RNS Number : 0656O
First Class Metals PLC
29 September 2023

Half Yearly Report
FIRST CLASS METALS PLC
(the "Company" or "FCM")

For the six months ended 30 June 2023

I. Operational Highlights

In early May FCM announced that field work had been initiated on its projects in Canada, with three exploration teams deployed:

- Channel Sampling of the Rare Earth Element (REE) Diatreme at McKellar underway.
- Sunbeam historic review widened to encompass detailed core review from historical drill holes. Grades up to 93.3g/t Gold (Au).
- Field base set up and exploration soon to commence on the North Hemlo and Esa properties to follow up on the successes of 2022.

A property wise summary of the exploration work conducted in the first six months of 2023 is enumerated as follows:

North Hemlo

- The Dead Otter Lake area is situated 20.5km North of the iconic Barrick Hemlo 23m oz producing gold mine.
- The main event of significance is the Identification of a +3km long gold ('**Au**') and molybdenum ('**Mo**') anomalous trend - named the Dead Otter Lake trend ('**DOT**'), which is situated to the southeast of the historic Dead Otter Lake occurrence. Grab samples recorded up to 19.6g/t Au along the trend. Sampling has extended anomalous Au/Mo mineralisation for +3km to the SE from the historic showing (3.7 g/t Au, 0.59% Mo). The mineralised structure closely mimics the granite contact. The 19.6 g/t Au sample, in the extreme SE of the trend could be where one of potentially two subparallel arcuate structures intersects the trend.
- The Exploration currently in progress at North Hemlo is with a clear focus on drill preparation. Visible gold has been observed in multiple grab samples from the Dead Otter Trend.
- Exploration permit has been submitted to the Provincial authorities, reflecting our confidence in our exploration progress and our commitment to fulfilling all necessary regulatory requirements.

In May, FCM signed an exclusivity agreement for an Option cum Earn-In arrangement with Ongold a private company in respect to its claims contiguous to North Hemlo.

Zigzag

- The signing of the Earn-in Agreement with Nuinsco Resources Limited ("**Nuinsco**") completes the process outlined in the 'Exclusivity Agreement' announced on the 12th of December 2022 for the Zigzag hard rock lithium property in NW Ontario.
- The project funding was also announced in the same news release, James Goozee a High Net Worth Individual ("**HNWI**") who is a battery metals focussed investor took the full £300,000 private subscription at 16p per share.
- Historic grades reported at surface were up to 1.68% lithium (Li20) over 7.9m and 0.168% tantalum (Ta205) over 2.54m. The claim group covers the historic Tebishogeshik occurrence as well as other mineralised occurrences.
- The pegmatite hosting the deposit is reported to be more than 800m in length and 20m thick at surface.
- Sampling by Nuinsco returned strongly anomalous lithium, tantalum, and rubidium, peaking at 3.55% Li20 with significant tantalum and rubidium results at 836 ppm Ta_2O5, and 4,003 ppm Rubidium Rb_2O.
- Exploration Permit already in place, allowing for exploration activities which may include stripping, trenching, and drilling.
- The property is located 10.5km from the Green Technology Metals Limited (ASX: GT1) Seymour Project and several other hard rock lithium properties. It is also close to nearby current and future planned key infrastructure.
- Zigzag Lithium-Initial reconnaissance trip with the property completely under the cover of snow returns grades of Lithium (Li) up to 1.00% and Tantalum (Ta) up to 198 ppm.

Sunbeam

- The historic data and core reviews have been completed.
- Extensive prospecting, sampling, and mapping programs were conducted, this includes rediscovery of a 3m wide quartz vein on the Pettigrew Trend with over 200 samples collected.
- Project being prepared for stripping / channel sampling in order to identify preferred drill locations.

West Pickle Lake ('WPL')

- First Class Metals is delighted to report assay results from the West Pickle Lake massive sulphide discovery.
- These drill results reinforce both the high-grade nature of the West Pickle Lake Zone and the potential for tonnage as reported in hole TK22-114, the widths and grades are similar to the Palladium One RJ Zone approx. 2.5km to the East and further develops the theory of the chonolith / feeder dykes in the area to host significant mineralisation.

