

**Corcel Plc**  
Annual Report and Accounts 2023

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# Strategic Report

## Company Information and Advisers

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### Directors

**Antoine Karam**

Executive Chairman

**Yan Zhao**

Non-Executive Director

**Ewen Ainsworth**

Non-Executive Director

### All of

Corcel Plc

(WeWork), 71-91 Aldwych House

London WC2B 4HN

### Telephone

020 7747 9960

### Website

[www.corcelplc.com](http://www.corcelplc.com)

### Registered Company Number

05227458

### Secretary

AMBA Secretaries Limited

400 Thames Valley Park Drive

Reading, Berkshire RG6 1PT

### Registered Office

Salisbury House

Suite 425, London Wall

London EC2M 5PS

### Nominated Adviser

WH Ireland

24 Martin Lane

London EC4R 0DR

### Accountants

Silvertree Partners LLP

3<sup>rd</sup> Floor, 14 Hanover Street

London EC2A 4EB

### Tax Advisers

Cameron & Associates Limited

35-37 Lowlands Road

Harrow-on-the-Hill

Middlesex HA1 3AW

### Auditor

PKF Littlejohn LLP

15 Westferry Circus, Canary Wharf

London E14 4HD

### Broker

WH Ireland

24 Martin Lane

London EC4R 0DR

### Bankers

Coutts & Co

440 Strand

London WC2R 0QS

### Registrars

Share Registrars Limited

The Courtyard

17 West Street

Farnham

Surrey GU9 7DR

Tel: 012 5282 1390

# Chairman's Statement

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Corcel is an AIM-listed oil and gas company advancing towards first oil through its interests in three blocks in onshore Angola. With drilling having completed on the first well at Block KON-11 and now underway at the second, the Company is making aggressive strides towards achieving its mid-term hydrocarbon production goals.

## Strategy Shift and Angola

During the course of the year, the Company began, and has now largely completed, its transition from battery metals to oil and gas. Whilst it retains several battery metal interests, including exposure to lithium and rare earth elements, the Board believed that the opportunity for an attractive entry into near-term hydrocarbon production in Angola is the best long-term strategy to create value for shareholders. The Directors recognize the global energy transition already underway, but believe that oil and gas will remain key components in the world's energy mix for many years to come, offering strong returns to those with the right assets and funding, willing to invest in opportunities not always obvious to wider popular investor sentiment.

The Company's cornerstone achievement during the year was the acquisition of three interests in onshore blocks in Angola, KON-11/12/16, through the acquisition of a 90% interest in Atlas Petroleum Exploration Worldwide Ltd "APEX". Corcel's agreement to bring these assets into the Company - at what the Board considers very favourable pricing - has provided the Company with a firm foundation in Angola on which to build, and several additional opportunities are currently under consideration. The acquisition of APEX brings with it a local team in Angola, led by our new MD Angola, Geraldine Geraldo as well as a deep bench of experienced oil and gas technical experts, all familiar with Angola, and with the onshore Kwanza basin in particular, a brownfield basin, with significant historic production. We have after the year-end added a new technical lead to our team, Jennifer Ayers, who is ex-Chevron, and who arrives with many years of experience including operating in Angola.

Progress on the ground in Angola has come quickly after the reporting period year end, with initial drilling on TO-13, the first Well having concluded, and the rig now having moved and spudded TO-14 at a second location. The Company is very pleased with the results of the first well, which despite being drilled downdip encountered the full 120m horizon of the Binga targeted, with oil shows and multiple potential production horizons throughout. The Company and the block consortium as a whole, led by the Angolan State Oil Company, Sonangol, believe that these early results point towards significant hydrocarbon potential remaining and dictate a move towards an early production system at the field, targeting first oil during the course of 2024. This will clearly be an important milestone for the company.

Rounding out the Company's transformation have been several board changes, some of which were in progress at the time of writing and are expected to conclude by the end of 2023. Once completed, a new fresh group of Executive and Non-Executive senior managers and Directors will be in place to lead the Company forward, with the right mix of experience and skills to propel Corcel and its interests.

## Battery Metals

Also during the year, the Company advanced its efforts to restructure its battery metal interests, first through the entrance of a new cornerstone investor at the end of 2022, led by new board member Yan Zhao, and then through an agreement with International Battery Metals ("IBM") to form a joint venture with the Company's 100% interest in Wowo Gap and 41% interest in the Mambare project. Unfortunately, the Company's partner at Mambare attempted to pre-empt only a portion of the transaction, delaying completion, and forcing the future JV partners to split the transaction into two distinct subsequent transactions. The first, the sale of Wowo Gap for up to US\$2.8 million, completed before the year end and the second, the sale of Mambare for up to US\$4.1 million, was still in progress at the time of writing. These two transactions will bind these assets to the Asian industrial off-takers hungry for these metals, have brought significant cash into the business, and offer Corcel a potential residual interest in battery metals through an ongoing shareholding in IBM.

The Company has also been active in Australia where during the year it acquired the Mt. Weld Rare Earth Element project for a modest consideration and then farmed out 50% of the project now overdue and which we hope to see before year-end. Also during the year the Company sold a 20% interest in the project to Extraction SRL (a company controlled by the Corcel Chairman), valuing the entire project at AUD5 million. Following the receipt of final drill and metallurgical results, the Company expects to work with Extraction and Riversgold to determine the next steps at the site.

The Company also agreed and then exercised an option to own 100% of the lithium rights at the Canegrass project, in Western Australia. These rights are overlain on an existing nickel project not currently owned by Corcel, and the Company believes that the pegmatites found at the project could be very prospective for lithium. At the time of writing the Company was concluding its initial exploration activities at the project, which should lead to an update on the project in the coming months and provide valuable data for future decision making at the project.

# Chairman's Statement

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continued

## Legacy Interests

The Flexible Grid Solutions business unit was formally shuttered during the year, culminating in the sale of the Company's residual interests in the Tring Road gas peaker plant site and the site of the Burwell Energy Storage project, for a modest profit. Flexible energy production and storage, while an exciting business in its own right, ultimately was not felt to be key to Corcel's strategy going forward, and the Company was pleased to have cash-based exits of these interests.

## Financing and Results

During the course of the year, the Company overhauled both its shareholder base through the introduction of several cornerstone investors, as well as reducing and ultimately paying off the historic debt position in the Company, which dated back to 2018. This was accomplished through the introduction of Yan Zhou, now a board member, and the investments he led into Corcel in October and then December 2022, with this group currently holding a 10.57% interest. Subsequently, Extraction SRL (a company 45% owned by Corcel's Chairman), agreed to invest over £1 million in several tranches, and ultimately acquired a 19.15% interest in the Company, and finally the vendors of APEX (several of whom are either set to join the Corcel Board or to become key advisors to the Company), following the 90% sale of these interests to Corcel, collectively hold some 17.19% of the business.

A shareholder base of this stature is a significant change from the manner in which Corcel has been previously funded, and gives the Company a core group of investors backing the Company to meet its longer-term goals, and supporting the Company during the time it takes to generate cash flow from operations and ultimately drive shareholder value over whatever market conditions may exist.

In alignment with this goal, the Company during the course of the year, first refinanced and then by January 2023 paid off in full its corporate debt originally due in October 2022. Subsequently the Company refinanced and then, through a series of conversions and a cash repayment after the year-end, retired the legacy debt of Regency Mines Plc (the Company's former name), making the Company debt-free for the first time in several years and removing the last of the short-term obligations that remained.

Also, after the year-end the Company agreed a series of convertible loan notes with Extraction SRL (a company 45% owned by Corcel's Chairman) which would allow immediate drawdown of £1 million, with a second £1 million before January 2024, and an additional £8 million to be mutually agreed over the three-year period. The Company has now agreed with Extraction SRL that the balance of the loan will now be made available for early drawdown. This loan is convertible at a 100% premium to the share price at the time it was agreed, and fully aligns the Extraction investor group with both current and future Corcel stakeholders.

We report during the period that the Group incurred a reduced loss of £1.187 million (2022: 2.128 million) whilst finance costs over the year increased to £0.451 million (2022: £0.224m), reflecting increased interest and refinancing fees (2022: £0.224million). Overall, administrative costs increased slightly for the year to £1.442 million (2022: £1.26 million) largely reflecting increased insurance costs, and the expansion of the team to support operations in Angola. A gain on the disposal of the Flexible Grid Solutions division and a portion of the Mt. Weld project led to income of £1.146 million during the period.

While overall market conditions remain poor both on AIM generally and in the oil and gas sector specifically, the Board believes that Corcel is uniquely funded in a manner that distinguishes it from most of its peers, and when this funding framework is tied with top tier appraisal and development assets in onshore Angola, Corcel is positioned to succeed in this space where others have failed.

We therefore are pleased to present the Annual Report and Accounts for the year to 30 June 2023. We thank all stakeholders for their ongoing support and we look forward with excitement to additional progress in 2024.



**Antoine Karam**  
Executive Chairman

# Strategic Review

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## Overview of the Business

The Company is listed on London's AIM market (AIM:CRCL) and manages a portfolio of oil and gas exploration and appraisal assets in onshore Angola. The Company retains interests in several legacy battery metals assets offering exposure to lithium and rare earth elements.

## Business Strategy

The Company seeks to become a significant player in onshore Angola, by participating in the reactivation of the Kwanza Basin, which has lain dormant since the 1990s. Corcel looks to achieve first oil within the next year, and sees additional opportunities for consolidation in the region. The Company recognizes that a global energy transition is underway, but believes that hydrocarbons will remain an important element of the energy mix for many years.

## Principal Risks and Risk Management

Oil and gas exploration and development is an inherently high-risk business with a number of identified risks outlined herein.

- 1. Health, safety and environment (HSE):** Oil and gas exploration, development and production activities can be complex and are physical in nature. HSE risks cover many areas including major accidents, personal health and safety, compliance with regulations and potential environmental harm. The Group strives to ensure the safety of its employees, contractors and consultants, and seeks to minimize its environmental impact where at all possible.
- 2. Exploration, development and production:** The ultimate success of the Group is based on its ability to grow production from existing and future assets and to create value through exploration activity across the existing portfolio together with selective acquisition activity to grow the asset base. The Group relies on internal and external technical expertise in order to support exploration and appraisal activities and to maximize the chances of success.
- 3. Reserves and resources:** The estimation of oil and gas reserves and resources involves a high level of subjective judgment based on available geological, technical and economic information. The Group has a strong team with expertise in subsurface and reservoir analysis as well as drilling and well engineering. The Company employs technical experts with industry standard qualifications and experience to operate our assets and to work closely with operators where appropriate.
- 4. Portfolio concentration:** The Group's exploration and appraisal assets are currently in the Kwanza Basin, onshore Angola. This concentrates risk in a single jurisdiction and in a particular basin with broadly similar geology across the Blocks. The Group is currently seeking to diversify its asset base, which may include opportunities in Brazil and in other areas of Angola.
- 5. Financing Risk:** Oil and gas development and production activity are capital intensive. The Group currently generates no cash from operations and relies on investment capital to take the business forward. The Group has recently brought in a new funding group, which has provided substantial funding to take the business forward, and the Directors believe that the Company can access additional funding through these relationships to take the business through the next several phases of development.
- 6. Bribery and corruption:** There is a risk that third parties or staff could be encouraged to become involved in corrupt or questionable practices. Transparency International's rankings put Angola at 116 out of 180 countries and its respective score at 33 out of a maximum of 100 points on their 2022 Corruption Perceptions Index. The Group has a zero-tolerance policy towards bribery and corruption, and has an established anti-bribery and corruption (ABC) policy that requires all new hires to take an online certificated course ensuring they understand what ABC is and how best to deal with situations they could potentially encounter in their workplaces.
- 7. Commodity prices:** The Group is exposed to commodity price risk in relation to the valuation of future hydrocarbon reserves. As the Group is not yet in production and does not currently have reserves, the Directors believe that this risk is relatively minimal at present.

# Strategic Review

continued

- Fiscal and political:** The Group's operations are located in Angola with legacy assets in Australia, and the Group is therefore exposed to both in-country fiscal and political risk. In Angola the Group employs a Managing Director and several consultants with deep experience in the country. The Group monitors political risk and political developments in Angola to determine if developments could affect its operations. Further, the Group interacts with relevant Governments, Government Ministries and Agencies, and the state-owned oil and gas company in Angola with a view to minimizing political risks. In Australia, the Company monitors Australian Dollar denominated costs and seeks to mitigate risk through the pre-purchase of Australian Dollars as deemed appropriate for the current scale of operations.

## Internal Controls & Risk Management

The Directors are responsible for the Group's system of internal financial controls. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial controls.

## Key Performance Indicators (KPIs)

At this stage in the Company's development, with no production or reoccurring revenues, the Directors take the view that the KPIs that would be most useful to investors are to monitor cash balances, current assets, net working capital and total assets. As the business develops its oil and gas assets further, the addition of KPIs will be considered and added as appropriate.

Key Performance Indicators	2023 £'000	2022 £'000
Cash balance	257	25
Current Assets	1,011	302
Net working capital	(303)	(1,444)
Total Assets	6,833	4,871

## Corporate Responsibility

Corcel aims to be socially and environmentally responsible, following and exceeding standards set for exploration and investment companies around the world. As a responsible operator, the Company has developed a Corporate Social Responsibility ("CSR") policy that aims to align exploration and investment activities with the expectation of local stakeholders in relation to environmental, economic and social impacts. As an explorer and developer, Corcel's impact on local communities is the most significant area of focus. The firm's CSR framework places the emphasis on stakeholder engagement and information dissemination, ensuring the local community is aware of the Company plans and activities where appropriate.

## Governance

The Board considers sound governance as a critical component of the Company's success and the highest priority. The Company seeks to retain a strong non-executive presence drawn from varied backgrounds and with well-functioning governance committees. Through the Company's compensation policies and variable components of employee remuneration, the Remuneration Committee of the Board seeks to ensure that the Company's values are reinforced in employee behaviour and that effective risk management is promoted.

## Analysis by Gender

Category	Male	Female
Directors	3	0
Other Employees	1	3

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## Employees and Employee Development

The Company is dependent upon the qualities and skills of its employees and their commitment plays a major role in the Company's business success. Employees' performance is aligned to the Company's goals through an annual performance review process and via incentive programmes. The Company provides employees with information about its activities through regular briefings and other media. The Company operates a share option scheme, operated at the discretion of the Remuneration Committee and an employee Share Incentive Plan, operated by the Trustees of the scheme.

## Diversity and Inclusion

The Company does not discriminate on the grounds of age, gender, nationality, ethnic or racial origin, non-job-related-disability, sexual orientation or marital status. The Company gives due consideration to all applications and provides training and the opportunity for career development wherever possible. The Board does not tolerate discrimination of any form, positive or negative, and all appointments are based solely on merit.

## Health and Safety

The Company includes Health and Safety ("H&S") procedures and frameworks in all of its planning and field activities, with an emphasis on top-down as well as bottom-up ownership and responsibility, quality training of all personnel, and risk assessments that go beyond mere regulatory compliance. Comprehensive Risk Assessments of Health and Safety Systems have been developed to identify existing risks, to implement relevant mitigation measures and to identify new risks before they may be directly applicable to our operations. Corcel's H&S strategy includes project and location specific training, H&S inductions, Emergency Response Plans and field team reporting procedures applied to Corcel's projects worldwide.

## Section 172 Statement

Section 172 (1) of the Companies Act 2006 obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole.

The section specifies that the Directors must act in good faith, when promoting the success of the Company and in doing so have regard (amongst other things) to:

- a. the likely consequences of any decision in the long term,
- b. the interests of the Company's employees,
- c. the need to foster the Company's business relationship with suppliers, customers and others,
- d. the impact of the Company's operations on the community and environment,
- e. the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f. the need to act fairly as between members of the Company.

The Company went through a period of continued development and evolution in 2022-23, with a revised focus on oil and gas exploration and development through the acquisition of a 90% interest in APEX, the holder of several exploration and appraisal interests in onshore Angola. The Company also brought in two cornerstone investors during the course of the year, which have provided capital and ongoing funding to the business as it continues to evolve, largely minimising dilution at this stage of development.

## Decision Making and Implementation

The Board is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational and risk management decisions have been implemented throughout the business is detailed in this Strategic Review on pages 5 to 9.



# Strategic Review

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## Employee Engagement

The Board recognises that its employees are one of its key resources, which enables delivering the Company's vision and goals. Annual pay and benefit reviews are carried out to determine whether all levels of employees are benefited equally and to retain and encourage skills vital for the business. The Remuneration Committee oversees and makes recommendations of executive remuneration and any long-term share awards. The Board encourages management to improve employee engagement and to provide necessary training in order to use their skills in the relevant areas in the business. The Board periodically reviews the health and safety measures, implemented in the business premises and improvements are recommended for better practices.

Employees are informed of the results and important business decisions to stimulate their engagement and are encouraged to improve their skills and career potential.

## Suppliers, Customers and Regulatory Authorities

The Board acknowledges that a strong business relationship with suppliers and customers is a vital part of the growth. Whilst day-to-day business operations are delegated to the executive management, the Board sets directions with regard to new business ventures. The Board upholds ethical behaviour across all sectors of the business and encourages management to seek comparable business practices from all suppliers and customers doing business with the Company. We value the feedback we receive from our stakeholders, and we take every opportunity to ensure that where possible their wishes are duly considered.

## Community and Environment

The Board recognises that the long-term success of the Company will be enhanced by good relations with different internal and external groups and to understand their needs, interests and expectations.

Corcel is committed to sustainable natural resource investment and development worldwide and recognises a responsibility to protect the environments in which it operates. The Company seeks to manage and mitigate environmental risks as well as to minimise the overall impact of our operations on the people and countries in which we operate. The Board encourages that good relations are cultivated with local governments and communities, aiming to better understand various parties' aspirations and ensure that the Company's business activities are compliant not only with local and global laws, including environmental laws, but also where possible take account of local expectations and priorities.

## Maintaining High Standards of Business Conduct

The Board places great importance on this aspect of corporate life, where failure could put the Company at risk, and seeks to ensure that this flows through all its business interactions and at all levels of the Company. The Board upholds the importance of sound ethical values and behaviour not only because it is important to the Company to successfully achieve its corporate objectives and to transmit this culture throughout the organisation but also to set a benchmark and send a signal of what it will and will not do in some of the jurisdictions in which the Company operates.

The Company is incorporated in the UK and governed by the Companies Act 2006, the Group's business operations are carried out within the UK and Internationally, which requires the Company to conform with the various statutory and regulatory provisions in the UK as well as in other locations in which it operates. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the 'QCA Code') and the Board recognises the need to maintain a high standard of corporate governance as well as to comply with AIM Rules to safeguard the interests of the Company's stakeholders. The corporate governance arrangements that the Board has adopted, together with a punctilious observance of applicable regulatory requirements also form part of the corporate culture, requiring a standard of behaviour when interacting with contractors, business partners, service providers, regulators and others. For example, the Company has adopted an Anti-Corruption and Bribery Policy, Whistleblowing Policy, HR and H&S Policies that dictate acceptable behaviour as well as the Share Dealing Code for Directors and employees, required for the AIM listed companies and in accordance with the requirements of the Market Abuse Regulation, which came into effect in 2016. Staff training on anti-corruption and anti-bribery is monitored and refresher courses are provided as and when required to ensure that the issues of bribery and corruption remain at the forefront of peoples' mind.

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## Shareholder Engagement

The Board places equal importance on all shareholders and recognises the significance of transparent and effective communications with shareholders. As an AIM listed company, there is a need to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders.

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and is committed to providing effective communication with its shareholders. Significant developments are disseminated through stock exchange announcements. The changes to the Board and Board Committees, changes to major shareholder information, QCA Code disclosure updates are promptly published on the website to enable the shareholders to be kept abreast of the Company's affairs. The Company's Annual Report and Notice of Annual General Meetings (AGM) are available to all shareholders and the Interim Report and other investor presentations are also available for the last five years and can be downloaded from the Company's website. In addition, press releases and updates on Twitter (@CorcelPlc) as well as Company interviews, broker notes, video updates and presentations, all are available on the Company's website [www.corcelplc.com](http://www.corcelplc.com), where shareholders may sign up to receive news releases directly by e-mail.

Shareholders can attend the Company's Annual General Meetings and any other shareholder meetings held during the year, where they can formally ask questions, raise issues and vote on the resolutions as well as engage in a more informal one-to-one dialogue with the executive Directors.

The Strategic Report has been approved and signed on behalf of the Board.



