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Arkle Resources PLC

Chairman's Statement

for the year ended 31 December 2023

Arkle is an AIM listed active exploration company exploring for Gold, Zinc and Lithium in Ireland and Lithium in Botswana and Zimbabwe.

Operating in the current environment is not easy but consider the following;

- Developing the Green Economy requires vast quantities of metals, which need mines.
- Mines, have relatively short lives so new mines are continuously needed.
- New mines need to be discovered, hence the need for exploration.
- Most successful exploration is undertaken by junior exploration companies.
- Junior explorers have no income so need finance.
- There is little or no money available. Arkle has a loyal group of supporting shareholders.

These simple truths appear to be beyond the ability of politicians, regulators and bureaucrats to understand. There are many virtuous proposals in the US and EU to develop "critical metals" to assist the "Green Economy" but none address the need for exploration.

Laws, papers, conferences and committees have examined the lack of supply of critical metals, such as lithium, rare earths and copper to mention a few. Nowhere do you see proposals to promote exploration by junior explorers. So, where will the metals come from?

For those of us, early-stage explorers, the financial markets have been a no-go area for some years. As natural optimists, every so often we tend to see green shoots of emerging interest but, to date, all have withered away.

Arkle is one of very few companies with current exploration programmes in zinc gold and lithium in Ireland and Botswana.

Ireland

Zinc - Our most advanced project in Ireland is the Stonepark zinc project in which Arkle holds a 23.44% interest (Group Eleven 76.56%). There is a an NI43-101 resource of 5.1 million tonnes at a combined lead – zinc grade of 11.3%. At current zinc and lead prices that values a tonne of Stonepark rock at around \$300. The resource is adjacent to the large Pallas Green zinc discovery of 45 million plus tonnes owned by Glencore and also adjacent to the Carrickittle and Ballywire zinc / lead discoveries made by our partner Group Eleven. Carrickittle and Ballywire are at early stages of exploration, but results have been very encouraging. Group Eleven is currently exploring both blocks and will begin drilling at Stonepark later in 2024 where they propose drilling 3 or 4 holes. Arkle intends to exercise its right to participate in the drilling.

Zinc, while not on a list of "critical minerals" is essential to economic development. The current price of around \$3,000 a tonne suggests a shortage is looming. Ireland has for many years been known as a Zinc Province being historically very prospective for large zinc discoveries. Exploration has drastically declined. Recently the last remaining zinc mine, Tara, closed but is reopening.

Gold - has been a feature of our exploration efforts in Ireland. For years we have explored in the Wicklow / Wexford area where we continue to hold ground covering 76sq kms in the Mine River area.

Mine River is a gold mineralised trend of 15 kms from North to South. Strong gold results have been found in the Tombreen and Knocknalour areas. Recently we decided to use our extensive collection of drill cores for hyperspectral analysis. The results of this will enable us to develop a 3D model of the resource. This will help focus future drilling. Our second active gold project is in the Inishowen area of Donegal where we now focus on one licence PL3820. We discovered gold in the Meenaragh area and recently drilled 4 holes to follow up the main vein. Each hole intercepted the vein thus extending the strike length.

Lithium - For years it has been speculated that the Wicklow Granites, which host our gold discoveries, also hold deposits of lithium bearing pegmatites. A large Chinese company, Ganfeng, has been exploring extensively on ground adjacent to the Arkle licences. We sampled our ground in the Buncloudy area on the southern part of the block. We discovered pegmatites and lithium. Further to this we applied for and obtained four additional licences in the Aughrim area of Wicklow between our existing licences and the Ganfeng licences.

Arkle has made significant early-stage exploration progress since being granted the 4 Aughrim licences in October '23, which cover 127.28 sq km. The new licences are contiguous with a JV between Vancouver, Canada based International Lithium Corp. and Chinese company, Ganfeng Lithium Co. Ltd. who plan follow up drilling for up to 40 holes to a maximum drill depth of 235 metres over the next year.

Chairman's Statement *(continued)*

for the year ended 31 December 2023

Exploration work conducted by Arkle identified anomalous discoveries in lithium, gold, tin, tungsten, copper, lead, cobalt and rare earth elements on the Aughrim licences. Anomalous lithium oxide was found in rock samples, including a grade of up to 0.09% lithium oxide. Of the 59 samples, 26 showed concentrations greater than 0.02% lithium oxide. The management were encouraged by the identification of spodumene crystals. One sample showed a high concentration of beryllium at 0.246%, along with 0.03% lithium, indicating the possibility of economic beryllium in the permit area.

Rare earth elements were also identified, including, cerium and dysprosium, although not in economic quantities. Their presence is encouraging at this early stage, and the hope is higher grades of these important rare earth elements can be found nearby in future exploration campaigns.

Exploration prospecting at Aughrim is expected to resume in the near future.

