31 December 2021 | **4,407** | **4,407** |

| | | |
|---|---|---|
| Additions during the year | - | - |
| **At 31 December 2022** | **4,407** | **4,407** |
| **Depreciation** | | |
| At 31 December 2021 | (2,727) | (2,727) |
| Charge for the year | (252) | (252) |
| **At 31 December 2022** | **(2,979)** | **(2,979)** |
| **Net book value** | | |
| **At 31 December 2022** | **1,428** | **1,428** |

| **2021** | **Office Equipment** | **Total** |
|---|---|---|
| **Cost** | **£** | **£** |
| At 31 December 2020 | **4,407** | **4,407** |
| Additions during the year | - | - |
| **At 31 December 2021** | **4,407** | **4,407** |
| **Depreciation** | | |
| At 31 December 2021 | (2,727) | (2,727) |
| Charge for the year | (252) | (252) |
| **At 31 December 2022** | **(2,979)** | **(2,979)** |
| **Net book value** | | |
| **At 31 December 2022** | **1,428** | **1,428** |

## 11. TRADE AND OTHER RECEIVABLES

| | **Group 31 Dec 2022** | **Group 31 Dec 2021** | **Company 31 Dec 2022** | **Company 31 Dec 2021** |
|---|---|---|---|---|
| **Current** | **£** | **£** | **£** | **£** |
| Prepayments | 45,211 | - | - | - |
| Intercompany debtors | - | - | 2,659,160 | 2,000,064 |
| Goods & Services Tax | 33,995 | 27,852 | - | - |
| Other debtors | 5,263 | 9,039 | 5,240 | 9,039 |
| | 84,469 | 36,891 | 2,664,400 | 2,009,103 |

The fair value of trade and other receivables approximates to their book value. Other classes of financial assets included within trade and other receivables do not contain impaired assets.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

| | **Group 31 Dec 2022** | **Group 31 Dec 2021** | **Company 31 Dec 2022** | **Company 31 Dec 2021** |
|---|---|---|---|---|

| | £ | £ | £ | £ |
|---|---|---|---|---|
| UK pounds | 5,240 | 9,039 | 2,664,401 | 2,009,103 |
| Australian dollars | 79,229 | 27,852 | - | - |
| | 84,469 | 36,891 | 2,664,401 | 2,009,103 |

## 12. CASH AND CASH EQUIVALENTS

| | Group 31 Dec 2022 | Group 31 Dec 2021 | Company 31 Dec 2022 | Company 31 Dec 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash at bank and in hand | 1,272,742 | 264,480 | 1,075,372 | 200,088 |
| | 1,272,742 | 264,480 | 1,075,372 | 200,088 |

The fair value of cash at bank is the same as its carrying value.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

| | Group 31 Dec 2022 | Group 31 Dec 2021 | Company 31 Dec 2022 | Company 31 Dec 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| UK pounds | 1,075,373 | 200,088 | 1,075,372 | 200,088 |
| Australian dollars | 197,370 | 64,392 | - | - |
| | 1,272,743 | 264,480 | 1,075,372 | 200,088 |

## 13. TRADE AND OTHER PAYABLES

| | Group 31 Dec 2022 | Group 31 Dec 2021 | Company 31 Dec 2022 | Company 31 Dec 2021 |
|---|---|---|---|---|
| **Current** | £ | £ | £ | £ |
| Trade creditors | 81,536 | 20,642 | 18,124 | 9,360 |
| Accruals and deferred income | 1,249 | 22,600 | 1,249 | 22,600 |
| Other payables | (2,786) | 7,094 | (7,500) | - |
| | 79,999 | 50,336 | 11,873 | 31,960 |

The fair value of trade and other payables approximates to their book value.

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

| | Group 31 Dec 2022 | Group 31 Dec 2021 | Company 31 Dec 2022 | Company 31 Dec 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| UK pounds | 38,073 | 31,960 | 11,873 | 31,960 |

| | | | | |
|---|---|---|---|---|
| Australian dollars | 41,926 | 18,376 | - | - |
| | 79,999 | 50,336 | 11,873 | 31,960 |

## 14. CONTINGENT CONSIDERATION

| **2021** | **Total** |
|---|---|
| **Group and Company** | **£** |
| Amounts payable under business combination | |
| At 31 December 2021 | 187,500 |
| | |
| Categorised as: | |
| Current liabilities | 187,500 |
| Non-current liabilities | - |

Refer to note 18 for further detail.

| **2022** | **Total** |
|---|---|
| **Group and Company** | **£** |
| Amounts payable under business combination | 187,500 |
| Less payment | 38,586 |
| At 31 December 2022 | 148,914 |
| | |
| Categorised as: | |
| Current liabilities | 148,914 |
| Non-current liabilities | - |

## 15. SHARE CAPITAL

| | **Dec 2022 Number of shares** | **Dec 2022 £** | **Dec 2021 Number of shares** | **Dec 2021 £** |
|---|---|---|---|---|
| **Issued, called up and fully paid** | | | | |
| Ordinary shares of £0.01 | | | | |
| As at the start of the year | 360,110,510 | 3,601,104 | 282,956,585 | 2,829,566 |
| Issued in the year | 155,139,040 | 1,551,391 | 77,153,925 | 771,538 |
| Total | 515,249,550 | 5,152,495 | 360,110,510 | 3,601,104 |

On 16 February 2022, 63,000,000 Ordinary shares were issued pursuant to a private placement at 1.5 pence each.

