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GreenRoc Strategic Materials Plc
14 August 2024

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GreenRoc Strategic Materials Plc

("GreenRoc" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS TO 31 MAY 2024

The Board of Directors of GreenRoc Strategic Materials Plc is pleased to report the Company's interim results for the six months ended 31 May 2024. These incorporate the results of its subsidiary companies: GreenRoc Graphite Limited (formerly Obsidian Mining Limited ("OML"), White Eagle Resources Limited ("WERL"), White Fox Resources Limited ("WFRL"), and its Greenlandic subsidiary Greenland Graphite A/S (together, the "Subsidiary Companies", collectively with GreenRoc, the "Group").

Highlights

- A change in Greenlandic law, with effect of January 1, 2024, allows for a faster application process for an exploitation permit. GreenRoc expects to be in a position to apply for an exploitation permit for licence MEL 2013-06 at Amitsoq before the end of 2024.
- In April 2024, GreenRoc's application for an enlargement of the licence MEL 2022-03 was approved by the Government of Greenland. With that, the Company now holds all of the prospective ground in South Greenland with known graphite mineralisation - several of which hold exceptionally high grades similar to those of Amitsoq.
- GreenRoc is experiencing increased international interest for its Amitsoq graphite mine and graphite active anode material ("AAM") plant project ("AAM Plant"). As an example, GreenRoc was invited to present at the Mineral Security Partnership ("MSP") meeting on graphite held in Toronto in March 2024, as one out of only three established global graphite companies and the only graphite company from the northern hemisphere.The MSP is a collaboration of 13 countries plus the EU and is designed to catalyse public and private investment in responsible critical minerals supply chains globally.
- Another example is the receipt in April 2024 of a Letter of Interest from US EXIM Bank inviting GreenRoc to apply for financing of up to US$ 3.5M towards the Company's work programme.
- Amitsoq uncoated purified spherical graphite was analysed for its electrochemical performance in a test battery cell at a specialised battery research facility in Europe. The Amitsoq graphite anode performed well against all studied parameters, was very stable and had no signs of damage or loss of capacity after several cycles of both short and intensive charging.
- In January 2024, GreenRoc representatives visited key Chinese manufacturers of graphite anode material processing equipment as part of the Pre-Feasibility Study ("PFS") in respect of the Company's planned AAM Plant. The PFS has been supported by a £250,000 grant from the UK's Automotive Transformation Fund.
- Results of the AAM Plant PFS were published in May and July 2024 and showed:
  - Pre-Tax Net Present Value at 8% discount rate (NPV8) of US$942M with Internal Rate of Return (IRR) of 35.4%.
  - After-tax NPV8 of US$621M with IRR of 26.5%.
  - Total gross revenue of US$6.5Bn over the 22-year period, with total gross profit totalling US$3.1Bn.
  - Years of operation set at 22 to match that planned for the Amitsoq graphite mine.
  - 4-year payback period on capital from start of production.
  - Initial capital cost (Capex) of US$340M inclusive of a 25% contingency.
  - Average operating cost (Opex) of US$1,872 per tonne of CSPG.
  - Average annual processing of 80,000t of graphite concentrate at 95% graphitic carbon (C(g)) with production of 39,700t of active anode material in the form of coated spherical purified graphite (CSPG).

Post period end highlights

- Successful equity placings in May and June 2024, raising gross proceeds of £0.44 million. Funds to be used to supplement the Anode Plant PFS, continue the process of identifying the ideal location for the AAM Plant, finalise the Pressurised Flotation Cell beneficiation tests of Amitsoq graphite ore, progress the Amitsoq Social

Impact Assessment ("SIA") and Environmental Impact Assessment ("EIA") programmes and support commercial negotiations with potential offtake and financial partners.

- Further test work is ongoing, including application of novel pressurised flotation cells on Amitsoq ore, conducted by FLSmidth & Co A/S ("FLSmidth") at its test facility in Utah, USA.
- Development of an improved, more environmentally friendly purification process for Amitsoq spheronised graphite, using less (or completely eliminating the use of) hydrofluoric acid.
- GreenRoc to register with DigBee as a means to benchmark project ESG performance.

GreenRoc's CEO, Stefan Bernstein, commented:

"The recent release of the very positive results of the PFS on our planned anode material plant, which calculated a post-tax NPV of well over half a billion dollars, has added to the enormous potential upside of GreenRoc's business, building on a projected profitable mining operation at Amitsoq in South Greenland - with one of the highest graphite grades in the world and with estimated mineral resources open in several directions.