Selected highlights reported by Palladium One from the West Pickle Zone:

  - TK-22-072 2.0% Ni, 0.9% Cu, 0.04% Co, 0.36 g/t Total Precious Metals ("TPM") (Pt+Pd+Au) over 4.1 meters of massive and semi-massive sulphides in hole
  - Including 5.3 Ni%, 1.5% Cu, 0.12% Co, 0.67 g/t TPM over 1.5 meters

- ThesTK-22-073 7.2% Ni, 2.0% Cu, 0.10% Co, 0.56 g/t Total Precious Metals ("TPM") (Platinum (Pt) + Palladium (Pd) + Gold (Au)) over 2.6 meters of massive sulphides in hole.
- Including 10.3% Ni, 2.9% Cu, 0.15% Co, 0.80 g/t TPM over 1.8 meters
- TK-22-074 3.9% Nickel (Ni), 2.5% Copper (Cu), 0.05% Co, 0.55 g/t Total Precious Metals ("TPM") (Pt+Pd+Au) over 2.0 meters of massive and semi-massive sulphides in hole
- Including 8.1% Ni, 2.8% Cu, 0.11% Co, 1.05 g/t TPM over 0.9 meters
- TK22-114 0.6% Ni, 0.4% Cu, 0.01% Co, 0.08 g/t Total Precious Metals ("TPM") (Pt+Pd+Au) over 28.2 meters
- Including 2.0% Ni, 0.6% Cu, 0.04% Co, 0.12 g/t TPM over 3.2 meters
- TK22-118 0.43% Ni, 0.26% Cu, 0.01% Co, 0.06 g/t TPM over 27.0 meters.
- Including 2.0% Ni, 0.7% Cu, 0.04% Co, 0.14 g/t TPM over 1.0 meters
- TK22-116 1.5% Ni, 0.7% Cu, 0.02% Co, 0.30 g/t TPM over 8.0 meters.
- Including 10.0% Ni, 4.47% Cu, 0.14% Co, 2.13 g/t TPM over 1.0 meters

- Hole TK22-76 drilled just off the 100% owned FCM North Hemlo Property boundary by Palladium One intercepts 46.3m of anomalous nickel mineralisation in an east west trending structure, further proving up Palladium One's property wide feeder dyke/chonolith geological model.
- West Pickle mineralised strike length increased to over 600 meters, remains open to the east and west.
- To date a total of 32 holes, totalling 6,766 meters have been drilled in the vicinity of the West Pickle Discovery.

Esa

- Total of 478 soil samples were collected from 11 predominantly subparallel, north - south soil lines in 2022.
- An intermittent 4km anomalous zone has been identified corresponding to the surface expression of the inferred shear.
- Multiple 10-95 ppb gold (Au) and key pathfinder elements including molybdenum (Mo), antimony (Sb) and arsenic (As).
- Anomalous trends identified by the soil sampling as well as the background magnetics highlighting NE structures intersecting the shear, including: Hemlo 'look alike' angular boulder identified, which reported 0.7ppm Au which is considered significant.
- Extensive soil sampling campaign completed to build on the successful 2022 program with 539 samples now awaiting assay results.

McKellar

"McKellar Trend" - Volcanic Massive Sulphide ("VMS") conceptual trend supported by reconnaissance and assay results, extending over 550m, open 'along strike' in both directions.

- Over 100 grab samples taken with highlights including 4.82% Zinc (Zn) 80 g/t Silver (Ag)
- Work programme further proves up conceptual VMS model and extension of historical high grade metal occurrences across the property.
- Eight contiguous claims have been staked, adjoining the southern boundary of the McKellar property.

- McKellar has a proven potential for Rare Earth Elements ("REE"), confirmed by sawn channel sampling of diatreme verifies historical findings and further evidenced REE system.

Enable

- Field work identified a **new gold (Au)** with **significant silver (Ag) 'showing'** on the property.
- The historic West Perch Lake showing of ~2ppm Au confirmed and expanded.
- An exploration permit application is being drafted which will allow 'mechanical exploration' including drilling.
- The winter 2023 exploration campaign was completed with a programme of lake sediment sampling.

Sugar Cube

- In Q1 2023 a geophysics survey consisting of 578 line km comprising a helicopter borne low level 100m line spacing magnetic as well as electromagnetic (EM) survey was completed.