**Antoine Karam**  
**Executive Chairman**  
**29 November 2023**

# Governance

## Chairman's Corporate Governance Statement

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On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 30 June 2023. We at Corcel believe that having a solid corporate governance structure throughout the business is a vital factor in achieving our strategic goals and creating value for our shareholders. The Board is committed to maintaining high standards of corporate governance and in this it is guided by the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The Directors believe the QCA Code to be the most appropriately recognised corporate governance code for the Company to adhere to. During the year under review, the Board continued to strive to uphold the principles of the QCA Code across the business.

Corcel follows a medium to long-term corporate strategy with the objective of identifying and developing natural resource investments with attractive risk-weighted return profiles, primarily in the battery metals and distributed energy space. These may include early-stage projects with higher risk and larger upside as well as more mature and conservative investments with near-term cash flow potential. The Company delivers its business strategy with tightly controlled overheads, supplementing its financial resources through corporate transactions, JVs and partnerships as well as trading and disposals or exchanges for listed shares of non-core assets.

The Board upholds its responsibility to govern the Company in the best interests of all its stakeholders. The Board takes charge of formulating, reviewing and approving the Company's strategy, financial activities and operational performance, whilst working closely with the executive team. The Board has established Audit and Remuneration Committees to provide additional review and scrutiny in their respective areas. The Committees report back to the Board, following each committee meeting, and make appropriate recommendations with regard to the matters under their purview.

The Board, as a whole, is committed to instill a culture across the Company, delivering strong values and behaviours. Emphasis has been placed on rebuilding and strengthening all segments across the business, whilst working within a structured governance framework. Adding value to all stakeholders has been at the forefront of the Board and executive management's thinking. Corcel recognises all sectors of stakeholders in delivering our strategy and we are mindful of our responsibilities and duties to our stakeholders. A statement, detailing our stakeholders and our engagement with them, is included in the Strategic Report on pages 5 to 8.



**Antoine Karam**  
**Executive Chairman**  
**29 November 2023**

# QCA Code 2018 Principles

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The Board is committed to maintaining high standards of corporate governance and in this it is guided by the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The QCA Code sets out ten principles that are listed below together with a short explanation of how the Company applies each of the principles and reasons for any non-compliance.

Further disclosures regarding the Company's application of the QCA Code can be found on the Company's website.

<b>Principle</b>	<b>Corcel's Application</b>
Establish a strategy and business model, which promote long-term value for shareholders	<p>Corcel follows a medium to long-term corporate strategy, with the objective of identifying and developing natural resource investments, with attractive risk weighted return profiles. The Company has embarked on early-stage exploration projects with higher risk and larger upside as well as more mature and conservative investments with near-term cash flow potential, exploring the potential leveraging of its existing portfolio of nickel-cobalt assets through exposure to the ongoing revolution in batteries and energy storage technologies. The Company seeks to grow its business and make acquisitions and disposals to crystallise gains and enhance shareholder value.</p> <p>The Company's Business Model and Strategy is detailed on pages 5 to 9 of the Strategic Review.</p>
Seek to understand and meet shareholder needs and expectations	<p>The Company seeks to understand the varied needs and expectations of its shareholders and recognises that in order to ensure a good match between the shareholder profile and the Company's Business Model and the plans for implementation of that model, it needs to manage shareholder communications clearly regarding expectations and timelines. This is achieved by giving regular updates on developments via RNS announcements, Twitter service, Company interviews and meetings, both informal and formal, in order to serve the needs of private and institutional investors as well as analysts.</p> <p>The Company also engages with shareholders and prospective investors via the Annual General Meeting and various physical and virtual presentations.</p>
Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>Corcel recognises its duties to stakeholders, including employees, whether at the parent company or joint venture level, and investment level business partners, consultants and contractors as well as suppliers, service providers and regulators. The Company strives to be a responsible corporate citizen in all its territories of operation and has established a range of processes and systems to ensure that there is ongoing two-way communication, control and feedback processes in place to enable appropriate and timely responses to stakeholder needs interests and expectations.</p>
Embed effective risk management, considering both opportunities and threats throughout the organisation	<p>The Company continues to build an effective risk management framework, which identifies the risks to which the Company has been or could be exposed. The Audit Committee oversees the Company's financial reporting, including accounting policies and internal financial controls and is responsible for ensuring that the financial performance of the Company is properly monitored and reported to the Board.</p> <p>Details on principal risks and internal controls established for Risk management are set out on pages 5 to 9 of the Strategic Review.</p>

# QCA Code 2018 Principles

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## Principle

Maintain the Board as a well-functioning balanced team led by the Chair

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## Corcel's Application

The QCA Code requires that the boards of AIM companies have an appropriate balance between Executive and Non-Executive Directors. The QCA Code further states that at least two of the non-executive directors should be independent. The Company appointed Yan Zhao and Antoine Karam during the year. As a result, the Board currently comprises of three Directors with a 2:1 balance of Non-Executive Directors and Executive Directors. Ewen Ainsworth is the independent director on the Board and whilst the directors are mindful that there is currently only one independent Non-Executive Director, it is felt that given the current size of the Board and the Company there is a strong enough presence of independent judgement.

The Board, led by the Chair, has the necessary skills and knowledge to discharge their duties and responsibilities effectively. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operational performance. Day to day management is delegated to the Executive Directors, responsible for consulting the Board on all significant financial and operational matters. The Board approves the annual budget and amendments to it, issues of shares or other securities and all significant acquisitions and disposals.

The Board believes that it is in the best interests of the Company to have the role of the Chairman as an executive position, given the early stage of growth of the business and the entrepreneurial skills required to secure value growth.

The Board meets as regularly as necessary and also has established an Audit Committee and a Remuneration Committee to provide support in these specific areas. The attendance of the Board and Committee meetings are set out in on page 15 of the Annual Report.

Further details of the Companies application of the principal Five are set out in the QCA Code disclosures published on the Company's website.

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Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board consists of three Directors: one Executive and two Non-Executives and the Company believes that there is a strong balance of resource sector, technical, financial, accounting, legal and public markets skills. The profiles of the Board of Directors are included on page 14 of the Annual Report.

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Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Whilst the Board has not undertaken collectively any formal training, this is something that will be considered as the business grows and the Board is further established. The Directors have a wide knowledge of the business and requirements of Directors' fiduciary duties. The Directors receive briefings and updates from the Company's advisors (legal, auditors, NOMAD and broker) on developments and initiatives as they deem appropriate. The Company's auditors brief the Audit Committee on accounting and regulatory developments, impacting the Company. Individual Directors may engage external advisors at the expense of the Company upon approval by the Board in appropriate circumstances.

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# QCA Code 2018 Principles

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continued

## Principle

Promote a corporate culture that is based on ethical values and behaviours

## Corcel's Application

The Company aims to ensure an open and respectful dialogue with shareholders and other interested parties for them to have the opportunity to express their views and expectations for the Company. In this dialogue, the importance of sound ethical values and behaviour is emphasised, both because it is important if the Company is to successfully achieve its corporate objectives that this culture is transmitted through the organisation, and also to set a benchmark and send a signal of what it will and will not do in some of the jurisdictions in which the Company operates.

The Board places great importance on this aspect of corporate life, where failure could put the Company at risk, and seeks to ensure that this flows through all its business interactions and at all levels of the Company. The Company has adopted an Anti-Corruption and Bribery Policy, Whistleblowing Policy, HR and H&S Policies that dictate acceptable behaviour as well as the Share Dealing Code for Directors and employees, required for the AIM listed companies and in accordance with the requirements of the UK Market Abuse Regulations.

The Company has a zero-tolerance approach to bribery and corruption and has an Anti-Bribery Policy in place to protect the Company, its employees and those third parties to which the business engages with. Employees and the Board are reminded of their obligations regularly.

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Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Company's governance structure, including matters reserved for the Board, is set out on pages 15 to 16 of the Annual Report.

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Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board recognises that it is accountable to shareholders for the performance and activities of the Company and Group and, to this end, is committed to providing effective communication with the shareholders of the Company.

The Company's financial and operational performance are summarised in the Annual Report and the Interim Report, with regular updates on significant matters are disseminated to the shareholders via Stock Exchange announcements. The Company's stakeholders are kept up to date through descriptions of projects, press comments, broker notes, video updates and various presentations published on the Company's website.

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# Board of Directors

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## **Antoine Karam**

*Executive Chairman*

- Former Chairman of the Board of Cyber I – cyber security firm
- Former Board member and CEO of ITWay Group S.P.A.
- Former Investment Banker at Merrill Lynch brings many years of board experience and business development across Europe, Middle East and Africa
- Chemical Engineering degree from Southeastern University in Louisiana,
- Masters in Finance and Economics at the University of Cincinnati, Ohio

## **Ewen Ainsworth**

*Independent Non-Executive Director*

- Experienced AIM company director, Ewen is CFO of Coro Energy Plc and CEO of Discovery Energy Limited, an advisory, consultancy and investment company
- Worked in a variety of senior and board-level roles in the natural resource sector for over 30 years, most recently as a Non-Executive Director of Ascent Resources Plc and as Finance Director at San Leon Energy and at Gulf Keystone Petroleum Ltd.
- Qualified as a chartered management accountant, before moving into leading commercial roles
- Holds a degree in Economics and Geography from Middlesex University and is a member of the Energy Institute.

## **Yan Zhao**

*Non-Executive Director*

- Ex Shell EP looking after Shell EP Asia budget during the period 2000-2004
- Associate in Actis Capital London for oil & gas, mining, banking and TMT in Emerging Markets especially in Africa
- Partner in Sentient Resource Fund managing the Asia portfolio and maintaining Asian investor relationships
- Founder and President of New Power Group focusing on lithium battery material production
- Director of Integrated Battery Metals, an Asian based battery metal developer

# Corporate Governance Framework

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## Role of the Board

The Board has a responsibility to govern the Company rather than to manage it and in doing so act in the best interests of the Company as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director. Non-Executive Directors receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment.

## Responsibilities of the Board

The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Chairman and CFO, who are charged with consulting the Board on all significant financial and operational matters.

## Board of Directors

The Board of Directors currently comprises three Directors: Antoine Karam, Executive Chairman, Ewen Ainsworth Non-Executive Director and Yan Zhao, Non-Executive Director.

The Directors are of the opinion that the Board comprises a suitable balance and that the recommendations of the QCA Code have been implemented to an appropriate level. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

All Directors have access to the advice of the Company's solicitors and the Company Secretary, necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively and all Directors have access to independent professional advice at the Company's expense as and when required.

## Board Meetings

The Board meets regularly throughout the year. During the year ended 30 June 2023, the Board had 5 scheduled meetings together with additional ad hoc meeting as and when the business required.

## Board Meeting Attendance

The Directors' attendance at scheduled and ad hoc Board meetings and Board Committees during the year ended 30 June 2023 is detailed in the table below:

Director	Board Scheduled Meetings (5)	Board Ad Hoc Meetings (21)	Audit Committee Meetings (2)	Remuneration Committee Meetings (2)
Antoine Karam (appointed 13 June 2023)	1	1	—	—
Ewen Ainsworth	5	20	2	2
Yan Zhao (appointed 13 June 2023)	1	1	—	—
Scott Kaintz (resigned 14 June 23)	3	21	—	—
James Parsons (resigned 19 July 23)	5	20	—	—
Henry Bellingham (resigned 14 June 23)	4	21	2	2
<b>Total meetings</b>	<b>5</b>	<b>21</b>	<b>2</b>	<b>2</b>

\*Ad hoc meetings: Additional meetings called for a specific matter either relating to a particular operational matter or of a more administrative nature.



## Matters Reserved for the Board

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- **Strategy and Management** (responsibility for the overall leadership of the Company and setting the Company's values and standards, responsibility for the reputation of the Company, approval of the Company's strategic aims and objectives, approval of the Company's annual operating and capital expenditure budgets and any material changes to them, review of performance in the light of the Company's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken, extension on the Company's activities into new business or geographical areas, any decision to cease to operate all or any material part of the Company's business);
- **Structure and Capital** (major changes to the Company's corporate structure, changes to the Company's management and control structure, any changes to the Company's listing);
- **Financial Reporting and Controls** (approval of half yearly, interim management statements and any preliminary announcements of final year results, approval of the annual report and accounts, approval of any significant changes in accounting policies or practices, approval of treasury policies, including foreign currency exposure and the use of financial derivatives);
- **Internal Controls** (ensuring maintenance of a sound system of internal control and risk management, including a) reviewing the effectiveness of the Company's risk and control processes to support its strategy and objectives; b) reviewing the Company's risk register; and c) approving an appropriate statement for inclusion in the annual report);
- **Contracts** (major capital contracts, contracts, which are material, strategically or by reason of size, entered into by the Company or any subsidiary in the ordinary course of business);
- **Communication** (approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting, approval of all circulars and prospectuses);
- **Board Membership and Other Appointments;**
- **Remuneration** (determining the remuneration policy for the Directors and other senior Executives, determining the remuneration of the Non-Executive Directors, introduction of new share incentive plans or major changes to existing plans, for approval);
- **Delegation of Authority** (the division of responsibilities between the Chairman, the Chief Executive and other Executive Directors, approval of terms of reference of Board Committees, receiving reports from Board Committees on their activities);
- **Corporate Governance Matters** (review of the group's overall corporate governance arrangements);
- **Policies** (approval of group policies);
- **Other** (approval of the appointment of the Company's principal professional advisers, prosecution, defence of settlement of litigation involving above £5m or being otherwise material to the interests of the Group, approval of the overall levels of insurance for the Company, including Director's and Officers' Liability Insurance).

## Board Activities 2022-23

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The Board is responsible for full and effective control over the Company. The Board holds regular meetings at which financial, operational and strategic goals are considered and decided upon.

### 2022-23 Board Activities

- Pivoted to oil and gas development and appraisal work in onshore Angola, Kwanza Basin, through the acquisition of 90% of APEX, which holds interests in three blocks in Angola – active appraisal drilling on the first block began post year-end
- Began board restructuring to better reflect revised oil and gas centric strategy
- Brought in two cornerstone investors during the course of the year – completely changing the way in which the Company is funded – and ensuring minimal dilution going forward
- Restructured and ultimately after the year-end repaid all outstanding corporate debt leaving the business debt free
- Acquired the Mt. Weld Rare Earth Element project and subsequently agreed a farm out with Riversgold Pty Ltd, while also selling a portion of the project for AUD1m in cash
- Executed the option acquiring the mineral rights to the Canegrass lithium project in Western Australia
- Completed disposal of Wowo Gap nickel/cobalt project and announced disposal of the Mambare nickel/cobalt project shortly after the year-end
- Disposed of the Tring Road gas peaker project and Burwell energy storage site for a profit

### 2023-24 Board Focus

- Continue and complete board reorganization – with the goal to strengthen the Company's ability to successfully develop the Company's assets in Angola
- Continue drilling at Block KON-11 in Angola, flow test drilled wells and move to spec and plan an early production system with the target of first oil in 2024
- Commission a competent person's report over these assets to begin to quantify the Company's oil in the ground
- Advance exploration efforts at KON-12 and KON-16 with the goal of preparing for future drilling campaigns on each Block
- Analyse new opportunities across Angola and potentially abroad to continue to increase the Company's asset base
- Conduct initial field work at the Canegrass lithium project, and consider Mt. Weld drilling results and logical next steps for both mineral exploration projects

## Board Committees

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The Board has established the following committees, each of which has its own terms of reference:

### Audit Committee

The Audit Committee considers the Group's financial reporting, including accounting policies, and internal financial controls. It is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Audit Committee meets at least twice a year, once with the auditors, and is comprised of Ewen Ainsworth Non-Executive Director as Chairman and Yan Zhao, Non-Executive Director, who assumed the role following the resignation of Lord Bellingham on 14 June 2023. The Auditors and other personnel attend the Committee as requested by the Committee.

During the past year, the Audit Committee considered the going concern of the business in conjunction with the review of the half year and year end results. The Committee will continue to build upon the risk management framework as the business grows and develops.

It is the responsibility of the Committee to review the annual and half-yearly financial statements, to ensure that they adequately comply with appropriate accounting policies, practices and legal requirements, to recommend to the Board their adoption and to consider the independence of and to oversee the management's appointment of the external auditors.

## Board Activities 2022-23

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continued

### **Remuneration Committee**

The Remuneration Committee is responsible for making recommendations to the Board on Executive Directors' remuneration. It currently comprises Yan Zhao, Non-Executive Director as Chairman, who assumed the role following the resignation of Lord Bellingham on 14 June 2023, and Ewen Ainsworth, Non-Executive Director. The Executive Directors and other senior personnel attend meetings as requested by the Committee, which meets at least twice a year. The Remuneration Committee considers the performance of the Executive Directors in line with those targets set at the beginning of the year within the Company's scorecard.

During the past year, the Remuneration Committee met twice. Consideration at that meeting was given to the 2021 scorecard and any related bonus awards for the executives. The Committee also reviewed the structure of monitoring the Executive Directors performance and agreed that rather than a formal scorecard with set targets the Committee would consider during the year the performance of the individual directors and the overall performance of the Company when assessing appropriate year-end bonus awards. The option coverage of the Directors was also reviewed.

# Directors' Report

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The Directors present their Annual Report on the affairs of the Corcel Plc (the "Company") and its subsidiaries (the "Group"), together with the Group Financial Statements for the year ended 30 June 2023.

## Principal Activities

The Company was incorporated for the purpose of pursuing the development of and investment in mineral exploration projects and more recently has begun a transition to Angolan focused oil and gas appraisal and development. The Company's current portfolio includes several interests in onshore Angola, in the Kwanza Basin, as well as legacy battery metals projects in Western Australia including lithium and rare earth elements.

## Strategic Report

The Company is required by the Companies Act 2006 to include a Strategic Report in its Annual Report. The information that fulfils this requirement can be found in the Annual Report on pages 2 to 9.

## Business Review and Future Developments

The business review and future developments are dealt with in the Chairman's Statement and in the Strategic Review on pages 3 to 9.

## Fundraising and Share Capital

During the year, cash of £1.5 million (2022: £0.4 million) gross before deducting any associated transaction costs, was raised by the issue of new equity, comprising new ordinary shares of 903,503,689 (2022: 28,088,412) new ordinary shares, and attached warrants totalling 444,582,214 (2022: 116,300,000); further details are given in Note 16.

## Results and Dividends

The Group's results are set out in the Group Income Statement on page 31. The audited Financial Statements for the year ended 30 June 2023 are set out on pages 30 to 78. The Group made a loss after taxation of £1.26 million (2022: loss of £2.23 million). The Directors do not recommend the payment of a dividend (2022: nil).

## Directors

The Directors, who served during the period and following the year end, are as follows:

	<b>Appointed</b>	<b>Resigned</b>
Antoine Karam	14.06.2023	
Yan Zhao	14.06.2023	
Ewen Ainsworth	24.06.2019	
James Parsons	23.12.2019	19.07.2023
Scott Kaintz	21.11.2011	14.06.2023
Lord Henry Bellingham	15.10.2021	14.06.2023

The interests of the Board in the shares of the Company as at 30 June 2023 were as follows:

	<b>Ordinary shares</b>	<b>As percentage of issued share capital</b>	<b>Options</b>	<b>Warrants</b>
Antoine Karam	77,142,857	5.83%	Nil	Nil
Yan Zhao	38,833,333	2.93%	Nil	Nil
Ewen Ainsworth	2,253,429	0.51%	2,805,942	1,281,250
James Parsons	35,575,062	2.69%	9,587,764	2,831,250

# Directors' Report

continued

The interests of the Board in the shares of the Company as at 30 June 2022 were as follows:

	Ordinary shares	As percentage of issued share capital	Options	Warrants
James Parsons	6,216,479	1.41%	9,587,764	2,381,250
Scott Kaintz	5,957,099	1.35%	9,711,964	2,185,417
Ewen Ainsworth	2,253,429	0.51%	2,805,942	1,281,250
Henry Bellingham	327,868	0.07%	2,805,942	0

## Substantial Shareholdings

On 30 June 2023, the following were registered as being interested in 3% or more of the Company's Ordinary share capital:

	Ordinary shares of £0.0001 each	Percentage of issued share capital
Extraction S.r.l.	171,428,570	8.93
Fiske Nominees Limited – Designation FISKEISA*	79,818,332	8.32
Auspect Investment Pty Ltd	77,666,667	8.09
Pershing Nominees Limited – Designation SHCLT*	66,133,334	6.89
Hargreaves Lansdown (Nominees) Limited – Designation 15942*	51,782,715	5.40
Singapore New Powder Cosmo Pte. Ltd	50,000,000	5.21
OZJ Global Pty Ltd	38,833,333	4.05
Aurora Nominees Limited – Designation 2288700*	37,562,078	3.91
Barclays Direct Investing Nominees Limited – Designation Client1*	34,285,752	3.57
Hargreaves Lansdown (Nominees) Limited – Designation HLNOM*	32,188,633	3.35
Interactive Investor Services Nominees Ltd – Designation SMKTISAS*	31,729,683	3.31
Wealth Nominees Limited- Designation Nominee*	31,417,185	3.27

\*Client accounts

## Management Incentives

In the year to 30 June 2023, the Company has granted nil options over its ordinary shares (2022: 20,606,278). As at 30 June 2023, 26,687,412 options were outstanding (2022: 26,783,412).