"We are working keenly on progressing the technical work related to both the Amitsoq graphite ore and the graphite anode material plant. For instance, we are testing new purification methods which will serve to reduce the need for hazardous chemicals and potentially also reduce the operating costs at the plant. Similarly, we are engaged with FLSmidth to test their newly developed and very promising pressurised flotation cells which could be ideal for the Amitsoq minei because of their reduced consumption of energy and water.

"I'm also very pleased to see the increased interest for our projects and in our ambition to set-up a European vertically integrated production of graphite active anode material - both from governments and also, increasingly, from potential off-takers. Thanks to our shareholders for your support - we will continue to work hard to grow and unlock the value of our graphite and anode material projects."

Amitsoq Graphite Project

Key points about Amitsoq:

- *Amitsoq is located in the Nanortalik region of southern Greenland, in year-round ice-free waters and on the same latitude as far northern Scotland.*
- *GreenRoc is focused on fast-tracking the development of Amitsoq into a producing mine in the shortest possible timeframe to meet critical demand from Electric Vehicle ('EV') manufacturers in Europe and North America for new, high grade and conflict-free sources of graphite.*
- *The Amitsoq Island Deposit has a total inferred, indicated and measured JORC Resource of 23.05 million tonnes (Mt) at an average grade of 20.41% Graphitic Carbon ("C(g)"), giving a total graphite content of 4.71 Mt. This makes Amitsoq one of the highest-grade graphite projects in the world.*
- *Significant further resource upside exists at Amitsoq as the Amitsoq Island Deposit is open in at least two directions, with potential for considerable further expansion via the similarly high-grade Kalaaq Mainland Deposit as well as a series of other high-grade targets within GreenRoc's licence package.*
- *The Amitsoq Island Deposit was in small-scale production about 100 years ago, and there remains considerable underground mine development in place from that time, which will be of considerable benefit to GreenRoc in the mine construction phase.*
- *In GreenRoc's test work programmes:*
    - o *Micronisation and spheronisation test work has proven that Amitsoq graphite can be readily upgraded to high-grade, anode-quality graphite, known as high purity spherical graphite or cSPG, a critical component in the Li-ion battery of an EV.*
    - o *Amitsoq spheronised graphite has achieved higher than 99.95% purity with relatively little energy input and processing and using a milder alkaline purification method compared to the industry standard hydrofluoric acid, boding well for future production costs and sustainability commitments.*
    - o *Electrochemical testing of Amitsoq graphite anode material within a test Li-ion battery cell has shown that it performs very well, in part due to its good crystallinity.*
- *The results of a Preliminary Economic Assessment (or PEA) for Amitsoq released on 31 October 2023 give a post-tax NPV8 for the Project of US$179M, an IRR of 26.7% and capex estimated at US$131M (including a 25% contingency). These figures solely relate to the economics of a mining and primary processing operation in South Greenland and do not take into account any potential upside from a downstream processing operation which GreenRoc intends to establish in Europe or the USA.*

- *In relation to that downstream business, GreenRoc has now completed a Feasibility Study into the establishment of a graphite spheronisation processing plant to produce cSPG from graphite concentrate delivered from Amitsoq. This Feasibility Study has been part-financed by a grant of approximately £250,000 from the UK's Automotive Transformation Fund and the results were published in the announcements of 7 May and 10 July 2024 which showed a post-tax NPV8 for the Project of US$621M, an IRR of 26.5% and capex estimated at US$340M (including a 25% contingency).*
- *Following a detailed evaluation process, the European Raw Materials Alliance has expressed its support of GreenRoc and its Amitsoq graphite project, stating that: "GreenRoc's graphite resource is of global importance and, together with the Company's strategy, will enable the European Union to achieve a certain level of independence for the electrical vehicle supply chain. ERMA has approved the Amitsoq Graphite project and will engage to support its development and financing to produce these critical raw materials for the benefit of the European Union goals (see RNS dated 8 February 2023).*
- *The Company recently received a Letter of Interest from the US EXIM Bank with an indication to finance up to US$ 3.5M of the Company's work program on the Amitsoq mine and the downstream cSPG plant (see RNS of 15 April 2024).*

Thule Black Sands Ilmenite Project

Test work to determine the ilmenite content of the coarser grain fraction within drill core samples from Thule Black Sands ("TBS"), GreenRoc's ilmenite mineral sands project in North Greenland, is near completion and is expected to be reported this autumn.