II. Operational Overview

North Hemlo & Esa

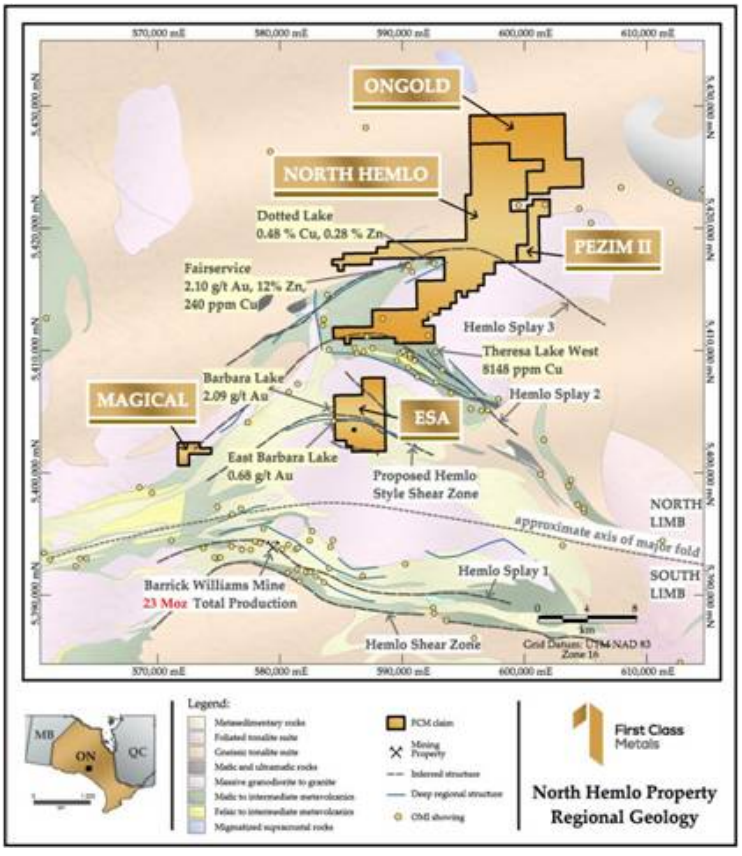


Figure showing the relative location of North Hemlo (including OnGold), Esa and Magical in respect to the Williams gold mine and the district scale shears associated with mineralisation

North Hemlo

Overview

The Flagship North Hemlo property historically comprised of three claim areas: Pezim I, Pezim II, and Wabikoba, which weren't contiguous. However, the addition of the Hemlo North block, acquired from Power Metals Plc., brought North Hemlo together as one cohesive block.

The property now extends across 448 claims covering ~98km². Note: 33 claims are effectively under a Joint Venture agreement with Palladium One and FCM's ownership is reduced to 20%.

There were limited historical showings on the property, the most important being the gold / molybdenum showing at Dead Otter Lake. The geology / geophysical signature of the Dotted Lake / Fairservice prospect continues onto the North Hemlo block. Furthermore, the JV - Earn-in with Palladium One has significantly enhanced the base, battery, and critical metal potential of the block.

Further potential is derived from the arcuate inferred shears which mimic the shear hosting the Hemlo gold mine.

In May, FCM signed exclusivity agreement for an Option cum Earn-In arrangement with Ongold a private company in respect to its 163 claims, covering 34 km² contiguous to the north of the North Hemlo property.

An Exploration permit, required for 'invasive' exploration such as trenching, stripping and drilling, has been drafted and after discussion with the First Nations submitted to the Ontario Provincial Mining authority for review.

Esa

Overview

The Esa property contains 86 claims, covers 20.6km², and is located approximately 11km northeast from the Barrick Hemlo gold mine, immediately south of FCM's North Hemlo property.

The claim block is dissected by a geological / geophysical feature, which adds significant merit to the block's potential. This structure is considered one of three subparallel, arcuate trends contained in the Hemlo 'north limb', which mirror the Hemlo trend to the south. Re-interpretation of geophysical data further enhanced the property's prospectivity. Extensive exploration was conducted along this feature in 2022, and further soils sampling and prospecting conducted in 2023.
The assessment credits generated during the year will maintain the property in good standing through 2023.

An Exploration permit, required for 'invasive' exploration such as trenching, stripping, and drilling has been drafted and after discussion with the First Nations submitted to the Ontario Provincial Mining authority for review.

Work Conducted in 2023
A team was mobilised in early May to continue the exploration at Esa, focusing on the anomalous soil sample results as well as the 0.7ppm boulder identified in the central eastern sector as detailed in the recent news release.

A Further 534 soil samples and 5 rock chip samples have been collected, both subparallel to the shear - orthogonal to the north striking magnetic features- as well as in the areas of higher Au anomalism in the previous programme. Results have not yet been received.

Exploration at **North Hemlo** project started later in the month when the snow cover thawed. To advance the prospect towards drill ready status, the intention is to follow up the encouraging sampling on the Dead Otter Lake trend which has returned anomalous gold results along its 3km plus strike up to 19.6 g/t Au. Over the winter months ninety-six lake sediment samples as well as a number of rock samples were collected from North Hemlo, with very positive results being reported.

Discussions are ongoing with drill companies to undertake a maiden drilling programme at Esa and or North Hemlo. To this end the Application for an Exploration permit has been submitted to the Provincial authorities.

Sunbeam

Overview

The Sunbeam Gold Property includes the historic Sunbeam Mine. This was a high-grade underground gold mine which operated from 1898 to 1905. The core of the Property consists of 104 unpatented mining claims covering 20.2km² in the Ramsay-Wright Township in North-western Ontario.

The Option to purchase was signed with Nuinsco in October 2022. Nuinsco holds the claims through an underlying agreement with several prospectors who held the claims. In February 2023, FCM made a second payment to Nuinsco, and the claim ownership was transferred to FCMC for the central Sunbeam area. The third and final payment, (in total Cdn$700,00), was made in June. The Sunbeam extended (English Option extending over 24.8km²) is still part of an Option agreement with Nuinsco and the claim owner, which FCM has assumed.