In addition, the Company operates a tax efficient Share Incentive Plan, a government approved scheme, the terms of which provide for an equal reward to every employee, including Executive Directors, who had served for three months or more at the time of issue. The terms of the plan provide for:

- each employee to be given the right to subscribe any amount up to £150 per month with Trustees, who invest the monies in the Company's shares;
- the Company to match the employee's investment by contributing an amount equal to double the employee's investment; and
- the Company to award free shares to a maximum of £3,600 per employee per annum.

The subscriptions remain free of taxation and national insurance if held for five years. Further details on share options and Share Incentive Plan are set out in Note 17 to the Financial Statements.

## Directors' Remuneration

The remuneration of the Executive Directors, paid during the year, was fixed on the recommendation of the Remuneration Committee. The remuneration of the Non-Executive Directors, paid during the year, was fixed on the recommendation of the Executive Directors. Remuneration levels reflected the need to maximise the effectiveness of the Company's limited resources during the year.

# Directors' Report

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Fees paid to each Director, for the year ended 30 June 2023, are set out in Note 8 to the Financial Statements. The Company offers a fixed remuneration package, including salary and pension. In addition, there is a discretionary bonus award and share options awards. The contract of the Non-Executive Chairman contains a three month notice period.

The Company also offers a Group Personal Pension Scheme for all eligible employees. The Scheme is an insured, defined contribution arrangement with all members entitled to an employer pension contribution equivalent to 8% of basic salary, subject to the individual agreeing to make a minimum contribution to the Scheme equivalent to 2.4% of basic salary (subject to statutory and regulatory conditions). The Scheme is available on a Salary Sacrifice basis, with 100% of the employer national insurance saving passed on to the member by way of an enhanced employer contribution to the Scheme, of an equivalent amount.

## Corporate Governance Statement and QCA Code

Corporate Governance Statement and QCA Corporate Governance principles are set out in the Annual Report on pages 10 to 13.

## Control Procedures

The Board has approved financial budgets and cash forecasts. In addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

## Environmental Responsibility

The Company is aware of the potential impact that its subsidiary companies may have on the environment. The Company ensures that it and its subsidiaries, at a minimum, comply with the local regulatory requirements and the revised Equator Principles, the industry standard for environmental and social risk.

## Employment Policies

The Group is committed to promoting policies, which ensure that high calibre employees are attracted, retained and motivated, to ensure the on-going success for the business. Employees, and those who seek to work within the Group, are treated equally, regardless of sex, marital status, creed, colour, race or ethnic origin.

## Diversity and Equality

The Company is committed to a corporate culture that embraces equal opportunity, diversity, social responsibility, safety and commitment to the environment and is based on sound ethical values and behaviours. The Company promotes its commitment through its public statements on its website, in its report and accounts and internally through its communications to its stakeholders.

## Health and Safety

The Group's aim is to achieve and maintain a high standard of workplace safety. In order to achieve this objective, the Group provides training and support to employees and sets demanding standards for workplace safety. Being an exploration company with very mobile staff personnel, the Company maintains and follows Emergency Response and Evacuation Plans ("EREP") in all its projects.

## Other Matters

The Company and Group did not make any political or charitable donations during the current or prior financial year.

The Company and Group maintains adequate insurance to cover its Directors and Officers against the cost of defending themselves against any civil legal proceedings that may be taken against them. To the extent permitted by law, the Company and Group also indemnifies its Directors and Officers of liability associated with the discharge of their office, albeit such indemnification does not extend to instances of fraud or dishonesty.

# Directors' Report

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continued

## Going Concern

It is the prime responsibility of the Board to ensure the Company and the Group remain going concerns. At 30 June 2023, the Group had cash and cash equivalents of £0.257 million and £0.602 million of borrowings and, as at the date of signing these Financial Statements, the cash balance was £0.185 million with post-year end borrowings of £1m. Post year-end the Company has agreed terms on a £10m convertible loan note facility that is to be made available to fund the business through the next stages of its development, of which £1m has been drawn as at the signing date and is due for settlement in October 2026. The balance of the convertible loan notes have been agreed with the lender to be made available to the Company immediately.

The notes are to be issued at par and are convertible into new ordinary shares of £0.0001 of Corcel Plc, at a fixed price of £0.008 per share. Conversion may take place beginning 30 days after the initial issuance at the investor's discretion. The notes will attract an interest rate of 12% per annum, accruing daily. Any drawn down amounts, including interest outstanding after 36 months is to be repaid to the lender in either cash or shares at the discretion of the lender. The Directors anticipate having to raise additional funding to meet the ongoing spending projections and working capital requirements of the business, most likely through debt instruments over the course of the financial year.

Having considered the prepared cashflow forecasts and the Group budget, expected operational costs in Angola, as well as legacy battery metals projects, the Directors consider that they will have access to adequate resources in the 12 months from the date of the signing of these Financial Statements. As a result, they consider it appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements.

Should the Group be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities, which might arise, and to classify non-current assets as current. The Financial Statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern.

## Events After the Reporting Period

Events after the reporting period are set out in Note 28 to the Financial Statements.

## Independent Auditors

At the AGM of the Company held in December 2022, PKF Littlejohn LLP were re-appointed as auditors for the coming year.

## Disclosure of Information to Auditors

Each of the persons, who is a Director at the date of approval of this Annual Report, confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

By order of the Board



**Antoine Karam**  
**Executive Chairman**  
**29 November 2023**

# Statement of Directors' Responsibilities

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The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group Financial Statements in accordance with UK adopted International Accounting Standards ("IAS") and have elected under company law to prepare the Company Financial Statements in accordance with IAS.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and Company for that period.

In preparing the Group and Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IAS have been followed, subject to any material departures, disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information, included on the Corcel Plc website.

Legislation in the United Kingdom, governing the preparation and dissemination of Financial Statements, may differ from legislation in other jurisdictions.



# Independent Auditor's Report to the Members of Corcel Plc

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## Opinion

We have audited the financial statements of Corcel Plc (the 'company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated and Company Statements of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for Opinion

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

## Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and company's ability to continue to adopt the going concern basis of accounting included:

- consideration of the objectives, policies and processes in managing its working capital;
- reviewing the cash flow forecasts for the ensuing twelve months from the date of approval of these financial statements and critically analysing the key inputs and assumptions used;
- performing sensitivity analysis on the cash flow forecasts prepared by management;
- reviewing management's going concern memorandum and holding discussions with management regarding future plans and availability of funding;
- reviewing the adequacy and completeness of disclosures in the group financial statements; and
- reviewing post balance sheet events as they relate to the group's ability to raise funds and restructure debt.

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

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

## Our Application of Materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as a magnitude of misstatement, including omission, that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We have also considered those misstatements including omissions that would be material by nature and would impact the economic decisions of a reasonably knowledgeable person based our understanding of the business, industry and complexity involved.

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We apply the concept of materiality both in planning and throughout the course of audit, and in evaluating the effect of misstatements. Materiality is used to determine the financial statements areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. No significant changes have come to light during the course of the audit which required a revision to our materiality for the financial statements as a whole.

In determining materiality and performance materiality, we considered the following factors:

- our cumulative knowledge of the group and its environment, including industry specific trends;
- any change in the level of judgement required in respect of the key accounting estimates;
- significant transactions during the year; and
- the level of misstatements identified in prior periods.

Materiality for the group financial statements was set at £172,400 (2022: £97,000). This was calculated at 3% of net assets (2022: 3% of net assets). Using our professional judgement, we have determined this to be the principal benchmark within the group financial statements as it is from these net assets that the group seeks to deliver returns for shareholders, in particular the value of exploration and development projects the group is interested in through its subsidiaries.

Materiality for the significant components of the group ranged from £87,600 to £171,000, calculated as a percentage of net assets.

Performance materiality for the group financial statements was set at £120,600 (2022: £67,900), being 70% (2022: 70%) of materiality for the group financial statements as a whole.

Materiality and performance materiality for the company was set at £171,000 (2022: £96,000) and £119,700 (2022: £67,200) respectively.

The materiality and performance materiality for the significant components, including the company, are calculated on the same basis as group materiality and performance materiality.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £8,600 (2022: £4,850) for the group and for the company a value in excess of £8,500 (2022: £4,800). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

## **Our Approach to the Audit**

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, being areas subject to significant management judgement as well as areas of greatest complexity and size. The scope of our audit was based on the significance of components' operations and materiality. Each component was assessed as to whether they were significant to the group based on financial significance or risk.

The group includes the listed company in United Kingdom and a number of subsidiaries based in different jurisdictions. The listed company and one subsidiary were considered to be significant components due to identified risk and size.

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements, considering the structure of the group.

We considered areas deemed to involve significant judgement and estimation by the directors, such as the key audit matters surrounding: the carrying value of investments in subsidiaries, assets held for sale, and receivables from other group companies; and the carrying value of exploration and evaluation assets. Other judgemental areas relate to the accounting treatment of the subsidiary acquired during the year, the accounting treatment of disposals of various entities during the year, and the valuation of warrant instruments. We also addressed the risk of management override of controls, including consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The group's and company's accounting function is based in United Kingdom and the audit work on all significant components was performed by our group audit team in London.

# Independent Auditor's Report to the Members of Corcel Plc

continued

## Key Audit Matters

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

Key Audit Matter	How our scope addressed this matter
<p><b>Carrying value of investments in subsidiaries, assets held for sale and receivables from other group companies (Notes 10, 11, 13 and 24)</b></p> <p><b>Investments in subsidiaries (Company only), assets held for sale (Group &amp; Company) and receivables from subsidiaries (Company only) are significant balances in the financial statements.</b></p> <p><b><u>Investments:</u></b> The company holds a 90% interest in Atlas Petroleum Exploration Worldwide Ltd (£966k) and a 100% interest in Corcel Australasia (£1,013k).</p> <p><b><u>Assets Held for Sale:</u></b> The group and company hold a 41% interest in JV company Oro Nickel Ltd. During the year the Board made the decision to sell its interest in Oro Nickel and, following receipt of a revised offer post-year end, the sale process remains ongoing at the date of this report. At the year end, £1,775k (company) and £1,575k (group) have been classified as Assets held for sale in relation to the group's investment in the JV via capital and loan.</p> <p><b><u>Receivable balances:</u></b> The company currently has outstanding receivables due of £286k from subsidiaries (Corcel Australasia and Atlas Petroleum Exploration Worldwide Ltd) and the group and company also have outstanding receivables due of £1,516k from a JV company (Oro Nickel Ltd).</p> <p><b>As at 30 June 2023, these assets have material value in the financial statements.</b></p> <p><b>Given the losses in these entities and uncertainty around the development as the projects are in early stages of development, there is a risk that these balances may be impaired. As determining the recoverability involves a high degree of management estimate and judgement, there is a risk of material misstatement.</b></p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Obtaining relevant documentation relating to the ownership of investments at the year end;</li> <li>• Review of management's assessment of recoverability of investments in subsidiaries, assets held for sale, and receivables from group companies, challenging and corroborating key assumptions made;</li> <li>• Consideration of the recoverability of these balances by reference to underlying net asset values, including the recoverability potential of the underlying projects where applicable;</li> <li>• Review of Board minutes, RNS announcements, and holding discussions with management surrounding the intended sale of JV Oro Nickel, including review of the key terms of the post-year end sale to assess recoverability at the year end; and</li> <li>• Considering the appropriateness of disclosure included in the financial statements.</li> </ul>

Key Audit Matter	How our scope addressed this matter
<p><b>Carrying value of exploration and evaluation assets (group and company) (Note 21)</b></p> <p><b>The exploration and evaluation asset represents a significant balance in the group's financial statements. There is the risk that this amount is impaired, and that the capitalised amounts do not meet the recognition criteria as adopted by the group. The capitalisation of the costs and determination of the recoverability of these assets are subject to a high degree of management estimation and judgement and therefore there is a risk this balance is materially misstated.</b></p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Confirming that the Group has good title to the projects through inspection of relevant licenses, contracts and agreements;</li> <li>• Testing a sample of costs capitalised including considerations of their appropriateness for capitalisation in accordance with IFRS 6 and the group's accounting policy;</li> <li>• Reviewing management's impairment assessment in respect of the carrying value, including challenging and obtaining corroborating evidence for key assumptions used; and</li> <li>• Considering the appropriateness of disclosures included in the financial statements.</li> </ul>

## Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

## Matters on Which We Are Required to Report by Exception

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

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

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

# Independent Auditor's Report to the Members of Corcel Plc

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continued

## Responsibilities of Directors

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- We obtained an understanding of the group and company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management. We also selected a specific audit team based on experience with auditing entities within this industry facing similar audit and business risks.
- We determined the principal laws and regulations relevant to the group and company in this regard to be those arising from:
  - AIM Rules;
  - QCA Corporate Governance Code;
  - UK Companies Act 2006;
  - UK-adopted international accounting standards;
  - UK employment law;
  - UK Tax Laws;
  - General Data Protection Regulations;
  - Anti-Bribery Act;
  - Anti-Money Laundering Regulations; and
  - Local environmental and mining regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - A review of Board minutes;
  - A review of legal and professional ledger accounts; and
  - A review of RNS(regulatory news service) Announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. Other than the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias (Refer to the Key Audit Matter section); and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Our review of non-compliance with laws and regulations incorporated all group entities. The risk of actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.


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

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

## Use of Our Report

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



**Imogen Massey (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

29 November 2023

# Financial Statements

## Consolidated Statement of Financial Position

as at 30 June 2023

	Notes	30 June 2023 £'000	30 June 2022 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in associates and joint ventures	11	—	1,988
Exploration & evaluation assets	21	2,014	1,026
Property, plant and equipment		1	52
Goodwill	10	—	—
Financial instruments - fair value through other comprehensive income (VTOCI)	12	1	1
Other receivables	13	2,231	1,502
<b>Total non-current assets</b>		<b>4,247</b>	<b>4,569</b>
<b>Current assets</b>			
Cash and cash equivalents	18	257	25
Financial instruments with fair value through profit and loss (FVTPL)	12	—	—
Trade and other receivables	13	754	277
<b>Total current assets</b>		<b>1,011</b>	<b>302</b>
<b>Assets held for sale</b>	24	<b>1,575</b>	—
<b>Total assets</b>		<b>6,833</b>	<b>4,871</b>

### EQUITY AND LIABILITIES

Equity attributable to owners of the Parent

Called up share capital	16	2,842	2,751
Share premium account	16	28,138	24,961
Shares to be issued	16	—	75
Other reserves	16	2,481	2,095
Retained earnings		(27,945)	(26,758)
<b>Total equity attributable to owners of the Parent</b>		<b>5,516</b>	<b>3,124</b>
Non-Controlling interests		—	—
<b>Total equity</b>		<b>5,516</b>	<b>3,124</b>

### LIABILITIES

#### Current liabilities

Trade and other payables	14	715	324
Short-term borrowings	14	602	1,423
<b>Total current liabilities</b>		<b>1,317</b>	<b>1,747</b>
<b>Total equity and liabilities</b>		<b>6,833</b>	<b>4,871</b>

The accompanying notes form an integral part of these Financial Statements.

These Financial Statements, on pages 30 to 78, were approved by the Board of Directors and authorised for issue on 29 November 2023 and are signed on its behalf by:



**Antoine Karam**  
Executive Chairman

# Consolidated Income Statement

for the year ended 30 June 2023

	Notes	Year to 30 June 2023 £'000	Year to 30 June 2022 £'000
Gain on disposal of tenements	2	475	—
Gain on disposal of subsidiaries	2	287	—
Gain on disposal of JV's and associates	2	384	—
Project expenses		(114)	(91)
Impairment of investments in joint ventures and financial instruments held at fair value through profit and loss (FVTPL)	11	(337)	(488)
Administrative expenses	4	(1,442)	(1,218)
Impairment of property, plant and equipment		—	(61)
Impairment of receivables		—	(67)
Foreign currency gain/(loss)		(13)	1
Other income		25	23
Finance costs, net	5	(451)	(224)
Share of loss of associates and joint ventures	11,24	(76)	(3)
Loss for the year before taxation	3	1,262	(2,128)
Taxation	6	—	—
<b>Loss for the year</b>		<b>1,262</b>	<b>(2,128)</b>
<b>Loss per share attributable to:</b>			
Equity holders of the Parent		(1,262)	(2,128)
Non-controlling interest		—	—
		<b>(1,262)</b>	<b>(2,128)</b>

## Earnings per share attributable to owners of the Parent\*:

Basic and diluted	9	(0.2) pence	(0.5) pence
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# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2023

	30 June 2023 £'000	30 June 2022 £'000
<b>Loss for the year</b>	<b>(1,262)</b>	<b>(2,128)</b>
<b>Other comprehensive income</b>		
<b>Items that will be not be reclassified subsequently to profit or loss</b>		
Revaluation of FVTOCI investments	—	(6)
Unrealised foreign currency gain/(loss) on translation of foreign operations	5	(4)
<b>Total other comprehensive income for the year</b>	<b>5</b>	<b>(10)</b>
<b>Total comprehensive loss for the year</b>	<b>(1,257)</b>	<b>(2,138)</b>
<b>Total comprehensive loss attributable to:</b>		
Equity holders of the Parent	(1,257)	(2,138)
Non-controlling interest	—	—
	<b>(1,257)</b>	<b>(2,138)</b>

All of the Group's operations are considered to be continuing.

The accompanying notes form an integral part of these Financial Statements.

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

The movements in equity during the year were as follows:

	Share capital £'000	Share premium account £'000	Shares to be issued £'000	Retained earnings £'000	Other reserves £'000	Total Equity attributable to owners of the Parent £'000	Non-controlling interests £'000	Total Equity £'000
<b>As at 1 July 2021</b>	<b>2,746</b>	<b>24,161</b>	<b>75</b>	<b>(24,630)</b>	<b>2,018</b>	<b>4,370</b>	<b>—</b>	<b>4,370</b>
<b>Changes in equity for 2022</b>								
<b>Loss for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,128)</b>	<b>—</b>	<b>(2,128)</b>	<b>—</b>	<b>(2,128)</b>
<b>Other comprehensive income for the year</b>								
Revaluation of FVTOCI investments	—	—	—	—	(6)	(6)	—	(6)
Unrealised foreign exchange loss arising on retranslation of foreign company operations	—	—	—	—	(4)	(4)	—	(4)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,128)</b>	<b>(10)</b>	<b>(2,138)</b>	<b>—</b>	<b>(2,138)</b>
<b>Transactions with owners</b>								
Issue of shares	5	848	—	—	—	853	—	853
Share issue costs	—	(48)	—	—	—	(48)	—	(48)
Options issued	—	—	—	—	17	17	—	17
Warrants issued	—	—	—	—	70	70	—	70
<b>Total transactions with owners</b>	<b>5</b>	<b>800</b>	<b>—</b>	<b>—</b>	<b>87</b>	<b>892</b>	<b>—</b>	<b>892</b>
<b>As at 1 July 2022</b>	<b>2,751</b>	<b>24,961</b>	<b>75</b>	<b>(26,758)</b>	<b>2,095</b>	<b>3,124</b>	<b>—</b>	<b>3,124</b>
<b>Changes in equity for 2023</b>								
<b>Loss for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,262)</b>	<b>—</b>	<b>(1,262)</b>	<b>—</b>	<b>(1,262)</b>
<b>Other comprehensive income for the year</b>								
Unrealised foreign exchange loss arising on retranslation of foreign company operations	—	—	—	—	5	5	—	5
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,262)</b>	<b>5</b>	<b>(1,257)</b>	<b>—</b>	<b>(1,257)</b>
<b>Transactions with owners</b>								
Issue of shares	91	3,177	—	—	—	3,268	—	3,268
Cancellation of shares to be issued	—	—	(75)	75	—	—	—	—
Options issued	—	—	—	—	53	53	—	53
Warrants issued	—	—	—	—	328	328	—	328
<b>Total transactions with owners</b>	<b>91</b>	<b>3,177</b>	<b>(75)</b>	<b>75</b>	<b>381</b>	<b>3,649</b>	<b>—</b>	<b>3,649</b>
<b>As at 30 June 2023</b>	<b>2,842</b>	<b>28,138</b>	<b>—</b>	<b>(27,945)</b>	<b>2,481</b>	<b>5,516</b>	<b>—</b>	<b>5,516</b>

See Note 15 for a description of each reserve included above.