Corporate

In April 2024, it was announced that Oberon Capital ("Oberon") had been appointed as sole broker to the Company.

Successful equity placings were completed in May and June 2024, raising gross proceeds of approximately £438k. This included the participation by GreenRoc directors and executives in the placing for a total subscription of approximately £20,000.

On 28 June 2024 the Company's shareholders approved the Company's change of name to GreenRoc Strategic Materials Plc. The purpose of the name change was to more closely align GreenRoc's name with its core business strategy. This strategy, which has evolved since the Company's IPO and Admission to AIM in September 2021, is to create a vertically integrated graphite anode business involving not only the mining of graphite from the Company's world-class Amitsoq graphite deposit in south Greenland, but also the construction and operation of an anode processing plant in Europe or North America for the production of coated spherical purified graphite (cSPG), a key input material in the lithium-ion battery of an electric vehicle.

Financial Results

The Group made a loss attributable to equity holders of the parent for the period, after taxation, of £399k (May 2023: £417k). The Company was incorporated in March 2021, but activity only commenced on 28 September 2021, when the Company acquired Alba Mineral Resources plc's Greenland mining portfolio in conjunction with GreenRoc's IPO and Admission to AIM. Since then, corporate overheads, consisting primarily of salaries and professional and listing costs, have been expensed as incurred, while exploration expenditure has been capitalised as an intangible asset in line with the Group's accounting policy.

At the end of the reporting period, the Group's cash was £70k, a net cash outflow of £82k. This included exploration expenditure of £160k, £12k of creditor settlements, administration costs of £413k (including £215k of salaries and other costs associated with the GreenRoc in-house technical and geological team), and net funding of £75k (being second tranche of the November 2023 placing which formally cleared in December 2023). In June 2024, the Company completed equity placings which raised gross proceeds of approximately £438k. As these placings completed shortly after the end of the reporting period, the proceeds are not included in the above cash balance for the end of the reporting period.

The basic and diluted loss per share was 0.24 pence (May 2023: loss of 0.35 pence).

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

Forward Looking Statements

This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the Company's ability to execute and implement future plans, and the occurrence of unexpected events. Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

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About GreenRoc

GreenRoc Strategic Materials plc is an AIM-quoted company which is developing mining projects in Greenland in critical, high-demand and high-value minerals.

Led by a group of highly experienced mining industry professionals, GreenRoc's 100% owned projects comprise:

- **The Amitsoq Graphite Project** in south Greenland, one of the highest-grade graphite deposits in the world with a combined Measured, Indicated and Inferred JORC Resource of 23.05 million tonnes (Mt) at an average grade of 20.41% graphite, giving a total graphite content of 4.71 Mt; and
- **The Thule Black Sands Ilmenite Project** in north Greenland, which has an initial Mineral Resource of 19Mt at 43.6% Total Heavy Minerals with an in-situ ilmenite grade of 8.9%.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MAY 2024

	Unaudited Six months ended 31 May 2024 £'000	Unaudited Six months ended 31 May 2023 £'000	Audited 12 months ended 30 Nov 2023 £'000
Other income	23	-	-
Gross profit	**23**	**-**	**-**
Administrative expenses	(420)	(416)	(903)
Impairment	-	-	(787)
Operating loss	**(397)**	**(416)**	**(1,690)**
Finance expense	(1)	(2)	(1)
Foreign Exchange	**(1)**	-	(2)
Loss for the period before tax	**(399)**	**(418)**	**(1,693)**
Taxation	-	-	-
Loss for the period from continuing operations	**(399)**	**(418)**	**(1,693)**

Loss attributable to equity holders of the parent	(399)	(418)	(1,693)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange loss on translating foreign operations	-	(2)	-
Total comprehensive income attributable to equity	**(399)**	**(420)**	**(1,693)**
Earnings per ordinary share attributable to the ordinary equity holders of the parent			
Basic and diluted (pence)	(0.24)	(0.35)	(1.26)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MAY 2024