Work conducted in 2023
Historic data and core reviews completed alongside extensive prospecting, sampling, and mapping program which includes rediscovery of a 3m wide quartz vein on the Pettigrew Trend. Mechanical stripping and then a targeted, systematic channel sampling programme has been undertaken at potential drill locations at the Pettigrew and Roy occurrences. Trail access for a drill rig into the same areas was also completed.

McKellar

Overview

The McKellar property, originally comprising 58 claims, covers ~10.1km² and is situated in prime geological terrain within the Coldwell complex. Located to the west of Generation Mining's Palladium Project, McKellar is roughly 25 kilometres from the town of Marathon, the main service centre for Barrick's Hemlo mine. McKellar has a number of historic 'showings' with significant values in both base (battery) and precious metals. McKellar was the second largest of the claim blocks that formed the Power Metals Resources PLC claim acquisition. Field work conducted in 2022 generated assessment credits that cover the property into 2023. Eight contiguous claims were 'staked' in February 2023 in the southern area of the claim block, extending the total claim area to 12.3km².

An exploration permit, required for 'invasive' exploration such as trenching, stripping and drilling has been drafted and after discussion with the First Nations, summited to the Provincial authorities.

Work conducted in 2023

In 2023, 18 sawn channel samples of approximately 1m were collected across the exposed diatreme, which historically reported REE. In addition, local scale prospecting resulted in 5 grab samples also being collected for assay.

Results of the 2023 programme (highest two samples) and other assayed samples from the diatreme area are included in the table below.

Element	**Historical assay results for selected elements (including REE's),**	**FCM recent 2023 sampling showing two**

	McKellar Creek Diatreme:	highest values, all ppm
Gold Au	25 ppb	N/A
Platinum Pt	17 ppb	N/A
Neodymium Nd	300 ppm	259, 205
Lanthanum La	400 ppm	362, 253
Beryllium Be	2.8 ppm	5 all others BLD
Cerium Ce	513 ppm	653, 503
Yttrium Y	214 ppm	287, 193
Strontium Sr	1280 ppm	1410, 1360
Thorium Th	180 ppm	145, 140
U308	38 ppm	U: 32.8 23.4

Table showing historic as well as FCM generated sample results from the McKellar diatreme

Zigzag

Overview

The 6-unit claim group spans approximately 1.2km and covers the historic Tebishogeshik lithium occurrence as well as other mineralized sites. The claims are a part of an 'Option' Agreement with Nuinsco signed in March 2023. Nuinsco, whilst not the registered owners, hold an Option to Purchase agreement with the claim owner. By virtue of this agreement, FCM has committed to a four-year work programme as well as staged payments to Nuinsco, which can be accelerated. At the fulfilment of these obligations, FCM will own the claim option on an 80:20 arrangement with Nuinsco. At this point a JV would be entered into between FCM and Nuinsco for the further development of the mining claims. Should either party not wish to contribute to the JV they would be diluted as per an agreed dilution formula. If either Nuinsco or FCM is diluted to 10% ownership their entire remaining ownership would be automatically converted into an NSR.

Work conducted in 2023

During a winter reconnaissance of the Zigzag property in order to assess access the team identified an old trench for which sample information was not available. Four samples were collected from the in-situ debris flanking the trench. The results, tabulated below validate previous sampling, with values up to 1.0% (10,000ppm):

Sample number	Lithium (Li) ppm	Tantalum (Ta) ppm
A1104880	1390	184
A1104881	5070	84.7
A1104882	10000	139
A1104883	1180	198

Table showing Zigzag grab sampling results

Sugar Cube

The Sugar Cube claim block of 205 claims, covering ~43km², is contiguous to the north-west of Silver Lake's 1.6Moz+ Sugar Zone gold mine. Sugar Cube was one of the 'seed' properties that formed the pre-IPO company portfolio.

Work Conducted in 2023

Whilst virtually no ground-based exploration was conducted in 2022, in Q1 2023 a 578 line km geophysics survey comprising a helicopter borne low level 100m line spacing magnetic as well as electromagnetic (EM) survey was completed, which will provide sufficient credits to maintain this entire block through 2023

The survey data was processed by the contractor then passed to Paterson Grant Watson (PGW) who undertook a detailed interpretation. This interpretation will determine future field work to 'ground-truth' any identified anomalies.

Other Properties:

FCMC Inc. holds a further 85 claims totalling 18km² in three Properties in the Hemlo area, (Enable, Coco East and Magical), however, either no work was conducted, or no work reported in the public domain associated with these Properties.

III. Corporate and Financial Highlights

The start of 2023 has witnessed several corporate actions by the Company as the business positions itself to exploit the remarkable team and network it has developed. FCM now moves into a period of development that will see a major upturn in work across its portfolio of assets.