## Consolidated Statement of Changes in Equity

continued

Other reserves	FVTOCI financial asset reserve £'000	Share-based payment reserve £'000	Warrant reserve £'000	Foreign currency translation reserve £	Total other reserves £
<b>As at 1 July 2021</b>	<b>4</b>	<b>99</b>	<b>1,380</b>	<b>535</b>	<b>2,018</b>
Revaluation of FVTOCI investments	(6)	—	—	—	(6)
Unrealised foreign exchange loss arising on retranslation of foreign company operations	—	—	—	(4)	(4)
Options granted during the year	—	17	—	—	17
Warrants granted during the year	—	—	70	—	70
<b>As at 1 July 2022</b>	<b>(2)</b>	<b>116</b>	<b>1,450</b>	<b>531</b>	<b>2,095</b>
Unrealised foreign exchange loss arising on retranslation of foreign company operations	—	—	—	5	5
Options granted during the year	—	53	—	—	53
Warrants granted during the year	—	—	328	—	328
<b>As at 30 June 2023</b>	<b>(2)</b>	<b>169</b>	<b>1,778</b>	<b>536</b>	<b>2,481</b>

See Note 15 for a description of each reserve included above.

# Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	Year to 30 June 2023 £	Year to 30 June 2022 £
<b>Cash flows from operating activities</b>		
Loss before taxation	(1,262)	(2,128)
Impairment of investments in joint ventures and financial instruments held at fair value through profit and loss (FVTPL)	337	416
Impairment of property, plant and equipment	—	61
Gain on disposal of subsidiaries	(287)	—
Gain on disposal of mineral tenements	(475)	—
Gain on sale of FVTPL investments	—	72
Gain on disposals of Joint Ventures and Associates	(384)	—
Depreciation	10	—
Finance cost, net (Note 5)	451	153
Share-based payments	53	109
Share of loss in associates and joint ventures	76	3
Equity settled expenses	201	11
Increase in receivables	(139)	(31)
Increase in payables	94	142
<b>Net cash outflow from operations</b>	<b>(1,325)</b>	<b>(1,192)</b>
<b>Cash flows from investing activities</b>		
Purchase of financial assets carried at amortised cost (Note 19)	—	(26)
Purchase of property, plant and equipment	—	(23)
Expenditure on exploration & evaluation assets	(386)	(59)
Cash acquired on business combination	—	2
Proceeds from disposal of Joint Ventures and Associates	384	—
Proceeds from disposal of Subsidiaries	246	—
Proceeds from disposal of mineral tenements (Note 21)	535	—
<b>Net cash outflow from investing activities</b>	<b>779</b>	<b>(257)</b>
<b>Cash inflows from financing activities</b>		
Proceeds from issue of shares net of issue costs	1,738	403
Proceeds of new borrowings, as received net of associated fees (Note 20)	—	950
Repayment of borrowings (Note 20)	(954)	(265)
<b>Net cash inflow from financing activities</b>	<b>784</b>	<b>1,088</b>
<b>Net decrease in cash and cash equivalents</b>	<b>238</b>	<b>(361)</b>
Cash and cash equivalents at the beginning of period	25	392
Foreign exchange on translation of foreign currency	(6)	(6)
<b>Cash and cash equivalents at end of period</b>	<b>257</b>	<b>25</b>

Major non-cash transactions are disclosed in Note 20.

The accompanying notes and accounting policies form an integral part of these Financial Statements.

# Company Statement of Financial Position

Corcel Plc (Registration Number: 05227458) as at 30 June 2023

	Notes	30 June 2023 £	30 June 2022 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	10	1,980	1,014
Investments in associates and joint ventures	11	—	2,112
Investments in mineral tenements	21	392	—
Loans to subsidiaries	19	286	278
Financial assets with fair value through other comprehensive income (FVTOCI)	12	1	1
Other receivables	13	1,517	1,502
<b>Total non-current assets</b>		<b>4,176</b>	<b>4,907</b>
<b>Current assets</b>			
Cash and cash equivalents	18	256	20
Trade and other receivables	13	453	257
<b>Total current assets</b>		<b>709</b>	<b>277</b>
<b>Assets held for sale</b>	24	<b>1,775</b>	<b>—</b>
<b>Total assets</b>		<b>6,660</b>	<b>5,184</b>
<b>EQUITY AND LIABILITIES</b>			
Called up share capital	16	2,842	2,751
Share premium account	16	28,138	24,961
Shares to be issued	16	—	75
Other reserves	16	1,945	1,564
Retained earnings		(27,332)	(25,913)
<b>Total equity</b>		<b>5,593</b>	<b>3,438</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	465	323
Short-term borrowings	14	602	1,423
<b>Total current liabilities</b>		<b>1,067</b>	<b>1,746</b>
<b>Total equity and liabilities</b>		<b>6,660</b>	<b>5,184</b>

## Company Statement of Comprehensive Income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss for the financial year was £1,494,325 (2022: loss of £1,848,349). The Company's Total comprehensive loss for the financial year was £1,419,325 (2022: loss £1,853,978).

These Financial Statements, on pages 30 to 78, were approved by the Board of Directors and authorised for issue on 29 November 2023 and are signed on its behalf by:



**Antoine Karam**  
**Executive Chairman**

The accompanying notes form an integral part of these Financial Statements.

# Company Statement of Changes in Equity

for the year ended 30 June 2023

The movements in reserves during the year were as follows:

	Share capital £'000	Share premium account £'000	Shares to be issued £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
<b>As at 30 June 2021</b>	<b>2,746</b>	<b>24,161</b>	<b>75</b>	<b>(24,065)</b>	<b>1,483</b>	<b>4,400</b>
<b>Changes in equity for 2022</b>						
Loss for the year	—	—	—	(1,848)	—	(1,848)
<b>Other comprehensive income for the year</b>						
Revaluation of FVTOCI investments	—	—	—	—	(6)	(6)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,848)</b>	<b>(6)</b>	<b>(1,854)</b>
<b>Transactions with owners</b>						
Issue of shares	5	848	—	—	—	853
Shares issue costs	—	(48)	—	—	—	(48)
Share options granted	—	—	—	—	17	17
Share warrants granted during the year	—	—	—	—	70	70
<b>Total transactions with owners</b>	<b>5</b>	<b>800</b>	<b>—</b>	<b>—</b>	<b>87</b>	<b>892</b>
<b>As at 1 July 2022</b>	<b>2,751</b>	<b>24,961</b>	<b>75</b>	<b>(25,913)</b>	<b>1,564</b>	<b>3,438</b>
<b>Changes in equity for 2023</b>						
Loss for the year	—	—	—	(1,494)	—	(1,494)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,494)</b>	<b>—</b>	<b>(1,494)</b>
<b>Transactions with owners</b>						
Issue of shares	91	3,177	—	—	—	3,268
Cancellation of shares to be issued	—	—	(75)	75	—	(75)
Share options granted	—	—	—	—	53	53
Share warrants granted during the year	—	—	—	—	328	328
<b>Total transactions with owners</b>	<b>91</b>	<b>3,177</b>	<b>(75)</b>	<b>75</b>	<b>381</b>	<b>3,649</b>
<b>As at 30 June 2023</b>	<b>2,482</b>	<b>28,138</b>	<b>—</b>	<b>(27,332)</b>	<b>1,945</b>	<b>5,593</b>

# Company Statement of Changes in Equity

continue

Other reserves	FVTOCI financial asset reserve £'000	Share-based payment reserve £'000	Warrants reserve £'000	Total other reserves £'000
<b>As at 30 June 2021</b>	<b>4</b>	<b>99</b>	<b>1,380</b>	<b>1,483</b>
<b>Changes in equity for 2022</b>				
<b>Other comprehensive income for the year</b>				
Revaluation of FVTOCI investments	(6)	—	—	(6)
Transfer of FVTOCI reserve relating to impaired assets and disposals	—	—	—	—
Share options granted during the year	—	17	—	17
Warrants issued during the year	—	—	70	70
<b>Total Other comprehensive (expenses) / income</b>	<b>(6)</b>	<b>17</b>	<b>70</b>	<b>81</b>
<b>As at 1 July 2022</b>	<b>(2)</b>	<b>116</b>	<b>1,450</b>	<b>1,564</b>
<b>Changes in equity for 2023</b>				
<b>Other comprehensive income for the year</b>				
Share options granted during the year	—	53	—	53
Warrants issued during the year	—	—	328	328
<b>Total Other comprehensive expenses</b>	<b>—</b>	<b>53</b>	<b>328</b>	<b>381</b>
<b>As at 30 June 2023</b>	<b>(2)</b>	<b>169</b>	<b>1,778</b>	<b>1,945</b>

See Note 15 for a description of each reserve included above.

# Company Statement of Cash Flows

for the year ended 30 June 2023

	Year to 30 June 2023 £'000	Year to 30 June 2022 £'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(1,494)	(1,848)
Impairment of investments in joint ventures and financial instruments held at fair value through profit and loss (FVTPL)	337	416
Impairment of financial assets FVTPL	—	72
Impairment of loans to and investments in subsidiaries	—	101
Gain on disposal of tenements	(475)	—
Gain on disposal of subsidiaries	(247)	—
Gain on disposal of Joint Ventures and Associates	(384)	—
Finance costs (Note 5)	451	154
Share-based payments	53	109
Equity settled transactions	201	11
Increase in receivables	(87)	(219)
Decrease/(increase) in payables	(60)	302
<b>Net cash outflow from operations</b>	<b>(1,705)</b>	<b>(902)</b>
<b>Cash flows from investing activities</b>		
Payments for investments in and loans to associates and joint ventures (Note 11)	—	(164)
Proceeds from disposal of mineral tenements	535	—
Proceeds from disposal of Subsidiaries	246	—
Proceeds from disposal of Joint Ventures and Associates	384	—
Investments and loans to subsidiaries	(8)	(389)
<b>Net cash outflows from investing activities</b>	<b>1,157</b>	<b>(553)</b>
<b>Cash inflows from financing activities</b>		
Proceeds from issue of shares, net of issue costs	1,738	403
Proceeds of new borrowings (Note 20)	—	950
Repayments of borrowings (Note 20)	(954)	(265)
<b>Net cash inflow from financing activities</b>	<b>784</b>	<b>1,088</b>
<b>Decrease in cash and cash equivalents</b>	<b>236</b>	<b>(367)</b>
Cash and cash equivalents at the beginning of period	20	387
<b>Cash and cash equivalents at end of period</b>	<b>256</b>	<b>20</b>

Major non-cash transactions are disclosed in Note 20.

The accompanying notes and accounting policies form an integral part of these Financial Statements.



# Notes to Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies

### 1.1 Authorisation of Financial Statements and Statement of Compliance with IFRS

The Group Financial Statements of Corcel Plc (the “Company”, “Corcel” or the “Parent Company”), for the year ended 30 June 2023, were authorised for issue by the Board on 29 November 2023 and signed on the Board’s behalf by James Parsons. Corcel Plc is a public limited company, incorporated and domiciled in England and Wales. The Company’s ordinary shares are traded on AIM. The principal activity of the Company is the management of a portfolio of battery metals exploration and development projects in Papua New Guinea and Canada, coupled with a Flexible Grid Solutions energy storage business in the UK. The registered address of the Company is Salisbury House, Suite 425, London Wall, London EC2M 5PS.

### 1.2 Basis of Preparation

The Financial Statements have been prepared in accordance with UK adopted international accounting standards (‘IAS’) in conformity with the requirements of the Companies Act 2006. They are presented in thousand Pounds Sterling (£’000), unless stated otherwise.

The principal accounting policies adopted are set out below.

#### Going Concern

It is the prime responsibility of the Board to ensure the Company and the Group remain going concerns. At 30 June 2023, the Group had cash and cash equivalents of £0.257 million and £0.602 million of borrowings and, as at the date of signing these Financial Statements, the cash balance was £0.185 million with post-year end borrowings of £1m. Post year-end the Company has agreed terms on a £10m convertible loan note facility that is to be made available to fund the business through the next stages of its development, of which £1m has been drawn as at the signing date and is due for settlement in October 2026. The balance of the convertible loan notes have been agreed with the lender to be made available to the Company immediately.

The notes are to be issued at par and are convertible into new ordinary shares of £0.0001 of Corcel Plc, at a fixed price of £0.008 per share. Conversion may take place beginning 30 days after the initial issuance at the investor’s discretion. The notes will attract an interest rate of 12% per annum, accruing daily. Any drawn down amounts, including interest outstanding after 36 months are to be repaid to the lender in either cash or shares at the discretion of the lender. The Directors anticipate having to raise additional funding to meet the ongoing spending projections and working capital requirements of the business, most likely through debt instruments over the course of the financial year.

Having considered the prepared cashflow forecasts and the Group budget, expected operational costs in Angola, as well as legacy battery metals projects, the Directors consider that they will have access to adequate resources in the 12 months from the date of the signing of these Financial Statements. As a result, they consider it appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements.

Should the Group be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities, which might arise, and to classify non-current assets as current. The Financial Statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern.

#### Company Statement of Comprehensive Income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company’s loss for the financial year was £1.494 million (2022: loss of £1.848 million). The Company’s other comprehensive loss for the financial year was £1.419 million (2022: loss £1.854 million).

#### New Standards, Amendments and Interpretations Not Yet Adopted

At the date of approval of these Financial Statements, the following standards and interpretations, which have not been applied in these Financial Statements were in issue but not yet effective:

- Amendments to IAS 1: Classifications of current or non-current liabilities (effective 1 January 2024);
- Amendments to IAS 8: Accounting Policies, Changes to Accounting Estimates and Errors (effective 1 January 2023);

# Notes to Financial Statements

for the year ended 30 June 2023

- Amendments to IAS 12: Income Taxes – Deferred Tax arising from a Single Transaction (effective 1 January 2023).
- Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2023).

The effect of these new and amended Standards and Interpretations, which are in issue but not yet mandatorily effective, is not expected to be material.

## Standards Adopted Early by the Group

The Group has not adopted any standards or interpretations early in either the current or the preceding financial year.

### 1.3 Basis of Consolidation

The consolidated Financial Statements of the Group incorporate the Financial Statements of the Company and entities controlled by the Company, its subsidiaries, made up to 30 June each year.

#### *Subsidiaries*

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain economic benefits from their activities. Subsidiaries are consolidated from the date on which control is obtained, the acquisition date, until the date that control ceases. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs, directly attributable to the acquisition, are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date about facts or circumstances existing at the acquisition date. Other changes in provisional fair values are recognised through profit or loss.

Intra-group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation, except to the extent that intra-group losses indicate an impairment.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Statement of Comprehensive Income. Any impairment recognised for goodwill is not reversed.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### *Non-Controlling Interests*

Profit or loss and each component of other comprehensive income are allocated between the Parent and non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any differences between the adjustment for the non-controlling interest and the fair value of consideration paid or received are recognised in equity.

# Notes to Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies Continued

### 1.4 Summary of Significant Accounting Policies

#### 1.4.1 Mineral Tenements and Exploration Property

Exploration licence and property acquisition costs are capitalised in intangible assets. Licence costs, paid in connection with a right to explore in an existing exploration area, are capitalised and amortised over the term of the permit. Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs are written off through the statement of profit or loss and other comprehensive income.

#### 1.4.2 Investment in Associates

An associate is an entity over which the Company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

Investments in associates are recognised in the Consolidated Financial Statements, using the equity method of accounting. The Group's share of post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income are recognised directly in other comprehensive income. The carrying value of the investment, including goodwill, is tested for impairment when there is objective evidence of impairment. Losses in excess of the Group's interest in those associates are not recognised unless the Group has incurred obligations or made payments on behalf of the associate.

Where a Group company transacts with an associate of the Group, unrealised gains are eliminated to the extent of the Group's interest in the relevant associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

Where the Company's holding in an associate is diluted, the Company recognises a gain or loss on dilution in profit and loss. This is calculated as the difference between the Company's share of proceeds received for the dilutive share issue and the value of the Company's effective disposal.

In the Company accounts investments in associates are recognised and held at cost. The carrying value of the investment is tested for impairment, when there is objective evidence of impairment. Impairment charges are included in the Company Statement of Comprehensive Income.

#### 1.4.3 Interests in Joint Ventures

A joint venture is a joint arrangement, whereby the partners, who have joint control of the arrangement, have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of the joint arrangement, which exists only when decisions on relevant activities require the unanimous consent of the parties sharing control. The Group recognises its interest in the entity's assets and liabilities, using the equity method of accounting. Under the equity method, the interest in the joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of its net assets, less distributions received and less any impairment in value of individual investments. The Group Income Statement reflects the share of the jointly controlled entity's results after tax. In the Company only financial statements, the Company's interests in Joint Ventures is recognised at historic cost less any impairment charged to date.

Any goodwill arising on the acquisition of a jointly controlled entity is included in the carrying amount of the jointly controlled entity and is not amortised. To the extent that the net fair value of the entity's identifiable assets, liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the entity's profit or loss in the period in which the investment is acquired.

Financial Statements of the jointly controlled entity will be prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Group and to reflect impairment losses where appropriate. Adjustments are also made in the Group's Financial Statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

At 30 June 2023, the Group had following contractual arrangements, which were classified as investments in associates and joint ventures:

# Notes to Financial Statements

for the year ended 30 June 2023

- Oro Nickel Ltd (41% interest), a contractual arrangement with Battery Metals Pty Ltd, which represents a joint venture established through an interest in a jointly controlled entity, in order to develop and exploit the Mambare nickel project;
- DVY196 Holdings Corp (“DVY”), 50% interest in a North American vanadium and nickel project.

## 1.4.4 Taxation

Corporation tax payable is provided on taxable profits at the prevailing UK tax rate. The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the 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 that are never taxable or deductible. The Group’s liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are 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. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill

or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction, which affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity, or items charged or credited directly to other comprehensive income, in which case the deferred tax is also recognised in other comprehensive income.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax relates to income tax levied by the same tax authorities on either:

- the same taxable entity; or
- different taxable entities, which intend to settle current tax assets and liabilities on a net basis or to realise and settle them simultaneously in each future period when the significant deferred tax assets and liabilities are expected to be realised or settled.

## 1.4.5 Property, Plant and Equipment

Property, plant and equipment acquired and identified as having a useful life that exceeds one year is capitalised at cost and is depreciated on a straight-line basis at annual rates that will reduce book values to estimated residual values over their anticipated useful lives as follows:

Office furniture, fixtures and fittings	– 33% per annum
Leasehold improvements	– 5% per annum

# Notes to Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies Continued

### 1.4 Summary of Significant Accounting Policies Continued

#### 1.4.6 Non-current assets and liabilities classified as held for sale and discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major line of the business. Profit or loss from discontinued operations comprises the post-tax profit

or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell on the disposal group(s) constituting the discontinued operation.

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation. See Note 24 for further details.

#### 1.4.7 Foreign Currencies

Both the functional and presentational currency of Corcel Plc is Sterling (£). Each Group entity determines its own functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

The functional currencies of the foreign subsidiaries and joint ventures are the Australian Dollar ("AUD"), the Papua New Guinea Kina ("PNG") and the US Dollar ("USD"). The Company's operations in Angola are primarily conducted in USD.

Transactions in currencies other than the functional currency of the relevant entity are initially recorded at the exchange rate prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are

denominated in foreign currencies are translated at the rates prevailing at the date, when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income, when the changes in fair value are recognised directly in other comprehensive income.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into the Group's presentational currency at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates have fluctuated significantly during the year, in which case, the exchange rate at the date of the transaction is used. All exchange differences arising, if any, are recognised as other comprehensive income and are transferred to the Group's foreign currency translation reserve.

#### 1.4.8 Exploration Assets and Mineral Tenements

Exploration assets comprise exploration and evaluation costs, incurred on prospects at an exploratory stage. These costs include the cost of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments. Costs associated with an exploration activity will only be capitalised if, in management's opinion, the results from that activity led to a material increase in the market value of the exploration asset, which is determined by management to be following the economic feasibility stage.

The Group adopts the "area of interest" method of accounting whereby all exploration and development costs, relating to an area of interest, are capitalised and carried forward until either abandoned or an indicator of impairment is determined. In the event that an area of interest is abandoned, or if, following determination of an impairment indicator being present, the Directors consider the expenditure to be of no value, accumulated exploration costs are written off in the financial year in which the decision is made. All expenditure incurred prior to approval of an application is expensed, with the exception of refundable rent, which is raised as a receivable.

Upon disposal, the difference between the fair value of consideration receivable for exploration assets and the relevant cost within non-current assets is recognised in the Income Statement.