On 26 October 2022, 88,966,668 Ordinary shares were issued pursuant to a private placement at 1.5 pence each, 2,572,372 Ordinary shares were issued to former LAM owners at 1.5p each, and 600,000 Ordinary shares were issued to third party suppliers for settlement of fees in lieu of cash.

As at 31 December 2022 the Company had 49,613,334 warrants outstanding (2020: 67,543,461).

Each Ordinary share is entitled to one vote in any circumstances. Each Ordinary share is entitled pari passu to dividend payments or any other distribution and to participate in a distribution arising from a winding up of the Company.

## 16. SHARE BASED PAYMENTS

### 2022

### Warrants

| | Warrants Number | Weighted average exercise price |
|---|---|---|
| Warrants at 31 December 2021 | 67,543,461 | 0.03p |
| Granted during year | 49,613,334 | 0.03p |
| Exercised during year | - | - |
| Lapsed during year | (67,543,461) | 0.03p |
| Warrants at 31 December 2022 | 49,613,334 | 0.03p |
| Exercisable at year end | 49,613,334 | 0.03p |

At 31 December 2022 the weighted average remaining contractual life of the warrants outstanding was 2.78 years.

### 2021

### Warrants

| | Warrants Number | Weighted average exercise price |
|---|---|---|
| Warrants at 31 December 2020 | 127,796,891 | 0.02p |
| Granted during year | - | - |
| Exercised during year | (5,934,801) | 0.02p |
| Lapsed during year | (54,318,629) | 0.02p |
| Warrants at 31 December 2021 | 67,543,461 | 0.03p |
| Exercisable at year end | 67,543,461 | 0.03p |

At 31 December 2021 the weighted average remaining contractual life of the warrants outstanding was 0.82 years.

**2022**

### Options

| | Options Number | Weighted average exercise price |
|---|---|---|
| Options at 31 December 2021 | 15,672,336 | 0.033p |

| | | |
|---|---|---|
| Issued during the period | - | - |
| Exercised during the year | - | - |
| Options at 31 December 2022 | 15,672,336 | 0.033p |
| Exercisable at year end | 672,336 | 0.015p |

At 31 December 2022 the weighted average remaining contractual life of the options outstanding was 2.43 years.

**2021**

**Options**

| | Options Number | Weighted average exercise price |
|---|---|---|
| Options at 31 December 2020 | 15,672,336 | 0.033p |
| Issued during the period | - | - |
| Exercised during the year | - | - |
| Options at 31 December 2021 | 15,672,336 | 0.033p |
| Exercisable at year end | 672,336 | 0.015p |

At 31 December 2021 the weighted average remaining contractual life of the options outstanding was 3.43 years.

The fair value of equity settled share options and warrants granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model:

| | **Options** | **Warrants** | **Warrants** |
|---|---|---|---|
| Date of grant | 14 July 2020 | 16 February 2022 | 26 October 2022 |
| Expected volatility | 94.59% | 104.98% | 96.35% |
| Expected life | 5 | 3 | 3 |
| Risk-free interest rate | 0.10% | 1.29% | 3.36% |
| Expected dividend yield | 0.00% | 0.00% | 0.00% |
| Fair value per option/warrant | £0.008 | £0.013 | £0.009 |

**17. FINANCIAL INSTRUMENTS**

| | **Group** | **Group** | **Company** | **Company** |
|---|---|---|---|---|

| | 31 Dec 2022 | 31 Dec 2021 | 31 Dec 2022 | 31 Dec 2021 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Financial assets at amortised cost** | | | | |
| Trade and other receivables excluding prepayments | 50,474 | 36,891 | 2,664,401 | 2,009,103 |
| Cash and cash equivalents | 1,272,742 | 264,480 | 1,075,373 | 200,088 |
| | 1,323,216 | 301,371 | 3,739,774 | 2,209,191 |
| **Financial liabilities** | | | | |
| Trade and other payables (at amortised cost) | (46,004) | (27,736) | (11,873) | (9,360) |
| Deferred consideration (at FVPL) | (148,914) | (187,500) | (148,914) | (187,500) |
| | (194,918) | (215,236) | (160,787) | (196,860) |

## 18. BUSINESS COMBINATION

### Lady Alice Mines Pty Ltd

On 7 March 2019, the Company acquired 100% of the share capital of Lady Alice Mines Pty Ltd ('LAM') and its wholly owned subsidiary The Lady Alice Trust (the 'Trust'), for total consideration of £432,260 which is to be satisfied via a mix of cash and share consideration which is shown below. In addition, the Company agreed to settle existing liabilities due to unitholders of the Trust of up to A$250,000. The share based payment consideration was settled on 16 January 2020 upon the successful re-admission to the London's Stock Exchange Main Market. 10,815,297 shares were issued at a close price of 1.25p.