- On 7th February 2023 the Company announced the 2nd Instalment of the Sunbeam option was completed with a payment of CAD$150,000 made to Nuinsco.

- On 9th March 2023 the Company announced the Earn-In into the Zigzag Lithium project, which included a cash payment of $50,000 on signing and the issue of CAD$25,000 equivalent in ordinary shares.

- On 15th March 2023, the Company announced that it had received notice of an exercise of a total of 600,000 warrants with an exercise price of 12.5p, raising gross proceeds of £75,000 for the Company. Admission of the shares took place on the 21st of March 2023.

- On 29th March 2023 we announced receipt of the final payment of CAD$140,000 of the 2022/3 Ontario Junior Exploration Grant ("OJEP") for work completed on the North Hemlo property.

- On 26th June 2023 the Company announced the placing, subscription, and exercise of warrants of 10,491,700 ordinary shares raising gross proceeds £1,049,170 all at the price of 10p per share. Admission of these shares took place on or before 10th July 2023.

- The Annual General Meeting ("AGM") of the Company was held on 29th June 2023, at which all resolutions were duly passed.

James Knowles, Chairman commented:

The first half of 2023 has been an exciting time for First Class Metals. Following on from the IPO in July 2022 and successful inaugural field season we looked to develop our diverse portfolio of precious and base metal focused assets in Ontario further.

With fieldwork planned and in operation across Sunbeam, North Hemlo, Esa, Enable and Zigzag the year started with a very active program. Behind the field work the Company's board progressed drilling permits and amendments to existing permitted properties.

With the addition of the Zigzag Lithium project 'earn-In' we now have exposure to a key battery metal project, located in an area of Ontario which holds numerous other developing hard rock lithium projects and future processing infrastructure.

The progress of the Company during the period has been tremendous and with the successful completion of our fund raise, on 26th June 2023, First Class Metals is funded to continue to drive through the exciting planned workstreams ahead.

I would like to take this opportunity thank and congratulate our teams and partners in Canada for their hard work and results and to state that we very much look forward to continuing to push this exciting portfolio of assets onwards.

IV. Financial Review

Funding

At the period end, the Group was funded through investment from its shareholders following successful post-IPO fund raising events. A sum of £1,186,478.20 was raised through warrant conversion and private placement.

Current Assets

At 30th June 2023, the Group had trade and other receivables of £157,632 (Dec 2022: £226,217, June 2022: £31,177).

Liquidity, cash and cash equivalents

At 30th June 2023, the Group held £844,131 (Dec 2022: £712,715, 30 June 2022: £227,683) of cash and cash equivalents, all of which are denominated in pound sterling.

Going concern

The financial information has been prepared on the basis that the Group will continue as a going concern.

As a junior exploration company, the Directors are aware that the Company must seek funds from the market to meet its investment and exploration plans and to maintain its listing status.

The Group's reliance on a successful fund raising presents a material uncertainty that may cast doubt on the Group's ability to continue to operate as planned and to pay its liabilities as they fall due.

The Company successfully raised £1,186,478.20 in the period ended 30th June 2023 through a combination of issuing new shares and warrant conversions.

The Directors are aware of the reliance on fund raising within the next 12 months and the material uncertainty this presents but having reviewed the Group's working capital forecasts they believe the Group is well placed to manage its business risks successfully providing the fund raising is successful.

Statement of Directors' Responsibilities

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and UK adopted International Financial Reporting Standards ("IFRS").

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable IFRS standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements in IFRS standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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 Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement

that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website https://www.firstclassmetalsplc.com/. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge the Company financial statements give a true and fair view of the assets, liabilities, financial position of the Company.

V. Half yearly accounts

Consolidated Income Statement for the Period from 1 January 2023 to 30 June 2023

	6 months to 30 June 2023 £ Unaudited	6 months to 30 June 2022 £ Unaudited	12 months to 31 December 2022 £ Audited
Revenue	-	-	-
Cost of sales	-	-	-
Gross loss	-	-	-
Administrative expenses	(693,460)	(159,790)	(693,583)
Operating loss	(693,460)	(159,790)	(693,583)
Finance income	2,058	12	461
Finance costs	(53,298)	-	(7,918)
Net finance cost	(51,240)	12	(7,457)
Loss before tax	(744,700)	(159,778)	(701,040)
Loss for the period	(744,700)	(159,778)	(701,040)
Profit/(loss) attributable to:			
Owners of the company	(744,700)	(159,778)	(701,040)
Loss for the period	(744,700)	(159,778)	(701,040)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation (losses)/gains	(84)	123,772	98
	(744,784)	(36,006)	(700,942)

Total comprehensive (loss)/income for the period			
Total comprehensive (loss)/income attributable to:			
Owners of the company	(744,784)	(36,006)	(700,942)
Loss per share:	(1.06)p	(0.17)p	(1.31)p