#### 1.4.9 Impairment of Non-Financial Assets

The carrying values of assets, other than those to which IAS 36 "Impairment of Assets" does not apply, are reviewed at the end of each reporting period for impairment, when there is an indication that the assets might be impaired. Impairment

# Notes to Financial Statements

for the year ended 30 June 2023

is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

When there is a change in the estimates, used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 1.4.10 Share-Based Payments

### Share Options

The Group operates equity-settled share-based payment arrangements, whereby the fair value of services provided is determined indirectly by reference to the fair value of the instrument granted.

The fair value of options granted to Directors and others, in respect of services provided, is recognised as an expense in the Income Statement with a corresponding increase in equity reserves – the share-based payment reserve until the award has been settled and then make a transfer to share capital. On exercise or lapse of share options, the proportion of the share-based payment reserve, relevant to those options is retained in the share-based payment reserve. On exercise, equity is also increased by the amount of the proceeds received.

The fair value is measured at grant date and charged over the vesting period during which the option becomes unconditional.

The fair value of options is calculated using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The exercise price is fixed at the date of grant.

Non-market conditions are performance conditions that are not related to the market price of the entity's equity instruments. They are not considered, when estimating the fair value of a share-based payment. Where the vesting period is linked to a non-market performance condition, the Group recognises the goods and services it has acquired during the vesting period, based on the best available estimate of the number of equity instruments expected to vest. The estimate is reconsidered at each reporting date, based on factors such as a shortened vesting period, and the cumulative expense is "trued up" for both the change in the number expected to vest and any change in the expected vesting period.

Market conditions are performance conditions that relate to the market price of the entity's equity instruments. These conditions are included in the estimate of the fair value of a share-based payment. They are not taken into account for the purpose of estimating the number of equity instruments that will vest. Where the vesting period is linked to a market performance condition, the Group estimates the expected vesting period. If the actual vesting period is shorter than estimated, the charge is accelerated in the period that the entity delivers the cash or equity instruments to the counterparty. When the vesting period is longer, the expense is recognised over the originally estimated vesting period.

For other equity instruments, granted during the year (i.e. other than share options), fair value is measured on the basis of an observable market price.

### Share Incentive Plan

Where the shares are granted to the employees under Share Incentive Plan, the fair value of services provided is determined indirectly by reference to the fair value of the free, partnership and matching shares granted on the grant date. Fair value of shares is measured on the basis of an observable market price, i.e. share price as at grant date and is recognised as an expense in the Income Statement on the date of the grant. For the partnership shares, the charge is calculated as the excess of the mid-market price on the date of grant over the employee's contribution.

# Notes to Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies Continued

### 1.4 Summary of Significant Accounting Policies Continued

#### 1.4.11 Pension

The Group operates a defined contribution pension plan, which requires contributions to be made to a separately administered fund. Contributions to the defined contribution scheme are charged to the profit and loss account as they become payable.

#### 1.4.12 Finance Income/Expense

Finance income and expense is recognised as interest accrues, using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period, using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts/re-payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

#### 1.4.13 Financial Instruments

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

##### *Fair Value through Profit or Loss (FVTPL)*

This category comprises in-the-money derivatives and out-of-the-money derivatives, where the time value offsets the negative intrinsic value. They are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Statement of Comprehensive Income in the finance income or expense line. Other than derivative financial instruments, which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

##### *Amortised Cost*

These assets comprise the types of financial assets, where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, using the effective interest rate method, less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised, based on the simplified approach within IFRS 9, using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For the receivables, which are reported net, such provisions are recorded in a separate provision account, with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions, for receivables from related parties and loans to related parties, are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those, where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the Consolidated Statement of Financial Position.

##### *Fair Value through Other Comprehensive Income (FVTOCI)*

The Group held a number of strategic investments in listed and unlisted entities, which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other

# Notes to Financial Statements

for the year ended 30 June 2023

comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets, measured at fair value through other comprehensive income, are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

## *Financial Liabilities*

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired:

### *Other Financial Liabilities*

Other financial liabilities include:

- Borrowings, which are initially recognised at fair value net of any transaction costs, directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost, using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption as well as any interest or coupon payable, while the liability is outstanding.
- Liability components of convertible loan notes are measured as described further below.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method.

## **Fair Value Measurement**

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured, using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and, for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the Financial Statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



# Notes to Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies Continued

### 1.4 Summary of Significant Accounting Policies Continued

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

More information is disclosed in Note 19.

#### 1.4.14 Investments in the Company Accounts

Investments in subsidiary companies are classified as non-current assets and included in the Statement of Financial Position of the Company at cost at the date of acquisition less any identified impairments.

For acquisitions of subsidiaries or associates achieved in stages, the Company re-measures its previously held equity interests in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in profit or loss. Any gains or losses, previously recognised in other comprehensive income, are transferred to profit and loss.

Investments in associates and joint ventures are classified as non-current assets and included in the Statement of Financial Position of the Company at cost at the date of acquisition less any identified impairment.

#### 1.4.15 Share Capital

Financial instruments, issued by the Group, are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

#### 1.4.16 Convertible Debt

The proceeds, received on issue of the Group's convertible debt, are allocated into their liability and equity components. The amount, initially attributed to the debt component, equals the discounted cash flows, using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability, measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised in the "Convertible debt option reserve" within shareholders' equity, net of income tax effects.

#### 1.4.17 Warrants and Share Options

Derivative contracts, that only result in the delivery of a fixed amount of cash or other financial assets for a fixed number of an entity's own equity instruments, are classified as equity instruments. Warrants, relating to equity finance and holders of debt liabilities and issued together with ordinary shares placement and share options issued to staff, are valued by residual method and charged to profit and loss over the period in which they vest or, in the event of the instruments vesting on grant, in the period in which they arise. Warrants and options, classified as equity instruments, are not subsequently re-measured (i.e., subsequent changes in fair value are not recognised). On expiry or lapse of such instruments, the fair value of the instruments in question is retained in the warrant reserve and is not transferred to retained earnings.

#### 1.4.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting, provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The accounting policies of the reportable segments are consistent with the accounting policies of the Group as a whole. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of foreign exchange gains or losses, investment income, interest payable and tax. This is the measure of profit that is reported to the Board of Directors for the purpose of resource allocation and the assessment of segment performance. When assessing segment performance and considering the allocation of resources, the Board of Directors review information about segment non-current assets. For this purpose, all non-current assets are allocated to reportable segments.

#### 1.4.19 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

# Notes to Financial Statements

for the year ended 30 June 2023

IFRS 16 was adopted 1 June 2019 without restatement of comparative figures.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease if the term of the lease has been estimated on the basis of termination option being exercised.

Lease liabilities are subsequently measured at the present value of the contractual payments due to the lessor over the lease term.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised, where the Group is contractually required to dismantle, remove or restore the leased asset.

## 1.4.20 Asset Acquisitions

Acquisitions of mineral exploration licences through the acquisition of non-operational corporate structures that do not represent a business, and therefore do not meet the definition of a business combination, are accounted for as the acquisition of an asset.

The consideration for the asset is allocated to the assets based on their relative fair values at the date of acquisition.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

## 1.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's Consolidated Financial Statements, requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

### Significant Judgements and Accounting Estimates

In the process of applying the Group's accounting policies, management has made the following judgements and estimates, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements.

### Impairment of Investments in and loans to Joint Ventures and Investments in Mineral Tenements

The carrying amount of investments in joint ventures and mineral tenements is tested for impairment annually and this process is considered to be key judgement along with determining whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

The continued progress at the Mambare nickel/cobalt project during the year, when considered alongside the continued strength in nickel prices, have encouraged the Board to continue to hold the value of its stake in the Mambare joint venture at the previous valuation of £1.65 million alongside a £1.5 million receivable. The Company believes that the carrying values reflect the sizeable JORC resource and work done to date as well as the potential to progress the project to a mining license and Direct Shipping Ore "DSO" production in 2023 and beyond. The Company has assessed the viability of the project, given current and expected nickel prices and the anticipated cost of a DSO operation, and believes the project can be successfully taken into production in the mid-term with a mining lease application already at a very advanced stage with the PNG mining authorities. The Board further believes that the likelihood of recovery of the receivable has remained firm over the past 12-24 months due to the agreement post balance sheet date for the disposal of the investment. See below under heading 'Assets Held for Sale – Oro Nickel' for further details.

# Notes to Financial Statements

for the year ended 30 June 2023

## 1. Principal Accounting Policies Continued

### 1.5 Significant Accounting Judgements, Estimates and Assumptions Continued

The Canegrass Lithium Project was purchased in April 2023 for £200,000 of new ordinary shares in Corcel. The Company is currently conducting initial exploration activities on the license and is currently considering its options as relates to the project. As such, the Directors believe that the project should remain on the balance sheet at the cost of acquisition pending a decision on the next steps.

The Group holds E&E assets of £2.014m at 30 June 2023. Exploration assets comprise exploration and evaluation costs, incurred on prospects at an exploratory stage. These costs include the cost of acquisition of rights to explore, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments. The most significant assumption for the Group is that exploration and evaluation work undertaken to develop its key projects will ultimately lead to successful recovery of these costs through production or sale. The Group believes these costs are fully recoverable based on information available at this time.

The Company acquired the Mt. Weld Rare Earth Element project during the course of the second half of 2022, and immediately entered into a farm out agreement with Riversgold (ASX:RGL) for an immediate cash payment of AUD 30,000 and where RGL can earn a 50% interest through paying 100% of a work program with a required spend of AUD 500,000 over 12 months. Subsequently, as announced on 5 May 2023 the Company sold a 20% interest in Mt. Weld to Extraction SRL for AUD\$1,000,000, valuing the entirety at AUD\$5M and Corcel's 80% interest at AUD\$4M (£3.29M). Given the fact that a very recent cash based

transaction value exists for the project, the Directors believe that the holding level of the residual 80% interest in the project should be marked to market appropriately.

The Company, following a desktop study and assessment of the likelihood of developing the project to production and revenue generation has deemed necessary to impair the Dempster Vanadium/Nickel Project in full.

### Impairment of Investments in and loans to Subsidiaries

The carrying amount of investments in and loans made to subsidiaries is tested for impairment annually and this process is considered to be key judgement along with determining whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable. When assessing the recovery of these balances, the directors consider the likelihood that the subsidiaries will be able to settle amounts owing, either out of future cashflows or through the recovery of balances receivable or divestment of assets. Where recovery of these balances is driven by receivable balances within the subsidiary, assessment of the likelihood of recovery and present value of future cash inflows is undertaken to ensure the amounts support the subsidiary loan carrying values in full.

No impairment of inter-company loans were deemed necessary in the year.

### Share-Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees and the issuance of warrants to investors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options and warrants is determined using the Black-Scholes model and the estimates used within this model are disclosed in Note 17.

### Consideration receivable on disposal of Niugini Nickel

During the year, the Group divested of its subsidiary Niugini Nickel Pty Ltd. Consideration for the disposal is receivable in three tranches, see note 22 for details. In arriving at determination of the fair value of the consideration receivable, the directors have had to make certain judgements as to the discount rate to use for the present valuing of future cashflows arising from this consideration and the application of a risk weighting to the determination of fair value for the tranche of consideration that remains conditional on the project entering into production and generating a certain level of profits.

### Assets held for sale – Oro Nickel

During the year, the Group had entered into various discussions for the divestment of its interest in the Oro Nickel joint venture. On 16 October 2023 the Group announced the agreement of a deal to sell its share of the project to Integrated Battery Metals, the purchasers of the Niugini Nickel project during the course of the year. As the consideration proceeds agreed with the purchaser exceed the carrying value of the investment in the joint venture, which is held for sale, the directors have determined that no impairment of this balance is necessary in these financial statements. On 23 October 2023 the initial consideration proceeds of US1.6M, in the form of a loan for the divestment were received following the execution of the transaction agreements. The directors believe that the divestment agreement will after a shareholder vote

# Notes to Financial Statements

for the year ended 30 June 2023

achieve commercial close in the near term either through a sale to Integrated Battery Metals or through pre-emption being exercised by Battery Metals Australasia Pty Ltd, and consequently do not believe that any impairment or discounting of these amounts receivable are necessary in these financial statements. Refer to Note 24 for further information on how the criteria within IFRS 5 have been met to classify the investment as held for sale at the year end.

## 2. Segmental Analysis

During the year, the focus of the Group changed from the development of battery metals projects and flexible storage solutions to oil & gas exploration and production. However, the Group had no revenue or operating expenses in this segment during the year, having acquired interests in its APEX oil & gas project immediately prior to the balance sheet date. As a consequence, segmental analysis by industry omits oil & gas for the current year and prior year comparatives.

Once the Group's main focus of operations becomes the exploration for and production of oil & gas, the nature of management information, examined by the Board, will alter to reflect the need to monitor revenues, margins, overheads and trade balances as well as cash.

IFRS 8 requires the reporting of information about the revenues derived from the various areas of activity and the countries in which revenue is earned regardless of whether this information is used in by management in making operating decisions. Management determined that the most useful presentation of revenues and expenses came from an analysis by operational type as opposed to geographic representation due to the similar nature of the revenues and expenses when grouped in these categories.

Year to 30 June 2022	Battery Metals £'000	Flexible Grid Solutions (UK) £'000	Corporate and unallocated £'000	Total £'000
<b>Revenue</b>	-	-	-	-
Management services	-	-	23	<b>23</b>
Project expenses	(82)	(9)	-	<b>(91)</b>
Exploration expenses	-	-	-	-
Administrative expenses	(92)	(66)	(1,060)	<b>(1,218)</b>
Currency (loss)/gain	1	-	-	<b>1</b>
Share of profits in joint ventures	(3)	-	-	<b>(3)</b>
Impairment of receivables	-	-	(61)	<b>(61)</b>
Impairment of property, plant and equipment	-	-	(67)	<b>(67)</b>
Impairment of Joint venture projects	-	(488)	-	<b>(488)</b>
Finance cost – net	-	-	(224)	<b>(224)</b>
<b>Net loss before tax from continuing operations</b>	<b>(176)</b>	<b>(563)</b>	<b>(1,389)</b>	<b>(2,128)</b>

Year to 30 June 2023	Battery Metals £'000	Flexible Grid Solutions (UK) £'000	Corporate and unallocated £'000	Total £'000
<b>Revenue</b>	-	-	-	-
Management services	-	-	8	<b>8</b>
Other income	-	-	17	<b>17</b>
Project expenses	(114)	-	-	<b>(114)</b>
Exploration expenses	-	-	-	-
Administrative expenses	(55)	(28)	(1,360)	<b>(1,443)</b>
Currency (loss)/gain	(7)	-	(5)	<b>(12)</b>
Share of profits in joint ventures	(76)	-	-	<b>(76)</b>

# Notes to Financial Statements

for the year ended 30 June 2023

## 2. Segmental Analysis Continued

Gain on sale of tenements	475	-	-	<b>475</b>
Gain on sale of Joint venture projects and associates	384	-	-	<b>384</b>
Gain on sale of subsidiaries	41	246	-	<b>287</b>
Impairment of Joint venture projects	(337)	-	-	<b>(337)</b>
Finance cost – net	-	-	(451)	<b>(451)</b>
<b>Net loss before tax from continuing operations</b>	<b>311</b>	<b>218</b>	<b>(1,791)</b>	<b>(1,262)</b>

### Information by Geographical Area

Presented below is certain information by the geographical area of the Group's activities. Investment sales revenue and exploration property sales revenue are allocated to the location of the asset sold.

Year to 30 June 2022	UK £'000	Australia £'000	Papua New Guinea £'000	USA £'000	Canada £'000	Total £'000
<b>Revenue</b>	23	-	-	-	-	23
<b>Total segment revenue and other gains</b>	<b>23</b>	-	-	-	-	<b>23</b>

### Non-current assets

Investments in associates and joint ventures	-	-	1,650	-	338	1,988
Goodwill	-	-	-	-	-	-
Property, plant and equipment	1	-	51	-	-	52
Exploration & evaluation assets	-	-	1,026	-	-	1,026
Receivable from a joint venture	-	-	1,502	-	-	1,502
Purchased debt	-	-	-	-	-	-
FVTOCI financial instruments	1	-	-	-	-	1
<b>Total segment non-current assets</b>	<b>2</b>	-	<b>4,229</b>	-	<b>338</b>	<b>4,569</b>

Year to 30 June 2023	UK £'000	Australia £'000	Papua New Guinea £'000	Africa £'000	Canada £'000	Total £'000
<b>Revenue</b>	8	-	-	-	-	8
<b>Total segment revenue and other gains</b>	<b>8</b>	-	-	-	-	<b>8</b>

### Non-current assets

Investments in associates and joint ventures	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Property, plant and equipment	1	-	-	-	-	1
Exploration & evaluation assets	-	392	-	1,622	-	2,014
Receivable from a joint venture	-	-	1,517	-	-	1,517
Receivable from sale of subsidiary	-	-	714	-	-	714
Financial assets – FVTOCI	-	-	-	-	-	-

# Notes to Financial Statements

for the year ended 30 June 2023

## 2. Segmental Analysis Continued

FVTOCI financial instruments	1	-	-	-	-	1
<b>Total segment non-current assets</b>	<b>2</b>	<b>392</b>	<b>2,231</b>	<b>1,622</b>	<b>-</b>	<b>4,247</b>

## 3. Loss on Ordinary Activities Before Taxation

<b>Group</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before taxation is stated after charging:		
Auditor's remuneration:		
– fees payable to the Company's auditor for the audit of consolidated and Company Financial Statements	42	33
Directors' emoluments (Note 8)	632	496

## 4. Administrative Expenses

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Staff costs</b>				
Payroll	498	514	498	514
Pension	27	20	27	20
Share-based payments	63	39	63	39
Consultants	-	-	-	-
Staff Welfare	3	8	3	8
Employers NI	86	53	86	53
<b>Professional services</b>				
Accounting	106	94	87	70
Legal	65	46	54	4
Business development	12	3	12	3
Marketing & Investor relations	32	25	32	25
Funding costs	94	21	94	21
Other	83	111	44	25
<b>Regulatory compliance</b>	<b>125</b>	<b>116</b>	<b>125</b>	<b>115</b>
<b>Travel</b>	<b>60</b>	<b>14</b>	<b>60</b>	<b>13</b>
<b>Office and Admin</b>				
General	43	35	35	32
IT costs	8	12	8	12
Rent	29	14	29	14
Insurance	108	93	106	91
<b>Total administrative expenses</b>	<b>1,442</b>	<b>1,218</b>	<b>1,363</b>	<b>1,059</b>

## 5. Finance Costs, Net

<b>Group</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Interest expense	(123)	(154)
Share based payments – investors	(328)	(70)
	<b>(451)</b>	<b>(224)</b>

# Notes to Financial Statements

for the year ended 30 June 2023

## 6. Taxation

	2023 £'000	2022 £'000
<b>Current period transaction of the Group</b>		
UK corporation tax at 19.00% (2022: 19.00%) on profits for the period	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
Deferred tax assets derecognised	-	-
<b>Tax (credit)</b>	-	-
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(1,262)	(2,128)
Loss on ordinary activities at the average UK standard rate of 19% (2022: 19.00%)	(240)	(404)
Effect of non-deductible expense	75	22
Effect of tax benefit of losses carried forward	164	382
Tax losses brought forward	-	-
<b>Current tax (credit)</b>	-	-

Deferred tax amounting to £nil (2022: £nil), relating to the Group's investments was recognised in the Statement of Comprehensive Income. No deferred tax charge has been recognised due to uncertainty as to the timing of future profitability of the Group. Unutilised trading losses are estimated at circa £3,827 thousand (2022: £3,663) and capital losses estimated circa £nil (2022: £nil).

On 6 April 2023 the UK corporation tax rate increased from 19% to 25%, affecting approx. 25% of the losses for the year of report. The Company and Group has elected not to apply a blended rate to the above calculations of current tax on the grounds that any such adjustment would be immaterial.

## 7. Staff Costs

The aggregate employment costs of staff for the Group (including Directors) for the year was:

	2023 £'000	2022 £'000
Wages and salaries	534	514
Pension	27	20
Social security costs, net of allowances	87	53
Medical costs	3	8
Employee share-based payment charge	63	39
<b>Total staff costs</b>	<b>714</b>	<b>634</b>

The average number of Group employees (including Directors) during the year was:

	2023 Number	2022 Number
Directors	3	4
Executives	2	0
Administration	1	1
	<b>6</b>	<b>5</b>

# Notes to Financial Statements

for the year ended 30 June 2023

During the year, for all Directors and employees, who have been employed for more than three months, the Company contributed to a defined contributions pension scheme as described under Directors' remuneration in the Directors' Report and a Share Incentive Plan ("SIP") as described under Management incentives in the Directors' Report.

All emoluments presented for current and comparative years, except for pension, are short-term in nature.