The Trust has an entitlement to earn a 75% equity interest in tenements near Wudinna in South Australia for gold exploration (the 'Wudinna Agreement'), and is also the sole owner of the right, title and interest in the Prince Alfred Licence, a formerly producing copper mine.

The principal terms of the Wudinna Agreement are as follows:

- Stage 1: the Trust will fund A$2.1 million within three years to earn a 50% equity position
- Stage 2: at the completion of Stage 1, a joint venture vehicle can be formed, or alternatively the Trust can spend a further A$1.65 million over an additional two years to earn a 65% equity interest
- Stage 3: at the completion of Stage 2, a joint venture vehicle can be formed, or alternatively the Trust can spend a further A$1.25 million within one year to earn a 75% equity interest

The contingent consideration is due to the unitholders on satisfying the following project milestones:

- First Option - 14% of the total issued share capital on completion of Stage 1
- Second Option - 21% of the total issued share capital on completion of Stage 2
- Third Option - 30,000,000 ordinary shares on announcement of a JORC-compliant Indicated Mineral Resource for the Wudinna Project of not less than 750,000 ounces of gold

The Directors have calculated the consideration payable on a probability basis of satisfying the project milestones in accordance with IFRS 3 Business Combinations. The Directors have also estimated the number of shares to be issued at each milestone and the share price. This has been fixed at the number of consideration shares issued at the time of the RTO and the share price at that time. Management believe this is a best estimate.

## 19. RELATED PARTY TRANSACTIONS

Save as disclosed below there were no related party transactions during the year other than remuneration to Directors disclosed in note 5.

During the year, the Group paid £9,000 in advisor fees to Orana Corporate LLP, an entity in which Daniel Maling is a Partner.

During the year, the Group paid £131,516 to Rupert Verco, Chief Executive Officer of the Company Mr Verco was appointed as CEO with effect from 12 July 2021.

As at 31 December 2022 included in the other receivables is £2,659,160 due from Lady Alice Mines Pty Ltd, a subsidiary company. The loan is interest free and repayable on demand.

## 20. FINANCIAL RISK MANAGEMENT

20.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by executive management.

a) Market risk

The Group is exposed to market risk, primarily relating to foreign exchange and commodity prices. The Group does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Company has not sensitised the figures for fluctuations in foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial Statements at the present time. The Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

b) Credit risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. To manage this risk, the Group periodically assesses the financial reliability of customers and counterparties.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Company will only keep its holdings of cash with institutions which have a minimum credit rating of 'A'.

c) Liquidity risk

The Company's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

The following table summarizes the Group's significant remaining contractual maturities for financial liabilities at 31 December 2022.

**Contractual maturity analysis as at 31 December 2022**

| | **2022** | | | **2021** | | |
|---|---|---|---|---|---|---|
| | Less than 12 Months £ | 1 - 5 Year £ | Total £ | Less than 12 Months £ | 1 - 5 Year £ | Total £ |
| Accounts payable | 81,536 | - | 81,536 | 20,642 | - | 20,642 |
| Accrued liabilities | 1,249 | - | 1,249 | 22,600 | - | 22,600 |
| | **82,785** | **-** | **82,785** | **43,242** | **-** | **43,242** |

20.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to enable the Group to continue to explore, develop and mine precious and base metal projects. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity and reserves of the Group. The Group monitors its level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time to time.

## 21. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

As at 31 December 2022 the Group had £69,396 of capital commitments in relation to operating activities at the Wudinna Gold Project.

There were no changes to contingent liabilities as at 31 December 2022.

## 22. POST YEAR END EVENTS

On the 9 January 2023 the Company announced a maiden JORC compliant rare earth resource estimate at the Clarke and Baggy Green Gold prospects of 20.9Mt at 658ppm TREO.

On the 1 February 2023, the Company provided access to Andromeda Metals for an independent audit of its project expenditure in relation to confirmation of achieving the Stage 3 expenditure milestone of the Wudinna Heads of Agreement. Audit findings subsequently confirmed the Group's expenditure, and acknowledged the Group's 75% ownership.

## 23. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

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