	Unaudited 31 May 2024 £'000	**Unaudited 31 May 2023 £'000**	**Audited Year 30 Nov 2023 £'000**
Non-current assets			
Intangible fixed assets	10,000	10,285	9,840
Total non-current assets	**10,000**	**10,285**	**9,840**
Current assets			
Trade and other receivables	23	7	436
Cash and cash equivalents	70	210	152
Total current assets	**93**	**217**	**588**
Current liabilities			
Trade and other payables	(385)	(36)	(397)
Payable to parent entity	-	(57)	-
Total current liabilities	**(385)**	**(93)**	**(397)**
Net current assets/(liabilities)	**(292)**	**124**	**191**
Non-current liabilities			
Deferred tax	(1,004)	(1,004)	(1,004)
Total non-current liabilities	**(1,004)**	**(1,004)**	**(1,004)**
Net assets	**8,704**	**9,405**	**9,027**
Capital and reserves			
Share capital	218	184	215
Share premium	11,778	10,851	11,706
Share-based payment reserve	281	271	280
Translation reserve	-	(2)	-
Retained earnings	(3,573)	(1,899)	(3,174)
Total equity	**8,704**	**9,405**	**9,027**

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MAY 2024

	Share capital	Share premium	Share-based payment reserve	Translation Reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 December 2022	**161**	**10,033**	**252**	**-**	**(1,481)**	**8,965**
Loss for the period	-	-	-	-	(418)	(418)
Translation differences	-	-	-	(2)	-	(2)
Total comprehensive income for the period	**-**	**-**	**-**	**(2)**	**(418)**	**(420)**
Shares issued	23	818	-	-	-	841
Fair value of share options awarded	-	-	19	-	-	19
At 31 May 2023	**184**	**10,851**	**271**	**(2)**	**(1,899)**	**9,405**
At 1 December 2022	**161**	**10,033**	**252**	**-**	**(1,481)**	**8,965**
Loss for the period	-	-	-	**-**	(1,693)	(1,693)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1,693)**	**(1,693)**
Shares issued	54	1,673	-	-	-	1,727
Fair value of share options awarded	-	-	28	-	-	28
At 30 November 2023	**215**	**11,706**	**280**	**-**	**(3,174)**	**9,027**
Loss for the period	-	-	-	-	(399)	(399)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(399)**	**(399)**
Shares issued	3	72	-	-	-	75
Fair value of share options awarded	-	-	1	-	-	1
At 31 May 2024	**218**	**11,778**	**281**	**-**	**(3,573)**	**8,704**

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 31 MAY 2024

	Unaudited Six months ended 31 May 2024 £'000	Unaudited Six months ended 31 May 2023 £'000	Audited 12 months ended 30 Nov 2023 £'000
Cash flows from operating activities			
Operating loss	(397)	(415)	(1,690)
Adjustments for:			
Share-based payment charge	1	19	24

Impairment		-	787
(Decrease)/increase in creditors	(12)	(221)	141
Decrease/(increase) in debtors	413	6	(423)
Net cash used in operating activities	**5**	**(611)**	**(1,161)**
Cash flows from investing activities			
Capitalised exploration expenditure	(160)	(134)	(476)
Net cash used in investing activities	**(160)**	**(134)**	**(476)**
Cash flows from financing activities			
Proceeds from issue of shares	75	883	1,731
Cost of issue	-	(42)	-
Repayment of loan from parent	-	(8)	(65)
Receipts of borrowings from parent	-	-	-
Finance expense	(2)	(2)	(3)
Net cash generated from financing activities	**73**	**831**	**1,663**
Net increase/(decrease) in cash and cash equivalents	**(82)**	**86**	**26**
FX on cash and cash equivalents	-	(2)	-
Cash and cash equivalents at beginning of period	152	126	126
Cash and cash equivalents at end of period	**70**	**210**	**152**

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION

1. Basis of preparation

The Group consolidates the financial statements of the Company and its subsidiary undertakings.

The financial information has been prepared under the historical cost convention in accordance with UK-adopted International Accountant Standards ("UK-adopted IAS") as they apply to the Group for the six months ended 31 May 2024.

2. Taxation

No charge for corporation tax for the period has been made due to the expected tax losses available.

3. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of £399k (May 2023: 417k; November 2023: £1,693k) by the weighted average number of shares of 166,610,052 (May 2023: 118,862,168; November 2023: 134,217,972) in issue during the period. The diluted loss per share calculation is identical to that used for basic loss per share as the exercise of warrants would have the effect of reducing the loss per ordinary share and therefore is not dilutive under the terms of Financial Reporting Standard 22 "Earnings Per Share".

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