## 8. Directors' Emoluments

2023	Directors' fees £'000	Bonus £'000	Incentive Plan £'000	Share £'000	Pension contributions £'000	Short term benefits £'000	Total £'000
<b>Executive Directors</b>							
J Parsons*	253	30	-	-	19	-	302
S Kaintz	182	35	2	-	17	-	236
A Karam	4	-	-	-	-	-	4
<b>Non-executive Directors</b>							
E Ainsworth	42	-	-	-	-	-	42
H Bellingham	37	10	-	-	-	-	47
Y Zhao	2	-	-	-	-	-	2
	519	75	2	2	36	-	632

2022	Directors' fees £'000	Bonus £'000	Incentive Plan £'000	Share £'000	Pension contributions £'000	Short term benefits £'000	Total £'000
<b>Executive Directors</b>							
J Parsons*	152	30	-	-	10	-	192
S Kaintz	175	35	7	-	16	3	236
<b>Non-executive Directors</b>							
E Ainsworth	40	-	-	-	-	-	40
H Bellingham	28	-	-	-	-	-	28
	395	65	7	7	26	3	496

\* Includes 8% pension contribution paid in cash as a part of gross salary.

The number of Directors, who exercised share options in year, was nil (2022: nil).

In the current year, amounts totalling £59,034 (2022: £nil) to J Parsons and £2,936 (2022: £nil) to Scott Kaintz relating to directors fees and bonuses respectively, net of tax and national insurance deductions, were settled in shares. In the year to 30 June 22, J Parsons was awarded a £60k bonus and S Kaintz a £70k bonus, half of which was paid in the prior year and half of it was paid in the current year.

During the year, the Company contributed to a Share Incentive Plan, more fully described in the Directors' Report on page 20, where shares were issued to each employee, including Directors, making a total of 3,506,490 (2022: 896,549) partnership and matching shares. Those shares were issued in relation to services provided by those employees during the reporting year.

The Company also operates a contributory pension scheme, more fully described in the Directors' Report in the section Directors' Remuneration on page 20.



# Notes to Financial Statements

for the year ended 30 June 2023

## 8. Directors' Emoluments Continued

No options were granted in the current year. In the prior year the following options were granted to the Directors of the Company with a total FV charge to the profit for the year of £15,829.

2022	Number of Options	Exercise price (pence)	Grant date	Expiry date
<b>Executive Directors</b>				
J Parsons	6,547,197	1.7p	28 February 2022	27 February 2027
S Kaintz	6,547,197	1.7p	28 February 2022	27 February 2027
<b>Non-executive Directors</b>				
E Ainsworth	2,805,942	1.7p	28 February 2022	27 February 2027
H Bellingham	2,805,942	1.7p	28 February 2022	27 February 2027

## 9. Earnings per Share

The basic earnings/(loss) per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue. Diluted earnings/(loss) per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

	2023	2022
<b>Loss attributable to equity holders of the Parent Company, £'000</b>	<b>(1,262)</b>	<b>(2,128)</b>
<b>Weighted average number of ordinary shares of £0.0001 in issue, used for basic EPS</b>	<b>714,863,518</b>	<b>401,737,832</b>
<b>Earnings per share – basic, pence</b>	<b>(0.18)</b>	<b>(0.5)</b>
<b>Earnings per share – fully diluted, pence</b>	<b>(0.18)</b>	<b>(0.5)</b>

At 30 June 2023 and at 30 June 2022, the effect of all the instruments in issue is anti-dilutive as it would lead to a further reduction of loss per share, therefore, they were not included into the diluted loss per share calculation.

Options and warrants with conditions not met at the end of the period, that could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS for the periods presented:

	2023	2022
i) Share options granted to employees – total, of them	<b>26,687,412</b>	<b>26,783,412</b>
• Vested at the end of reporting period	-	96,000
• Not vested at the end of the reporting period	26,687,412	26,687,412
ii) Number of warrants in issue	<b>511,942,464</b>	<b>171,999,329</b>
<b>otal number of contingently issuable shares that could potentially dilute basic earnings per share in future and anti-dilutive potential ordinary shares that were not included into the fully diluted EPS calculation</b>	<b>538,629,876</b>	<b>198,782,741</b>

There were no ordinary share transactions after 30 June 2023, that that could have changed the EPS calculations significantly if those transactions had occurred before the end of the reporting period.

# Notes to Financial Statements

for the year ended 30 June 2023

## 10. Investments in Subsidiaries and Goodwill

Company	Investments in subsidiaries 2023 £	Investments in subsidiaries 2022 £	Goodwill 2023 £'000	Goodwill 2022 £'000
<b>Cost</b>				
<b>At 1 July 2021 and 1 July 2022</b>	<b>1,014</b>	-	<b>131</b>	<b>131</b>
Additions (Note 23)	<b>966</b>	1,014	-	-
<b>At 30 June 2023 and 30 June 2022</b>	<b>1,980</b>	1,014	<b>131</b>	<b>131</b>
<b>Impairment</b>				
<b>At 1 30 June 2023 and 30 June 2022</b>	-	-	<b>(131)</b>	<b>(131)</b>
<b>Net book amount at 30 June 2023</b>	<b>1,980</b>	-	-	-
<b>Net book amount at 30 June 2022</b>	<b>1,014</b>	1,014	-	-

The Parent Company of the Group holds more than 50% of the share capital of the following companies, the results of which are consolidated:

Company Name	Country of registration	Class	Proportion held by Group	Nature of business
Corcel Australasia Pty Limited	Australia	Ordinary	100%	Mineral exploration
Flexible Grid Solutions Limited (former ESTEQ Limited)	UK	Ordinary	100%	Holding company
Flexible Grid One Limited (former Allied Energy Services Ltd (indirectly owned through ESTEQ Limited))	UK	Ordinary	100%	Energy storage and trading and grid backup
Atlas Petroleum Exploration Worldwide Limited	BVI	Ordinary	90%	Oil and gas exploration

Corcel Australasia Pty Limited and Niugini Nickel Pty Ltd registered office is c/o Paragon Consultants PTY Ltd, PO Box 903, Claremont WA, 6910, Australia.

Flexible Grid Solutions Limited registered office is Salisbury House, London Wall, London EC2M 5PS, United Kingdom.

Flexible Grid One Limited registered office is Salisbury House, London Wall, London EC2M 5PS, United Kingdom.

Atlas Petroleum Exploration Worldwide Limited registered office is 18000 Groschke Rd. Bldg A-1, Houston, Texas, 77084, USA

# Notes to Financial Statements

for the year ended 30 June 2023

## 10. Investments in Subsidiaries and Goodwill Continued

### ***Weirs Drove Development Limited (indirectly owned through Flexible Grid Solutions Limited)***

On 19 June 2020, the Company announced an investment acquiring a 50% stake in Weirs Drove Development Limited, a developer of UK based energy storage and flexible production projects. The cost of the transaction was an initial investment and directly attributable acquisitions costs, totalling £37,750, with the agreement to extend a further £100,000, following the project meeting all shovel ready criteria. At year end, these conditions had not been met and so the Company has impaired the value of the project to £nil, pending further developments. Goodwill in the amount of £25,250 was recognised in relation to this acquisition and subsequently impaired to £nil as at 30 June 2022.

On 1 December 2020, the Company announced the acquisition of the remaining 50% interest in Weirs Drove Development Limited, thereby becoming the 100% owner of the Burwell project for consideration of £90,000. This total potential consideration was broken down into £15,000 payable in cash and £75,000 payable in new Corcel ordinary shares due at financial close of the initial 50MW of capacity of the Burwell project.

In the year ended June 2022, the investment in Weirs Drove Development Limited was fully impaired.

On 25 January 2023, the Company disposed of 100% interest in Weirs Drove Development Limited for £250,000 as financial close of the initial acquisition of the remaining 50% interest in Weirs Drove Development Limited noted above never took place prior to disposal, the £75,000 payable in Corcel new ordinary shares to the vendors were not issued and therefore these amounts have been recycled from shares to issue reserve to retained earnings. As the project was held at a carrying value of £4,000 in the group accounts at the point of disposal, a gain on disposal of £246,000 has been recognised in the current year Statement of Comprehensive Income.

### ***Niugini Nickel Pty Ltd***

On 26 June 2023, the Group disposed of its 100% interest in Niugini Nickel Pty Ltd. See note 22 for further details. Disposal of the subsidiary in the year gave rise to a gain of £41,000.

In aggregate, the Group has realised a gain on disposal of Weirs Drove Development Limited and Niugini Nickel Pty Ltd of £287,000.

## 11. Investments in Associates and Joint Ventures

	<b>Group</b>	<b>Company</b>
	<b>£'000</b>	<b>£'000</b>
<b>Carrying balance</b>		
At 1 July 2021	2,380	2,500
Additions	11	12
Share of loss in joint venture	(3)	-
Impairment of investment in associate	(400)	(400)
At 30 June 2022	1,988	2,112
Additions	-	-
Share of loss in joint venture	(76)	-
Impairment of investment in associate – DVY	(337)	(337)
Transfer to assets held for sale (Note 24)	(1,575)	(1,775)
<b>Net book amount at 30 June 2023</b>	<b>-</b>	<b>-</b>

At 30 June 2023, the Parent Company of the Group had a significant influence by virtue other than a shareholding of over 20% or had joint control through a joint venture contractual arrangement in the following companies:

# Notes to Financial Statements

for the year ended 30 June 2023

Company Name	Country of registration	Class	Proportion held by Group at 30 June 2023	Proportion held by Group at 30 June 2022	Status at 30 June 2023	Accounting year end
<b>Direct</b>						
Oro Nickel Ltd (Held indirectly through Oro Nickel Vanuatu) (Joint Venture)	Papua New Guinea	Ordinary	41%	41%	Active	30 June 2023
DVY196 Holdings Corp (Joint Venture)	UK	Ordinary	50%	50%	Inactive	30 Sept 2022

Oro Nickel Ltd registered office is c/o Sinton Spence Chartered Accountants, 2<sup>nd</sup> Floor, Brian Bell Plaza, Turumu Street, Boroko, National Capital District, Papua New Guinea.

DVY196 Holdings Corp registered office is 3081 3<sup>rd</sup> Avenue, Whitehorse, Yukon, Canada Y1A 4Z7.

Summarised financial information for the Company's associates and joint ventures, where available, is given below for the year as at 30 June 2023:

Company	Revenue £'000	Loss £'000	Assets £'000	Liabilities £'000	Net Assets £'000
Oro Nickel Ltd	—	(184)	4,683	(4,219)	463

	Oro Nickel £'000	DVY196 £'000	Total Group £'000
<b>Carrying balance</b>			
At 1 July 2022	<b>1,651</b>	<b>337</b>	<b>1,988</b>
Additions	-	-	-
Share of loss in joint venture	(76)	-	(76)
Impairment	-	(337)	(337)
Transfer to assets held for sale	(1,575)	-	(1,575)
<b>Net book amount at 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

The investment in DVY196 has been fully impaired in the year as the directors now consider that realisation of the value of this investment is unlikely, and no further work on the licenses will be undertaken.

## 12. Financial Instruments with Fair Value through Other Comprehensive Income (FVTOCI)

	30 June 2023 Group £'000	30 June 2022 Group £'000	30 June 2023 Company £'000	30 June 2022 Company £'000
<b>FVTOCI financial instruments at the beginning of the period</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>7</b>
Transferred from Available-for-sale category	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations and impairment	-	(6)	-	(6)
<b>FVTOCI financial assets at the end of the period</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

### Market Value of Investments

The market value as at 30 June 2023 of the investments', available for sale listed and unlisted investments, was as follows:

# Notes to Financial Statements

for the year ended 30 June 2023

## 12. Financial Instruments with Fair Value through Other Comprehensive Income (FVTOCI) continued

	30 June 2023 Group £'000	30 June 2022 Group £'000	30 June 2023 Company £'000	30 June 2022 Company £'000
Quoted on other foreign stock exchanges	1	1	1	1
<b>At 30 June</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

	30 June 2023 Group £	30 June 2022 Group £	30 June 2023 Company £	30 June 2022 Company £
<b>FVTPL financial instruments at the beginning of the period</b>	-	72	-	72
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations	-	(72)	-	(72)
<b>FVTPL financial assets at the end of the period (audited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 13. Trade and Other Receivables

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
<b>Non-current</b>				
Amounts owed by Group undertakings	-	-	286	278
Purchased debt	-	-	-	-
Amounts owed by related parties				
– due from associates and joint ventures	1,517	1,502	1,517	1,502
– due from sale of subsidiary	714	-	-	-
<b>Total non-current</b>	<b>2,231</b>	<b>1,502</b>	<b>1,803</b>	<b>1,780</b>
<b>Current</b>				
Sundry debtors	371	130	64	116
Prepaid directors fees – J Parsons	79	-	79	-
Prepayments	168	147	173	141
Debt from issue of shares	136	-	136	-
Amounts owed by related parties				
– due from key management	-	-	-	-
<b>Total current</b>	<b>754</b>	<b>277</b>	<b>453</b>	<b>257</b>

Sundry debtors include a balance of:

- £57,493 (2022: £48,493) owed by Curzon Energy Plc, a related party entity as a result of having a common Director.
- £36,000 (2022: £Nil) owed by Arlington Energy Limited, owner of the Tring Road project disposed of in the year.

# Notes to Financial Statements

for the year ended 30 June 2023

## 14. Trade and Other Payables

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Trade and other payables	177	191	213	209
Amounts due to related parties:				
• due to Red Rock Resources plc	-	10	-	10
Accruals	538	123	252	104
Trade and other payables	715	325	465	322
Borrowings (note 20)	602	1,423	602	1,423
Total	1,317	1,747	1,067	1,745

### Short Term Borrowings Maturity

	2023 £'000	2022 £'000
31 October 2022	-	778
30 September 2024	547	645
Due by 31 January 2024	55	-
<b>Total long-term borrowings</b>	<b>602</b>	<b>1,423</b>

### C4 Energy Notes – YA PN II – Riverfort

During the prior year, £100,000 of principal was repaid by the Company in cash and £128,586 of the principal was converted into ordinary shares of the Company. In the current year, £175,000 of the principle was repaid by the Company in cash, no conversions had taken place in the year.

More details on all the borrowing are given in Note 25.

## 15. Reserves

### Share Premium

The share premium account represents the excess of consideration received for shares issued above their nominal value net of transaction costs.

### Shares to be Issued

The shares to be issued account represents the share capital that has been committed to be issued in settlement of the consideration for the acquisition of the remaining 50% interest in Wiers Drove Developments limited in December 2020. See note 16 below for more details.

### Foreign Currency Translation Reserve

The translation reserve represents the exchange gains and losses that have arisen on the retranslation of overseas operations.

### Retained Earnings

Retained earnings represent the cumulative profit and loss net of distributions to owners.

### FVTOCI Revaluation Reserve

The fair value through other comprehensive income (FVTOCI) reserve represents the cumulative revaluation gains and losses in respect of FVTOCI investments.

### Share-Based Payment Reserve

The share-based payment reserve represents the cumulative charge for options granted, still outstanding and not exercised.

### Warrant Reserve

The warrant reserve represents the cumulative charge for warrants granted, still outstanding and not exercised.

# Notes to Financial Statements

for the year ended 30 June 2023

## 16. Share Capital, Share Premium and Shares to be Issued of the Company

The share capital of the Company is as follows:

	2023 £'000	2022 £'000
<b>Authorised, issued and fully paid</b>		
1,344,381,984 ordinary shares of £0.0001 each (2022: 440,878,295)	135	44
1,788,918,926 deferred shares of £0.0009 each	1,610	1,610
2,497,434,980 A deferred shares of £0.000095 each	237	237
8,687,335,200 B Deferred shares of £0.000099 each	860	860
<b>As at 30 June</b>	<b>2,842</b>	<b>2,751</b>

Movement in ordinary shares	Number	Nominal, £ Share Premium, £	
<b>As at 30 June 2021 – ordinary shares of £0.0100 each</b>	<b>384,787,602</b>	<b>38,480</b>	<b>24,161,469</b>
Issued on 21 February 2022 at £0.015 per share (non cash creditor settlement)	7,200,000	720	107,280
Issued on 28 February 2022 at £0.015 per share (non cash conversion of debt)	8,572,400	857	127,729
Issued on 16 March 2022 at £0.015 per share (cash placing)	25,793,332	2,579	384,321
Share issue costs in relation to shares issued on 16 March 2022	-	-	(48,250)
Issued on 16 March 2022 at £0.015 per share (non cash conversion of debt)	11,333,333	1,133	168,867
Issued on 4 April 2022 at £0.01525 per share (cash placing)	2,295,080	230	34,770
• Issued on 5 April 2022 at £0.0145 per share (non- cash SIP)	496,550	50	14,288
• Issued on 5 April 2022 at £0.0135 per share (non- cash SIP)	399,999	40	10,710
<b>As at 30 June 2022 – ordinary shares of £0.0100 each</b>	<b>440,878,296</b>	<b>44,089</b>	<b>24,961,184</b>
Issued on 27 July 2022 at £0.004 per share (cash placing)	84,000,000	8,400	302,234
Issued on 22 August 2022 at £0.004 (cash placing)	5,330,000	533	20,787
Issued on 31 October 2022 at £0.004 per share (cash placing)	50,000,000	5,000	195,000
Issued on 23 December 2022 at £0.004 per share (non-cash acquisition of asset)	50,000,000	5,000	195,000
Issued on 4 January 2023 at £0.004 per share (cash placing)	116,500,000	11,650	454,350
Issued on 5 January 2023 at £0.004 per share (non-cash creditor settlement)	5,000,000	500	19,500
Issued on 5 January 2023 at £0.00210003 per share (non-cash creditor settlement)	37,028,094	3,703	74,057
Issued on 3 February 2023 at £0.0026 per share (non- cash salary settlement)	16,910,618	1,691	42,277
Issued on 20 April 2023 at £0.0035 per share (cash placing)	85,714,185	8,572	291,429
Issued on 9 May 2023 at £0.004 per share (non-cash acquisition of asset)	50,000,000	5,000	195,000
Issued on 5 June 2023 at £0.00385 per share (non- cash SIP)	1,870,128	187	7,013
Issued on 5 June 2023 at £0.0033 per share (non- cash SIP)	1,636,362	164	5,236
Issued on 6 June 2023 at £0.004 per share (non-cash acquisition of asset)	28,240,839	2,824	110,139
Issued on 6 June at £0.0033 per share (non-cash acquisition of asset)	200,000,000	20,000	640,000
Issued on 6 June at £0.004 per share (non-cash acquisition of asset)	70,685,250	7069	275,672
Issued on 9 June 2023 at £0.0035 per share (cash placing)	85,714,285	8,571	291,429
Issued on 20 June 2023 at £0.004 per share (non- cash salary settlement)	14,873,828	1,487	58,008
<b>As at 30 June 2023 – ordinary shares of £0.0100 each</b>	<b>1,344,381,984</b>	<b>134,438</b>	<b>28,138,443</b>

# Notes to Financial Statements

for the year ended 30 June 2023

## 16. Share Capital, Share Premium and Shares to be Issued of the Company Continued

The Company's share capital consists of three classes of shares, being:

- Ordinary shares with a nominal value of £0.0001, which are the company's listed securities;
- Deferred shares with a nominal value of £0.0009;
- A Deferred shares with a nominal value of £0.000095;
- B Deferred share with a nominal value of £0.000099

Subject to the provisions of the Companies Act 2006, the deferred shares may be cancelled by the Company, or bought back for £1 and then cancelled. These deferred shares are not quoted and carry no rights whatsoever.

### Shares to be Issued

On 1 December, 2020 the Company acquired the remaining 50% interests in WDD for potential consideration of £90,000, payable in £15,000 in cash and £75,000 in new ordinary shares. The £75,000 consideration, payable in shares, was dependant on the financial close of the initial 50MW of capacity of the Burwell Project. Financial close is defined as having a fully funded SPV to take the project forward to operational capacity or any potential disposal or sale.

On 25 January 2023, the Company disposed of 100% interest in Weirs Drove Development Limited as financial close of the initial acquisition of the remaining 50% interest in the 50MW Burwell Project noted above never took place prior to disposal, the £75,000 payable in Corcel new ordinary shares to the vendors were not issued and therefore these amounts have been recycled from shares to issue reserve to retained earnings.

### Warrants

At 30 June 2023, the Company had 511,942,464 warrants in issue (2022: 171,999,329) with exercise prices ranging £0.004-£0.25 (2022: £0.01245-£0.60). The weighted average remaining life of the warrants at 30 June 2023 was 482 days (2022: 406 days).

On 21 December 2022 20 million warrants issued on 12 May 2021 were repriced from a strike price of 2.5p to 0.4p. No adjustments to the fair value of these warrants have been recognised in these financial statements as a result from this repricing.