Consolidated Statement of Financial Position as at 30 June 2023

	Note	30 June 2023 £ Unaudited	30 June 2022 £ Unaudited	31 December 2022 £ Audited
Assets				
Non-current assets				
Property, plant and equipment	5	1,169	-	812
Mineral property exploration and evaluation	4	2,914,105	1,751,778	2,256,720
		2,915,274	1,751,778	2,257,532
Current assets				
Trade and other receivables	7	157,632	31,177	226,217
Cash and cash equivalents	8	844,131	227,683	712,715
		1,001,763	258,860	938,932
Total assets		3,917,037	2,010,638	3,196,464
Equity and liabilities				
Equity				
Share capital	9	(79,551)	(50,944)	(69,049)
Share premium		(4,470,806)	(1,486,947)	(3,395,168)
Equity reserve		(22,201)	-	(10,258)
Foreign currency translation reserve		(14)	-	(98)
Retained earnings		1,614,079	204,700	869,379
Equity attributable to owners of the company		(2,958,493)	(1,333,191)	(2,605,194)
Non-current liabilities				
Other non-current financial liabilities		-	-	(15,353)
Current liabilities				
Trade and other payables	12	(459,558)	(377,448)	(357,325)
Loans and borrowings	10	(498,986)	(300,000)	(218,592)

	(958,544)	(677,448)	(575,917)
Total liabilities	(958,544)	(677,448)	(591,270)
Total equity and liabilities	(3,917,037)	(2,010,639)	(3,196,464)

Consolidated Statement of Changes in Equity for the Period from 1 January 2023 to 30 June 2023

Unaudited	Share capital £	Share premium £	Equity reserve £	Foreign currency translation £	Retained earnings £	Total equity £
At 1 January 2023	69,049	3,395,168	10,258	98	(869,379)	2,605,194
Loss for the period	-	-	-	-	(744,700)	(744,700)
Other comprehensive income	-	-	-	(84)	-	(84)
Total comprehensive income	-	-	-	(84)	(744,700)	(744,784)
New share capital subscribed	10,502	1,075,638	-	-	-	1,086,140
Other equity reserve movements	-	-	11,943	-	-	11,943
At 30 June 2023	79,551	4,470,806	22,201	14	(1,614,079)	2,958,493

Unaudited	Share capital £	Share premium £	Equity reserve £	Foreign currency translation £	Retained earnings £	Total equity £
At 1 January 2022	943	1,536,947	-	-	(168,339)	1,369,551
Loss for the period	-	-	-	-	(36,006)	(36,006)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	1,536,947	-	-	(204,345)	(1,333,545)
New share capital subscribed	50,000	(50,000)	-	-	-	-
Other equity reserve movements	-	-	-	-	-	-

At 30 June 2022	50,943	1,486,947	-	-	(204,345)	(1,333,545)

Audited	Share capital £	Share premium £	Equity reserve £	Foreign currency translation £	Retained earnings £	Total equity £
At 1 January 2022	943	1,536,947	-	-	(168,339)	1,369,551
Loss for the period	-	-	-	-	(701,040)	(701,040)
Other comprehensive income	-	-	-	98	-	98
Total comprehensive income	-	-	-	98	(701,040)	(700,942)
New share capital subscribed	68,106	1,858,221	-	-	-	1,926,327
Other equity reserve movements	-	-	10,258	-	-	10,258
At 31 December 2022	69,049	3,395,168	10,258	98	(869,379)	2,605,194

Consolidated Statement of Cash Flows for the Period from 1 January 2023 to 30 June 2023

	Note	6 months to 30 June 2023 £ Unaudited	6 months to 30 June 2022 £ Unaudited	12 months to 31 December 2022 £ Audited
Cash flows from operating activities				
Loss for the period		(744,700)	(36,006)	(701,040)
Adjustments to cash flows from non-cash items				
Depreciation and amortisation		266	(123,771)	162
Foreign exchange loss/(gain)		80,474	-	(29,831)
Finance income		(2,058)	(12)	(461)
Finance costs		53,298	934	7,918
		(612,720)	(158,855)	(723,252)
Working capital adjustments				
Decrease/(increase) in trade and other receivables	7	68,585	(1,985)	(176,917)
Increase in trade and other payables	12	102,233	270,866	266,096
Net cash flow from operating activities		(441,902)	110,026	(634,073)
Cash flows from investing activities				
Interest received		2,058	-	461
Acquisitions of property plant and equipment		(624)	-	(974)
Acquisition of mineral property exploration and evaluation	4	(729,823)	(572,081)	(1,013,050)

Net cash flows from investing activities	(728,389)	(572,081)	(1,013,563)
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs	1,098,083	-	1,593,549
Proceeds from other borrowing draw downs	280,394	300,000	587,180
Foreign exchange loss/(gain)	-	123,771	-
Repayment of other borrowing	(15,353)	-	(23,747)
Net cash flows from financing activities	1,363,124	423,771	2,156,982
Net increase in cash and cash equivalents	192,833	(38,284)	509,346
Cash and cash equivalents at 1 January	712,715	267,244	267,244
Effect of exchange rate fluctuations on cash held	(61,417)	(1,277)	(63,875)
Cash and cash equivalents at 30 June	844,131	227,683	712,715

Notes to the Financial Statements for the Period from 1 January 2023 to 30 June 2023

1 General information

The Company is a public company limited by share capital, incorporated and domiciled in England and Wales.
The principal activity of the Company was that of a holding company.