On 21 December 2022 30 million warrants issued on 21 February 2022 were cancelled with 214.29 million new warrants being issued at a strike price of 0.21p. An additional IFRS 2 charge of £179,080 associated with this reissuance of warrants has been recognised in these financial statements in the current year.

Details related to valuation of all warrants are disclosed below.

<b>Group and Company</b>	<b>2023 number of warrants</b>	<b>2022 number of warrants</b>
Outstanding at the beginning of the period	171,999,329	<b>170,399,328</b>
Granted during the period	444,582,214	33,800,000
Exercised during the period	-	-
Lapsed during the period	(104,639,079)	(32,199,999)
<b>Outstanding at the end of the period</b>	<b>511,942,464</b>	<b>171,999,329</b>



# Notes to Financial Statements

for the year ended 30 June 2023

## 16. Share Capital, Share Premium and Shares to be Issued of the Company Continued

At 30 June 2023, the Company had the following warrants to subscribe for shares in issue:

Grant date	Expiry date	Warrant exercise price	Number of post consolidation warrants
17 July 2019	1 July 2024	£0.25	200,000
23 Oct 2020	22 Oct 2023	£0.016	13,630,250
12 May 2021	12 May 2024	£0.015	20,000,000
14 December 2021	13 December 2024	£0.015	3,800,000
21 February 2022	20 February 2024	£0.015	30,000,000
20 July 2022	20 July 2023	£0.005	84,000,000
15 Aug 2022	15 Aug 2023	£0.005	5,330,000
15 Aug 2022	15 Aug 2023	£0.004	4,466,500
17 Oct 2022	16 Oct 2025	£0.004	50,000,000
20 Dec 2022	20 Dec 2025	£0.004	116,500,000
21 Dec 2022	31 March 2025	£0.0021	184,285,714
<b>Total warrants in issue at 30 June 2023</b>			<b>511,942,464</b>

The aggregate fair value recognised in warrants reserve in relation to the share warrants granted during the reporting period was £327,660 (2022: £70,400) and has been recognised in finance costs during the year.

The following information is relevant in the determination of the fair value of warrants granted during the reporting period. Black-Scholes valuation model was applied for all the warrants below:

Grant date	Expiry date	Number of warrants	Warrant life, years	Warrant exercise price, £	Share price at the grant date, £	UK risk-free rate at the date of grant, %	Volatility, %	FV of 1 warrant, £	FV of all warrants, £
20 July 2022	20 July 2023	84,000,000	1	0.005	0.0038	2.2330	21.99	0.0001	4,960
15 Aug 2022	15 Aug 2023	5,330,000	1	0.005	0.0043	2.1700	30.76	0.0003	1,670
15 Aug 2022	15 Aug 2023	4,466,500	1	0.004	0.0043	2.1700	30.76	0.0003	3,210
17 Oct 2022	16 Dec 2025	50,000,000	3	0.004	0.0038	3.1505	57.09	0.0003	74,560
20 Dec 2022	20 Dec 2025	116,500,000	3	0.004	0.0025	3.1495	50.22	0.0003	64,180
21 Dec 2022	31 Mar 2025	184,285,714	2.277	0.0021	0.0026	3.4010	43.94	0.0003	179,080
<b>Total at 30 June 2023</b>		<b>444,582,214</b>							<b>327,660</b>

Expected volatility values used in the calculation of fair value for options and warrants have been determined by reference to the historical volatility of the Company over the same backward looking period as the expected exercise period of the option or warrant on the date of grant.

# Notes to Financial Statements

for the year ended 30 June 2023

## Capital Management

Management controls the capital of the Group in order to control risks, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital, includes ordinary share capital and financial liabilities, supported by financial assets such as cash, receivables and investments. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

## 17. Share-Based Payments

### Employee Share Options

In prior years, the Company established an employee share option plan to enable the issue of options as part of the remuneration of key management personnel and Directors to enable them to purchase ordinary shares in the Company. Under IFRS 2 "Share-based Payments", the Company determines the fair value of the options issued to Directors and employees as remuneration and recognises the amount as an expense in the Income Statement with a corresponding increase in equity.

At 30 June 2023, the Company had outstanding options to subscribe for post-consolidation Ordinary shares as follows:

	Options issued 5 December 2019, exercisable at £0.0275 per share, expiring on 5 December 2024	Options issued 31 January 2020 exercisable at £0.0285 per share, expiring on 31 January 2025	Options issued 28 February 2022 exercisable at £0.017 per share, expiring on 27 February 2027	Total Number
S Kaintz	-	3,040,567	6,547,197	9,683,764
J Parsons	3,040,567	-	6,547,197	9,587,764
E Ainsworth	-	-	2,805,942	2,805,942
H Bellingham	-	-	2,805,942	2,805,942
Employees	-	-	1,900,000	1,900,000
<b>Total</b>	<b>3,040,567</b>	<b>3,040,567</b>	<b>20,606,278</b>	<b>26,687,412</b>

Company and Group	2023		2022	
	Number of options Number	Weighted average exercise price £	Number of options Number	Weighted average exercise price Pence
Outstanding at the beginning of the period	26,783,412	0.022	6,212,534	0.42
Granted during the year	-	-	20,606,278	0.017
Lapsed during the period	(96,000)	0.008	(35,400)	0.45
<b>Outstanding at the end of the period</b>	<b>26,687,412</b>	<b>0.0195</b>	<b>26,783,412</b>	<b>0.022</b>

The exercise price of options outstanding at 30 June 2023 and 30 June 2022, ranged between £0.017 and £0.80. Their weighted average contractual life was 4.176 years (2022: 4.161 years).

Of the total number of options outstanding at 30 June 2023, £nil (2022: 96,000) had vested and were exercisable. The weighted average share price (at the date of exercise) of options, exercised during the year, was nil (2022: nil) as no options were exercised during the reporting year (2022: nil).

Share-based remuneration expense, related to the share options granted during the reporting period, is included in the Administrative expenses line in the Consolidated Income Statement in the amount of £52,167 (2022: £17,436).

# Notes to Financial Statements

for the year ended 30 June 2023

## 17. Share-Based Payments Continued

### Share Incentive Plan

In January 2012, the Company implemented a tax efficient Share Incentive Plan (SIP), a government approved scheme, the terms of which provide for an equal reward to every employee, including Directors, who have served for three months or more at the time of issue. The terms of the plan provide for:

- each employee to be given the right to subscribe any amount up to £150 per month with Trustees, who invest the monies in the Company's shares;
- the Company to match the employee's investment by contributing an amount equal to double the employee's investment ("matching shares"); and
- the Company to award free shares to a maximum of £3,600 per employee per annum.

The subscriptions remain free of taxation and national insurance if held for five years.

All such shares are held by SIP Trustees and the shares cannot be released to participants until five years after the date of the award.

During the financial year, a total of 3,506,490 free, matching and partnership shares were awarded (2022: 896,549), resulting in a share-based payment charge of £10,800 (2022: £21,500), included into administrative expenses line in the Consolidated Income Statement.

## 18. Cash and Cash Equivalents

Group	30 June 2023 £'000	30 June 2022 £'000
Cash in hand and at bank	257	25

Company	30 June 2023 £'000	30 June 2022 £'000
Cash in hand and at bank	256	20

### Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from notes and other receivables. The Directors manage the Group's exposure to credit risk by the application of monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Directors minimise credit risk by dealing exclusively with high credit rating counterparties.

### Credit Risk Concentration Profile

The Group's receivables do not have significant credit risk exposure to any single counterparty or any group of counterparties, having similar characteristics. The Directors define major credit risk as exposure to a concentration exceeding 10% of a total class of such asset.

The Company maintains its cash reserves in Coutts & Co, which maintains an A-1 credit rating from Standard & Poor's.

## 19. Financial Instruments

### 19.1 Categories of Financial Instruments

The Group and the Company holds a number of financial instruments, including bank deposits, short-term investments, loans and receivables and trade payables. The carrying amounts for each category of financial instrument are as follows:

# Notes to Financial Statements

for the year ended 30 June 2023

Group 30 June	2023 £'000	2022 £'000
<b>Financial assets</b>		
<i>Fair value through other comprehensive income financial assets</i>		
Quoted equity shares (Note 12)	1	1
<b>Total financial assets carried at fair value, valued at observable market price</b>	<b>1</b>	<b>1</b>
<b>Cash and cash equivalents</b>	<b>257</b>	<b>25</b>
<b>Loans and receivables</b>		
Receivable from JVs	1,517	1,502
Receivable from sale of subsidiary	714	
Other receivables	754	277
<b>Total financial assets held at amortised cost</b>	<b>2,985</b>	<b>1,779</b>
<b>Total financial assets</b>	<b>3,243</b>	<b>1,805</b>
<b>Total current</b>	<b>1,011</b>	<b>302</b>
<b>Total non-current</b>	<b>2,232</b>	<b>1,503</b>
<b>Company</b>		
30 June	2023 £'000	2022 £'000
<b>Financial assets</b>		
<i>Fair value through other comprehensive income financial assets</i>		
Quoted equity shares	1	1
<b>Total FVTOCI financial assets</b>	<b>1</b>	<b>1</b>
<i>Fair value through profit and loss financial assets</i>		
Investments in a project of a private entity	-	-
<b>Total financial assets carried at fair value, valued using valuation techniques</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>256</b>	<b>20</b>
<b>Loans and receivables</b>		
Receivable from JVs	1,517	1,502
Purchased debt - current	-	-
Receivable from subsidiaries	287	278
Other receivables	453	257
<b>Total financial assets held at amortised cost</b>	<b>2,257</b>	<b>2,037</b>
<b>Total financial assets</b>	<b>2,514</b>	<b>2,058</b>
<b>Total current</b>	<b>709</b>	<b>277</b>
<b>Total non-current</b>	<b>1,805</b>	<b>1,780</b>

# Notes to Financial Statements

for the year ended 30 June 2023

## 19. Financial Instruments Continued

### 19.1 Categories of Financial Instruments Continued

#### Financial Instruments Carried at Fair Value Using Valuation Techniques Other than Observable Market Value

Financial instruments, valued using other valuation techniques, can be reconciled from beginning to ending balances as follows:

Group 30 June	2023 £'000	2022 £'000
<b>Financial liabilities at amortised cost</b>		
<b>Loans and borrowings</b>		
Trade and other payables	715	323
Borrowings	602	1,423
<b>Total financial liabilities</b>	<b>1,317</b>	<b>1,746</b>

#### Trade Receivables and Trade Payables

Management assessed that other receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

#### Borrowings

The carrying value of interest-bearing loans and borrowings is determined by calculating present values at the reporting date, using the issuer's borrowing rate. The loans are due in January 2024 and September 2024 and impact of the discounting is immaterial and, therefore, not included into the valuation. Both loans have been repaid post year end. See note 14 for further detail.

### 19.2 Fair Values

Financial assets and financial liabilities, measured at fair value in the statement of financial position, are grouped into three levels of a fair value hierarchy. The three levels are defined, based on the observability of significant inputs to the measurement, as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The carrying amount of the Group and the Company's financial assets and liabilities is not materially different to their fair value. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Where a quoted price in an active market is available, the fair value is based on the quoted price at the end of the reporting period. In the absence of a quoted price in an active market, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Group and Company	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>30 June 2023</b>				
Financial assets at fair value through other comprehensive income				
– Quoted equity shares	1	-	-	1
Financial assets at fair value through profit and loss	-	-	-	-

# Notes to Financial Statements

for the year ended 30 June 2023

## 19. Financial Instruments Continued

### 19.2 Fair Values Continued

Group and Company	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>30 June 2022</b>				
Financial assets at fair value through other comprehensive income				
– Quoted equity shares	1	-	-	1
Financial assets at fair value through profit and loss	-	-	-	-

### 19.3 Financial Risk Management Policies

The Directors monitor the Group's financial risk management policies and exposures, and approve financial transactions.

The Directors' overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies and future cash flow requirements.

#### Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk and market risk, consisting of interest rate risk, liquidity risk, equity price risk and foreign exchange risk.

#### Credit Risk

Exposure to credit risk, relating to financial assets, arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial liability of significant customers and counterparties), ensuring, to the extent possible, that customers and counterparties to transactions are of sound creditworthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Directors have otherwise cleared as being financially sound.

Trade and other receivables, that are neither past due nor impaired, are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 13.

There are no amounts of collateral held as security in respect of trade and other receivables.

The consolidated Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated Group.

#### Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources; and
- maintaining a reputable credit profile.

The Directors are confident that adequate resources exist to finance operations and that controls over expenditures are carefully managed. All financial liabilities are due to be settled within the next twelve months.

# Notes to Financial Statements

for the year ended 30 June 2023

## 19. Financial Instruments Continued

### 19.3 Financial Risk Management Policies Continued

#### Market Risk

##### Interest Rate Risk

The Company is not exposed to any material interest rate risk because interest rates on loans are fixed in advance.

##### Equity Price Risk

Price risk relates to the risk that the fair value, or future cash flows of a financial instrument, will fluctuate because of changes in market prices, largely due to demand and supply factors for commodities, but also include political, economic, social, technical, environmental and regulatory factors.

##### Foreign Exchange Risk

The Group's transactions are carried out in a variety of currencies, including Australian Dollars, United States Dollars, Papua New Guinea Kina and UK Sterling. To mitigate the Group's exposure to foreign currency risk, non-Sterling cash flows are monitored. Fluctuation of +/- 10% in currencies, other than UK Sterling, would not have a significant impact on the Group's net assets or annual results.

The Group does not enter forward exchange contracts to mitigate the exposure to foreign currency risk as amounts paid and received in specific currencies are expected to largely offset one another.

These assets and liabilities are denominated in the following currencies as shown in the table below:

<b>Group</b> <b>30 June 2023</b>	<b>GBP</b> <b>£'000</b>	<b>AUD</b> <b>£'000</b>	<b>USD</b> <b>£'000</b>	<b>CAD</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Cash and cash equivalents	257	-	-	-	257
Amortised cost financial assets - Other receivables	452	302	-	-	754
FVTOCI financial assets	-	-	-	1	1
FVTPL financial assets - warrants	-	-	-	-	-
FVTPL financial assets	-	-	-	-	-
Amortised costs financial assets - Non-current receivables	2,231	-	-	-	2,231
Trade and other payables, excluding accruals	177	-	-	-	177
Short-term borrowings	602	-	-	-	602

<b>Group</b> <b>30 June 2022</b>	<b>GBP</b> <b>£'000</b>	<b>AUD</b> <b>£'000</b>	<b>USD</b> <b>£'000</b>	<b>CAD</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Cash and cash equivalents	25	-	-	-	25
Amortised cost financial assets - Other receivables	258	19	-	-	277
FVTOCI financial assets	-	-	-	1	1
FVTPL financial assets - warrants	-	-	-	-	-
FVTPL financial assets	-	-	-	-	-
Amortised costs financial assets - Non-current receivables	1,502	-	-	-	1,502
Trade and other payables, excluding accruals	287	36	-	-	323
Short-term borrowings	1,423	-	-	-	1,423

<b>Company</b> <b>30 June 2023</b>	<b>GBP</b> <b>£'000</b>	<b>AUD</b> <b>£'000</b>	<b>USD</b> <b>£'000</b>	<b>CAD</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Cash and cash equivalents	256	-	-	-	256
Amortised cost financial assets - Other receivables	453	-	-	-	453
FVTOCI financial assets	-	-	-	1	1
FVTPL financial assets	-	-	-	-	-
Amortised costs financial assets - Non-current receivables	1,517	-	-	-	1,517

# Notes to Financial Statements

for the year ended 30 June 2023

Trade and other payables, excluding accruals	465	-	-	-	465
Short-term borrowings	602	-	-	-	602

<u>Company</u> <u>30 June 2022</u>	<u>GBP</u> <u>£'000</u>	<u>AUD</u> <u>£'000</u>	<u>USD</u> <u>£'000</u>	<u>CAD</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Cash and cash equivalents	20	-	-	-	20
Amortised cost financial assets - Other receivables	257	-	-	-	257
FVTOCI financial assets	-	-	-	1	1
FVTPL financial assets	-	-	-	-	-
Amortised costs financial assets - Non-current receivables	1,780	-	-	-	1,780
Trade and other payables, excluding accruals	322	-	-	-	322
Short-term borrowings	1,423	-	-	-	1,423

Exposures to foreign exchange rates vary during the year, depending on the volume and nature of overseas transactions.

## 20. Reconciliation of Liabilities Arising from Financing Activities and Major Non-Cash Transactions

Significant non-cash transactions, from financing activities in relation to loans and borrowings, are as follows:

	<b>30 June 2022</b>	<b>Cash flows Loans received</b>	<b>Non- cash flow Restructured</b>	<b>Non-cash flow Conversion</b>	<b>Non-cash flow Forex movement</b>	<b>Non-cash flow Interest and arrangement fees accreted</b>	<b>Cash flows Principal repaid</b>	<b>Cash flows Interest repaid</b>	<b>30 June 2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Align Research Ltd loan C4 / Riverfort Capital and YA II PN Ltd loan	778	-	-	(78)	-	79	(779)	-	-
	645	-	-	-	-	77	(175)	-	547
<b>Total</b>	<b>1,423</b>	<b>-</b>	<b>-</b>	<b>(78)</b>	<b>-</b>	<b>156</b>	<b>(954)</b>	<b>-</b>	<b>547</b>

Significant non-cash transactions from financing activities in relation to raising new capital are disclosed in Note 16.

There were no significant non-cash transactions from investing activities in the current year.

Significant non-cash transactions from operating activities were as follows:

- Payment for services and Director remuneration (share-based payments in the form of options and warrants), in the amount of £10,800 (2022: £21,500), disclosed in Notes 16 and 17;
- Impairment of associates and joint venture projects in the amount of £337,425 (2022: £400,000);
- Impairment of FVTPL assets in the amount of £nil (2022: £72,000);
- Share settled transactions to settle creditor balances £97,760 (2022: £72,000).
- On the 3 February 2023 J Parsons was paid £43,968 in shares in relation to salary.
- During the year the company acquired a subsidiary in which part of the consideration was shares in the value of £772,963 – See note 23 for details
- J Parsons received a prepayment of salary in the form of shares issued amounting to £41,493
- S Kaintz was paid in the form of shares issued amounting to £18,002



# Notes to Financial Statements

for the year ended 30 June 2023

## 21. Exploration & Evaluation Assets and Mineral Tenements

Movements in exploration & evaluation assets and mineral tenements in the year were as follows:

<u>Group</u> <u>30 June 2023</u>	<u>Wowo Gap</u> <u>GBP</u> <u>£'000</u>	<u>Mt Weld</u> <u>GBP</u> <u>£'000</u>	<u>Canegrass</u> <u>GBP</u> <u>£'000</u>	<u>APEX</u> <u>GBP</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
<b>B/f</b>	<b>1,026</b>	-	-	-	<b>1,026</b>
Acquisitions of new licences/tenements	-	215	220	-	435
Disposal of derecognition of subsidiaries	(1,026)	-	-	-	(1,026)
Acquired on business combination	-	-	-	966	951
Additions in the year	-	-	-	656	671
Partial disposal on farmout of tenements	-	(43)	-	-	(43)
<b>c/f</b>	<b>-</b>	<b>172</b>	<b>220</b>	<b>1,622</b>	<b>2,014</b>

<u>Group</u> <u>30 June 2022</u>	<u>Wowo Gap</u> <u>GBP</u> <u>£'000</u>	<u>Mt Weld</u> <u>GBP</u> <u>£'000</u>	<u>Canegrass</u> <u>GBP</u> <u>£'000</u>	<u>APEX</u> <u>GBP</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
<b>B/f</b>	-	-	-	-	-
Acquired on business combination	1,026	-	-	-	1,026
<b>c/f</b>	<b>1,026</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,026</b>

<u>Company</u> <u>30 June 2023</u>	<u>Mt Weld</u> <u>GBP</u> <u>£'000</u>	<u>Canegrass</u> <u>GBP</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
<b>B/f</b>	-	-	-
Acquisitions of new licences/tenements	215	220	435
Partial disposal on farmout of tenements	(43)	-	(43)
<b>c/f</b>	<b>172</b>	<b>220</b>	<b>392</b>

The total value of mineral tenements at the year-end for the Group and Company was £392,000 (2022: £nil) and the total value of Exploration and evaluation assets at the year end for the Group was £2,014,000 (2022: £1,026) and for the Company was £nil (2022: £nil).

## 22. Disposal of Niugini Nickel Pty Ltd

On 26 June 2023 the Company, via its 100% owned subsidiary Corcel Australasia Pty Ltd, completed the disposal of 100% of the shares in Niugini Nickel Pty Ltd ("NN") from Resource Mining Corporation Pty Ltd ("RMC").

The Company has determined the fair value of the assets and liabilities of NN to be derecognised in these consolidated financial statements as follows:

# Notes to Financial Statements

for the year ended 30 June 2023

	Fair value recognised on derecognition £(000's)
<b>Assets</b>	
Cash	4
Receivables	34
Property, plant and equipment	41
Exploration and evaluation assets	967
Foreign exchange reserve	43
<b>Total Assets</b>	<b>1,089</b>
<b>Liabilities</b>	
Trade and other payables	(20)
ST borrowings	(95)
<b>Total liabilities</b>	<b>(115)</b>
<b>Total identifiable net assets at fair value</b>	<b>974</b>
<b>Total Present Value of consideration</b>	<b>1,015</b>
<b>Gain on disposal</b>	<b>41</b>

Consideration for the disposal of Niugini Nickel is receivable in three tranches, being:

- Tranche 1 - US\$500,000 on completion of the transaction, less carried costs of running the project;
- Tranche 2 - US\$900,000 24 months from completion of the transaction; and
- Tranche 3 - US\$1,400,000 once the mine has been developed to production and has generated US\$2,400,000 in net profits.

The Company has undertaken a fair value exercise to determine the appropriate recognition value for the consideration receivable on completion of the disposal, including (a) discounting Tranche 2 for the 24 month period prior to receipt and (b) assessing the likely point in time for the satisfaction of the conditions for Tranche 3 (estimated to be 5 years), discounting the value of the receivable to present value over this 5 year term and applying a risk weighting factor of 25% to the receivable to reflect the commercial risks inherent in a successful development of the project. Following this process the fair value of the consideration receivable has been determined as:

- Tranche 1 - £301,283
- Tranche 2 - £561,424
- Tranche 3 - £152,579
- Total - £1,015,305

# Notes to Financial Statements

for the year ended 30 June 2023

## 23. Acquisition of Atlas Petroleum Exploration Worldwide Limited

On 22 May 2023 the company completed the acquisition of 90% of the shares in Atlas Petroleum Exploration Worldwide Limited (APEX) from Quantum Investment Group Inc. The company has accounted for the fair value of this consideration cost to acquire the asset.

The company has determined the fair value of the asset of APEX to be recognised in these consolidated financial statements as follows:

	Fair value recognised on acquisition £(000's)
<b>Assets</b>	
Exploration and evaluation assets	966
	<b>966</b>
<b>Total Assets</b>	
<b>Total identifiable net assets at fair value</b>	<b>966</b>
<b>Total PV of consideration</b>	<b>966</b>

Under IFRS 3, a business must have three elements: inputs, processes and outputs. APEX is an early stage exploration company and has no near term plans to develop a mine. APEX does have titles to mineral properties but these could not be considered inputs because of their early stage of development. APEX has no processes to produce outputs and had not completed a feasibility study or a preliminary economic assessment on any of its properties at the time of acquisition, nor did it hold any infrastructure or assets that could produce outputs. Therefore, the Directors' conclusion is that the transaction is an asset acquisition and not a business combination. The fair value adjustment to intangible assets of £966,000 represents the consideration in relation to the purchase.

The company acquired had no assets or liabilities other than its exploration assets and so 100% of the FV of the consideration paid for the acquisition has been ascribed to the E&E assets. At the point of acquisition consideration payable included shares to issue of £800k (subsequently issued prior to year end at a fair market value of £660k), shares issued of £113k and amounts payable in cash of £178k.

## 24. Discontinued Operations

On 16 October 2023, the Group announced an agreement with Integrated Battery Metals (the Purchaser) for the disposal of its 41% interest in the Mambare nickel/cobalt project held via its interest in Oro Nickel Ltd, following extensive discussions with the Purchaser over the course of the financial year ended 30 June 2023.

Under IFRS 5, the interest in Oro Nickel Ltd is classified as an Asset Held for Sale, as the directors had made a definitive determination to dispose of the asset prior to the reporting date of these financial statements. As such, the carrying value of the investment in the joint venture held in the group was £1,575,000 (2022: £1,651,000) at the reporting date, and has been reclassified on the balance sheet as Assets Held for Sale. The Company valued the investment at £1,775,000 (2022: £1,775,000).

# Notes to Financial Statements

for the year ended 30 June 2023

The results of the entity for the year are presented below:

	£(000's)
<b>Income Statement</b>	
Administration expenses	(183)
	<b>(183)</b>

The associated loss to Corcel at 41% interest is £75,571.

## 25. Significant Agreements and Transactions

### Financing

- On 27 July 2022 the Company completed a fundraising of £357,320 including a Broker Option, resulting in the issuance of a further 5,330,000 new ordinary shares and 5,330,000 warrants.
- On 17 October 2022, the Company announced that it had agreed terms with a new cornerstone investor, who would receive a board seat, and would invest \$200,000 at a price of £0.004 with 1 for 1 warrants exercisable at £0.005 per share.
- On 31 October 2022, the Company announced that it had successfully restructured its debt position originally due 31 October 2022, by making a £150,000 immediate payment with the balance at that time of £627,600 deferred to 31 March 2023. The Company agreed a refinancing fee of £77,760 to be paid in shares at the lowest VWAP traded between 31 October 22 and 20 December 2022. The lenders were also given the right to convert any outstanding balances at this same price between 20 December 2022 and 31 March 2022. Outstanding balances were to accrue a monthly coupon of 1%. A series of potential repayment scenarios linked to asset sales were also put in place at that time. Lastly the Company acquired the option to by 20 December 2022 either pay a fee of £475,000 in cash or to extend 112,500,000 existing warrants priced at £0.004 until 31 March 2025 with a resetability clause extended to 31 December 2023. On 21 December 2022, the Company further announced that it had paid the lenders a refinancing fee of £77,759 in the form of 37,028,094 new ordinary shares. The Company further issued 5,000,000 new ordinary shares in full satisfaction of the ESA fee termination obligation. Lastly the Company had elected to extend and increase 112,500,000 warrants to 214,285,714 warrants allowing the investor to purchase that number of new ordinary shares at a new price of £0.0021 until 31 March 2025.
- On 14 December 2022, the Company announced that it had raised proceeds of £466,000 at a 95% premium to the current share price, from Auspect Investment Pty Ltd, a private Australian investment company, introduced by incoming Director, Yan Zhao. Gross proceeds of £466,000 were raised from the issue of 116,500,00 new ordinary shares at £0.004 per share. The Company also issued the investor with one warrant for every one share exercisable at £0.005 per share for three years. On 21 December 2022, the Company further announced that Yan Zhao would personally subscribe for 1/3<sup>rd</sup> of the placing, being a total of 38,833,333 shares through his family office, Mountain Stone Australia Trust, managed by OZJ Global Pty Ltd, with the balance of the shares to be taken by Auspect Investment Pty Ltd.
- On 25 January 2023 the Company announced that it had reduced total corporate debt outstanding by £777,600 and completely repaid the debt due originally in October 2022. Following these payments the balance of outstanding corporate debt was £672,941 with an initial payment due 23 January 2023, and smaller monthly payments due through June 2023.
- On 30 January 2023 the Company announced that it had agreed with its lenders to make a cash payment of £235,671, and then refinance a new principal amount of £471,343. This new balance would be subject to a 12 month repayment holiday and then repaid in 8 equal instalments starting in February 2024. The balance of the loan would carry a 6% interest rate and will be convertible at a fixed price of £0.004 per share, a 54% premium to the closing price of 27 January 2023. The Company retains the right to repay the loan early in cash subject to a 5% early repayment fee.
- On 31 January 2023, the Company announced that James Parsons, the Executive Chairman, would accept 16,910,618 new ordinary shares in Corcel at a price of £0.00265, in lieu of salary payments originally due from February 2023 to May 2023 as well as some historic obligations due to him.
- On 28 March 2023 the Company announced that pursuant to its recent pivot to oil and gas, that the Company had agreed a placing with a new cornerstone investor group. The fundraising was for a total of £1,055,515 through the issue of 301,575,574 new ordinary shares at a price of £0.0035 per share payable to the Company in three tranches. The investors were also to receive 211,102,900 warrants enabling their owners to purchase new ordinary shares at a price of £0.008 per share for a period of two years. Upon completion of the fundraising, the group has nominated Antoine Karam as a non-Executive to the Board of the Company.

# Notes to Financial Statements

for the year ended 30 June 2023

## 25. Significant Agreements and Transactions Continued

- On 24 May 2023, simultaneous to the acquisition of a 90% interest in APEX in Angola, the Company announced an investment in Corcel of £282,741 in four tranches by APEX shareholders and investors from the oil and gas sector in Brazil and Angola, which would result in the issuance of 70,685,250 new ordinary shares at a price of £0.004.
- On 14 June 2023 the Company announced that James Parsons had agreed to receive a portion of his salary in his new role as CEO for the next six months in the form of new ordinary shares in the Company. As such Mr. Parsons had been issued 12,447,965 new ordinary shares at a price of £0.004 per share. The Company further announced that it had agreed to settle other historic employee obligations through the issuance of 2,425,863 new ordinary shares also at a price of £0.004.

### Battery Metals Joint Venture

- On 17 October 2022 the Company announced that it had entered into an MOU to reorganize the Company's battery metal interest into a new carried battery metal joint venture to be listed in Asia. The transaction, subject to contract would give Corcel a 50% interest in the proposed joint venture, which would own Corcel's 100% interest in the Wowo Gap project as well as its 41% interest in the Mambare nickel project. The counterparty has agreed to contribute a stake in the Doncella lithium project in Argentina. Corcel would benefit from a \$1.5m carried interest and a 1.5% gross revenue royalty on the Wowo Gap project, and would nominate half of the board of the joint venture.
- On 1 March 2023 the Company announced that it had entered into agreements with Integrated Energy Metals ("IEM") to restructure the Company's PNG nickel/cobalt assets into a new carried vehicle, Integrated Battery Metals ("IBM"). The intention was to list IBM in Australasia once the transaction was completed. Completion of the transaction was conditional on the following:
  - Corcel's Mambare partner's pre-emption rights being waived during a 45-day review period
  - Hanacolla shares being transferred into IBM
  - Initial funding of Corcel's carried interest being demonstrated in the form of US\$1m deposited into IBM's bank account by IEM via a convertible loan structure
  - Consent and assignment of Corcel's existing gross smelter royalty over Mambare to IBM
  - Execution and commencement of the IBM shareholders agreement

The Company further announced that arrangements had been put in place to begin Corcel's carried interest period as of 1 January 2023. Initial funding into IBM would be in the form of a 3 year convertible loan note, with a 5% annual coupon which would convert at the lower of US\$1.35 or the price of any IPO completed by this time. The agreement included standard drag and tag provisions in the event of a sale of the equity of IBM.

- On 14 April 2023 the Company announced that it had been notified by Battery Metals Pty Ltd, its partner at the Mambare nickel/cobalt project, of its intention to exercise its pre-emption rights and buy out Corcel's 41% interest in the project. The Company clarified that it was following up on several details of this notional acceptance, and would make additional announcements in due course.

### Sale of Wowo Gap Nickel/Cobalt Project

- On 12 June 2023 the Company announced that it had agreed to sell its 100% interest in the Wowo Gap nickel project in Papua New Guinea to Integrated Battery Metals for up to US\$2.8M. This agreement was noted to supersede that covering the battery metals joint venture previously announced on 1 March 2023, as the parties had agreed to restructure the original transaction into two separate sale processes.

### Mt. Weld Rare Earth Element Project

- On 19 October 2022 the Company announced that had signed an exclusive 45-day option to acquire 100% of the Mt. Weld REE project, a granted mineral tenement located 1.4KM from the Lynas Rare Earth Limited Mine, near Laverton, Western Australia. The transaction consisted of a £15,000 non-refundable deposit with the option price set at £200,000 payable via the issuance of 50,000,000 new ordinary shares in Corcel at a price of £0.004.
- On 5 December 2022, the Company announced that it had exercised the option to acquire a 100% interest in the Mt. Weld REE project through the issuance of 50,000,000 new ordinary shares at £0.004 equating to £200,000 of total consideration.
- On 4 January 2023, the Company announced that had agreed a farm-out with Riversgold Ltd (ASX:RGL) covering its recently acquired rare earth element project at Mt. Weld. The transaction consisted of a AUD 30,000 immediate payment to Corcel, with RGL agreeing to fund a AUD 500,000 work programme over the next year in exchange for a 50% interest in the project. CRCL further had the right but not the obligation to allow the farm-in of a further 20% for an additional AUD 1,000,000 in a subsequent period.
- On 5 May 2023 the Company announced that it had sold a 20% interest in the Mt. Weld Rare Earth Element Project to Extraction SRL, a private Italian company, controlled by Mr. Antoine Karam, for cash consideration of AUD 1,000,000 payable by 31 May 2023. Extraction SRL is a shareholder of Corcel, having held 9.61% and Mr. Karam

# Notes to Financial Statements

for the year ended 30 June 2023

was expected to join the Board of Corcel following perfunctory regulatory checks. Riversgold agreed to waive its pre-emption rights over the sale of this interest and Extraction SRL would then become a party to original joint venture agreement. The 20% interest in Mt. Weld being sold was held in the Company's interim accounts balance sheet at £43,000, leaving a net profit after costs on disposal of approximately £475,472.

## Canegrass Lithium Project

- On 22 February 2023, the Company announced that it had agreed on a 30-day option with Huntsman Exploration Inc. ("HMAN") to acquire 100% of the lithium rights at the Canegrass Lithium Project, consisting of several granted tenements in Western Australia. Corcel agreed to pay an AUD 20,000 option payment and would commence due diligence on the project. If Corcel chose to exercise the option, it would issue HMAN 50,000,000 new ordinary shares at a deemed price of £0.004 equating to £200,000.
- On 4 April 2023, the Company announced that it had exercised its option over the Canegrass Lithium project, and as such would issue 50,000,000 new ordinary shares at the previously agreed price of £0.004 per share equating to £200,000 of total consideration.

## APEX Angola Acquisition

- On 24 May 2023 the Company announced that it had acquired a 90% interest in Atlas Petroleum Worldwide Limited ("APEX") with several working interests in the Kwanza Basin, Angola. Consideration for the acquisition would be settled through the issuance of 200,000,000 new ordinary shares at a price of £0.0033 and locked up for 18 months. The Company announced that Mr. Scott Gilbert, a vendor, would join the board as a non-executive subject to customary regulatory checks. At the same time the Company announced that it had agreed to buy out a local exploration and production company, whereby this entity would have had entitlements to 25% of the APEX position in the three licenses. This buy-out included Corcel issuing 28,240,839 new ordinary shares and paying US\$225,000 in cash. The buy-out shares were to be locked in for 18 months after the transaction. A second vendor, a Luanda based ex-Chevron oil and gas professional, would join the Company as Managing Director Angola.

## Flexible Grid Solutions

- On 16 November 2023 the Company announced that it along with its partners had agreed a sales price of £317,946 for the Tring Road Gas Peaker Plant, with £121,146 to be paid immediately, and a further £196,800 at completion. The completion of this sale was subsequently announced on 7 December 2022.
- On 25 January 2023 the Company announced the sale of its 100% interest in the Burwell Energy Storage Project for cash proceeds of £200,000 plus a reimbursement of Corcel's grid deposit of £50,000. The sale constituted the formal closure of the Flexible Grid Solutions division.

## 26. Commitments

As at 30 June 2023, the Company had entered into the following commitments:

- Exploration commitments: On-going exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the Financial Statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.
- On 1 March 2023, the Company extended its existing lease at We Work, Aldwych House, through to 31 March 2024.

## 27. Related Party Transactions

- Related party receivables and payables are disclosed in Notes 13 and 14, respectively.
- The key management personnel are the Directors and their remuneration is disclosed within Note 8.

## 28. Events After the Reporting Period

- On 14 July 2023 the Company announced that it had paid \$821,000 for its three Angolan oil block licenses to ANPG (Agência Nacional de Petróleo, Gás e Biocombustíveis) in the form of required signature bonuses.
- On 19 July 2023 the Company announced Mr. James Parsons had resigned from the Board with immediate effect and would continue to work with the Company in an advisory capacity during his notice period.
- On 25 August 2023, the Company announced that it had received notice from the operator, that activities had commenced including preparations for drilling and appraisal activities, at KON-11, where the Company holds a 20% working interest.

# Notes to Financial Statements

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## 28. Events After the Reporting Period Continued

- On 7 September 2023, the Company announced that the first well at Block KON-11, the Tobias-13 well, had spudded successfully, and that the initial workplan was focused on the consortium moving directly to early oil production should the drilling programme be successful.
- On 18 September 2023, the Company announced that had agreed terms with Extraction SRL, a Company controlled by the Executive Chairman, to extend a total of £10m to the Company in the form of convertible loan notes. The Company had agreed with Extraction on an immediate drawdown of £1m in October 2023, and a further £1m by January 2024. A further £8m was to be made available over the three-year term and has now agreed with Extraction SRL to allow for immediate drawdown of the entire balance of £9m remaining. The loan would be convertible into new ordinary shares of the Company at a fixed price of £0.008, a 79.8% premium from the most recent closing price, and would bear a 12% interest rate per annum. Conversion may take place at any point following 30 days from drawdown, at the election of the debt holder, with full settlement of the facility owing on maturity, being 36 months from the date of entering into the facility, in either cash or shares at the election of the debtholder.
- On 19 September 2023 the Company announced that it had received notice of the conversion of £100,000 of outstanding loan notes from its lenders, into 25,000,000 new ordinary shares at a price of £0.004.
- On 27 September 2023, the Company announced that had received notice of the exercise of 75,000,000 warrants at a price of £0.0021 per share for gross proceeds of £157,500. Accordingly, the Company issued 75,000,000 new ordinary shares to the investor. The Company further announced that it had received notice of the conversion of £100,000 of outstanding loan notes and as such had issued 25,000,000 new ordinary shares at a price of £0.004 per share. Lastly, the Company announced that it had notified its lenders that it had repaid the balance of the loan outstanding following this conversion, which fully retired the facility.
- On 16 October 2023 the Company announced that had received a revised offer from Integrated Battery Metals to purchase the Company's 41% interest in the Mambare nickel/cobalt project. IBM had conditionally agreed to purchase this interest and all outstanding shareholder loans for up to US\$4.1, broken out as follows:
  - US\$1.6M due at completion of the sale and purchase of Corcel's 41% interest in Oro Nickel Vanuatu ("ONV"), the project holding company
  - Also at completion, a further US\$1.4M payable in cash or the issuance of 1.5M shares of IBM at an issue price of USD1 per share at the discretion of Corcel
  - 24 months after completion a further payment of US\$1.0M either in cash or in IBM shares (at the sole discretion of Corcel); The IBM shares are to be valued as follows:
    - If listed, then priced at the 5-day volume weighted average price on the last five days prior to the 2nd anniversary or;
    - If IBM is not publicly listed then USD1.0 per share
  - Separately, and not included in the main transaction, US\$0.148M for the sale and purchase of Corcel's gross smelter royalty in respect of the Mambare nickel/cobalt project
- The Company indicated that a disposal of this size relative to the size of the Company constituted a fundamental disposal according to rule 15 of the AIM Rules for Companies and that the sale of the Wowo Gap project to the same buyer would need to be aggregated with the Mambare disposal in accordance with rule 16 of the AIM Rules for Companies. As such it would be a requirement of the AIM Rules for Companies that the disposal be approved by shareholders at a general meeting, which would be convened in due course. Following Corcel shareholder approval the Company would then notify its partner at the project of a bonafide and unconditional offer for its interest, starting a 45-day pre-emption period in which the partner could legally pre-empt the transaction.
- On 3 November 2023 the Company announced that it had been informed by the operator at KON-11, Sonangol, the state oil company, that the TO-13 well had now completed at a downdip location from historic production at a planned target depth of 958.5m. The full target Binga reservoir section of approximately 120m had been encountered with several productive zones seen in multiple intervals, and these results confirmed the ability to reactivate production at the Block through the use of an early production system; implying significant hydrocarbon potential remaining. The operator further confirmed that a rig move to the TO-14 well, a second well location to be drilled, was underway.
- On 13 November 2023 the Company announced that the Tobias-14 well, where the company has 20% working interest (18% net) had spudded in KON-11, in the Kwanza Basin, onshore Angola.
- On 22 November 2023 the Company announced that it had commissioned APEX Geoscience to conduct initial exploration activities at the Company's 100% Canegrass lithium project in Western Australia.
- Over the course of July 2023 and September 2023, the Company repaid approx. £390,000 in debt owing on the C4/Riverfort Capital loan facility which stood at £547,000 as at the reporting date of these financial statements.

## 29. Control

There is considered to be no controlling party.