The principal activity of the Group was that of the exploration of gold and other semi-precious metals as well as battery metals critical to energy storage and power generation solutions.

The Company's ordinary shares are traded on the London Stock Exchange (LSE) under the ticker symbol FCM.

The address of its registered office is:
Suite 16 Freckleton Business Centre
Freckleton Street
Blackburn
Lancashire BB2 2AL
United Kingdom

These unaudited interim results comprise the Company and its subsidiary, First Class Metals Canada Inc.

The Company's interim report and accounts for the six months ended 30 June 2023 have been prepared using the recognition and measurement principles of International Accounting Standards in conformity with the requirements of the Companies Act 2006.

These interim financial statements for the six months ended 30 June 2023 should be read in conjunction with the financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as applied in accordance with the provisions of the Companies Act 2006. The interim report and accounts do not include all the information and disclosures required in the annual financial statements.

The interim report and accounts have been prepared in accordance with IAS34 (interim financial statements) and on the basis of the accounting policies, presentation and methods of computation as set out in the Company's December 2022 Annual Report and Accounts, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2023 and will be adopted in the 2023 annual financial statements.

The financial information is presented in Pounds Sterling, rounded to the nearest pound and has been prepared under the historical cost convention.

The interim report and accounts do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. These interim financial statements were approved by the Board of Directors on 28 September 2023. The results for the six months to 30 June 2023 and the comparative results for the six months to 30 June 2021 are unaudited. The figures for the year ended 31 December 2022 are extracted from the audited statutory accounts of the Company for that period.

Going Concern

The Directors have confirmed their intention to support the Company whilst it is in the process of raising funds to achieve its business plans. The Directors consider that sufficient resources are available to support the Company's operations for the foreseeable future and therefore believe that the going concern basis of preparation is appropriate.

2 Loss per share

		6 months ended 30 June 2023	6 months ended 30 June 2022	12 months ended 31 December 2022
		(unaudited)	(unaudited)	(audited)
Loss from operations	£	(744,700)	(36,006)	(701,040)
Weighted average number of shares		70,410,322	21,673,976	53,456,619
Basic and fully diluted loss per share	Pence	(1.06)	(0.17)	(1.31)

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

There are potentially issuable shares all of which relate to share warrants issued as part of placings in 2022. However, due to the losses for the year the impact of the potential additional

shares is anti-dilutive and has therefore not been recognised in the calculation of the fully diluted loss per share.

3 Earnings per share

The calculation of the basic and diluted earnings per share (EPS) has been based on the loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

4 Mineral property exploration and evaluation

	Mineral property exploration and evaluation £
Cost or valuation	
At 1 January 2022	1,179,697
Additions	1,013,050
Foreign exchange movements	63,973
At 31 December 2022	2,256,720
At 1 January 2023	2,256,720
Additions	729,823
Foreign exchange movements	(72,438)
At 30 June 2023	2,914,105
Amortisation	
At 30 June 2023	-
Carrying amount	
At 30 June 2023	2,914,105
At 1 January 2022	1,179,697

5 Property, plant and equipment

Group

	Furniture, fittings and equipment £
Cost	
Additions	974
At 31 December 2022	974
At 1 January 2023	974
Additions	624
At 30 June 2023	1,598
Depreciation	
Charge for year	162
At 31 December 2022	162
At 1 January 2023	162

Charge for the period	267
At 30 June 2023	429
Carrying amount	
At 30 June 2023	1,169
At 31 December 2022	812

6 Investments

Group subsidiaries

Details of the group subsidiaries as at 30 June 2023 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held 2023	2022
First Class Metals Canada Inc.*	Mining of other non-ferrous metal ores	55 York Street Suite 401 Toronto ON M5J 1R7 Canada	100%	100%

* indicates direct investment of the company

7 Trade and other receivables

	30 June 2023 £	30 June 2022 £	31 December 2022 £
Accrued income	-	-	85,979
Prepayments	60,479	8,220	67,919
Other receivables	97,153	22,957	72,319
	157,632	31,177	226,217

8 Cash and cash equivalents

	30 June 2023 £	30 June 2022 £	31 December 2022 £
Cash at bank	844,131	227,683	712,715

9 Share capital

Allotted, called up and fully paid shares

	30 June 2023		31 December 2022	
	No.	£	No.	£
Ordinary shares of £0.001 each	79,551,294	79,551	69,048,707	69,049

10 Loans and borrowings

	30 June 2023	30 June 2022	31 December 2022
	£	£	£
Current loans and borrowings			
Finance lease liabilities	-	-	13,433
Convertible debt	498,986	300,000	205,159
	498,986	300,000	218,592

The group's exposure to market and liquidity risks, including maturity analysis, relating to loans and borrowings is disclosed in note 15 "Financial risk review".

In October 2022, the company has access to a drawdown facility of £1,000,000, of which £500,000 was drawn down as of June 30, 2023.

11 Leases

Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	30 June 2023	30 June 2022	31 December 2022
	£	£	£
Less than one year	-	-	13,433

12 Trade and other payables

	30 June 2023	30 June 2022	31 December 2022
	£	£	£
Trade payables	183,257	161,062	82,006
Accrued expenses	269,562	32,051	236,810
Social security and other taxes	4,875	3,535	7,667
Outstanding defined contribution pension costs	1,864	-	-
Other payables	-	180,800	30,842
	459,558	377,448	357,325

13 Financial risk review

Group

Principle risks & uncertainties are detailed in the most recent Annual report (page 41 & 42) which can be found on the company's website and remain unchanged. This Annual Report can be found at: 2022+Annu\al+Report+&+Financial+Statements.pdf (squarespace.com)

In addition, this note presents information about the group's exposure to financial risks and the group's management of capital.

Capital risk management

The Group's objectives when managing capital are: (a) To maintain a flexible capital structure which optimizes the cost of capital at acceptable risk; (b) To meet external capital requirements on debt and credit facilities; (c) To ensure adequate capital to support long-term growth strategy; and (d) To provide an adequate return to shareholders. The Group continuously monitors and reviews the capital structure to ensure the objectives are met. Management defines capital as the combination of its indebtedness and equity balances, as disclosed in note 13, and manages the capital structure within the context of the business strategy, general economic conditions, market conditions in the power industry and the risk characteristics of assets. The Group's objectives in managing capital and the definition of capital remain unchanged throughout the period. External factors, such as the economic environment, have not altered the Group's objectives in managing capital.

Credit risk

The group's definition of credit risk is Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. At present the Group does not have any customers and its risk on cash and bank is mitigated by holding of the funds in an "A" rated bank.

Liquidity risk

The group's definition of liquidity risk is Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages liquidity risk by maintaining adequate cash balances.

Market risk

The group's definition of market risk is Market risk is the risk that changes in market prices, such as commodity prices, will affect the Group's earnings. The objective of market risk management is to identify both the market risk and the Group's option to mitigate this risk.

A majority of the Group's operating costs will be incurred in US and Canadian dollars, whilst the Group has raised capital in £ Sterling. The Group will incur exploration costs in US and Canadian Dollars, but it has raised capital in £ Sterling. Fluctuations in exchange rates of the US Dollar and Canadian Dollar against £ Sterling may materially affect the Group's translated results of operations. In addition, given the relatively small size of the Group, it may not be able to effectively hedge against risks associated with currency exchange rates at commercially realistic

rates. Accordingly, any significant adverse fluctuations in currency rates could have a material adverse effect on the Group's business, financial condition and prospects to a much greater extent than might be expected for a larger enterprise.

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market rates of interest. As the Group has no significant interest bearing assets or liabilities, the group's operating cash flows are substantially independent of changes in market interest rates. Therefore, the Group is not exposed to significant interest rate risk.

14 Post balance sheet events

In July FCM announced that it has signed an agreement with OnGold Investment Corp ("OnGold") in respect to the Pickle Lake Property, McGill Township in Ontario . The property consists of 163 single cell mining claims, comprising 3,455ha (hectares). Contiguous to both First Class Metals, North Hemlo Property and Palladium One (TSXV:PDM) Tyko Project. Eleven high priority targets defined on the property from previous operators work program. Winter Lake Sediment sampling by FCM across the area as part of the due diligence process returned gold grades of up to 103ppb gold (Au) which is deemed to be extremely high for the wider area.

15 Related party transactions

Parties are considered to be related if one party has the ability (directly or indirectly) to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

During the period, the Group incurred consultancy and travel expenses in relation to the intangible assets from Specialist Exploration Services (Scotland) Limited, a company controlled by a common director. The services were for £53,850.46 (Dec 2022: £121,965) of which £7,350 (Dec 2022: £7,000) was outstanding at the year end.

On the 26th Of June 2023 Marc J Sale subscribed to £37,500 shares in a private placement totalling 375,000 shares. The shares will be held in the name of Specialist Exploration Services Scotland Ltd which is a UK registered company controlled by Mr Marc J Sale.

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