Exploration Challenges - As well as a shortage of finance, attitudes in Ireland toward exploration have hardened. Political support has withered, and extensive bureaucratic delays have occurred in licence renewals and other approvals. For decades Ireland was a beacon for exploration, clear title, fair and clear taxation policies and rapid clear and transparent licencing laws and rules. No longer. Politicians, even Ministers of Energy, have expressed doubts about exploration. Objections to licences have risen. Bureaucrats have taken note of the attitudes of their political masters and have taken months or years for what was once a quick simple set of procedures. The politicians and, indeed some bureaucrats, do not see or understand that exploration dollars, euros or pounds are mobile orphans owing no allegiance or loyalty to any one country. There are over 200 jurisdictions where explorers can speculate and, often lose, their money. Ireland has for long been a favoured destination. Not so now.

Exploration Outside Ireland – Botswana and Zimbabwe

The lack of investor interest in Ireland and the changing country attitudes toward minerals led the Board to examine opportunities elsewhere. Experience in Africa resulted in application for licences, likely to contain lithium, in Botswana and Zimbabwe.

Two exploration licences were awarded to Arkle in Dec 2023 in the Makgadikgadi Salt Pans, located in north-east Botswana, covering a total area of 837 sq. kms. The Makgadikgadi Basin holds the largest salt pans in the world, covering an area of over 16,000 sq. km, and forms the bed of the ancient Makgadikgadi lake, the water from which has since evaporated.

We have undertaken analysis of the very limited data available on brines in the Salt Pans. I am delighted to report that the first lines of our TEMS survey have indicated brines up to 10 metres thick across part of our licences.

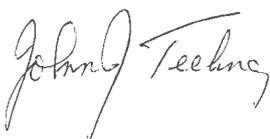
The remaining lines are close to completion. After analysis a report will be issued. Limited works done by companies on the northern part of the Pans found lithium in the brines. Our next step will be undertaking a drill program on selected areas. The holes will be shallow, and each take a day or two. We have identified the labs which can undertake the necessary analysis.

In Zimbabwe, which is a world class producer of hard rock lithium in spodumene / pegmatite rock we dipped our toe into the area by obtaining small licences in an area never before explored for lithium but containing similar rock types to the mining area.. We are intending to joint venture with a partner who will undertake the necessary exploration on the licences.

Outlook

We remain an active explorer. This costs money. We raised £270,000 in recent times to fund working capital and expected costs in the near future. Group Eleven are expected to drill Stonepark later this year. We will participate either by contributing cash or diluting. We will soon have the results of the hyperspectral analysis of our Wicklow gold database. This will give us a 3D model of the resource which should assist us in attracting partners. Our ongoing work in Botswana looks good and we are hopeful that we can have an early stage estimate of the volume of brines on the licences.

We continue to examine other opportunities in Ireland and abroad. Any investment we make is likely to come with finance and management.



John Teeling
Chairman

26 June 2024

Arkle Resources PLC

Review of Operations

for the year ended 31 December 2023

Licensing Activity

Arkle currently holds 14 Prospecting Licences (PLs) across Ireland. The total area under licence covers approximately 450 square kilometres, including areas of highly prospective ground with demonstrated gold and zinc mineralisation, as well as an independently established NI43-101 Inferred Resource at the Stonepark Zinc Project joint venture.

The Company is maintaining its 23.44% stake in the seven licence block (201 square kilometres) that makes up the Stonepark Zinc Project in joint venture with Group Eleven Resources Corp. in Co. Limerick. The current mineral resource estimate stands at 5.1 million tonnes of 8.7% zinc and 2.6% lead (11.3% combined). Step out drilling has demonstrated that the mineralisation extends beyond the current resource. The recent drilling has identified a major fault zone in the south of the block at Carrickittle that is indicative of Irish Type Zinc deposits. This new discovery is a significant development for the joint venture as it has revealed a new and extensive zinc.

The Company also maintains the Mine River Gold Project in Counties Wicklow and Wexford which covers approximately 76 square kilometres and focused on a mineralised trend of some 15 kilometres in length. This trend is based on current and historic drill intersections, abundant historic soil and stream data and airborne geophysics. Over 2,000m was drilled in the previous years over 12 holes. Results of the drilling confirmed gold in bedrock at new locations along trend, expanding the Tombreen target to 1.5km by 0.7km. In 2022 the Company shifted focus to lithium exploration due to the projects close proximity to the Leinster Granite, known to contain lithium bearing pegmatites. At the end of 2022 Arkle released news that it has located pegmatites within its licences that would require further investigation. In 2023 all drill core was taken for hyperspectral analysis and the company is waiting for the results to create a 3D model of the deposit.

Arkle also retains a prospecting licence in County Donegal known as the Inishowen Gold Project. The licence, PL 3820, which hosts the Meeneragh gold discovery as well as the target area between the Meeneragh discovery and the historic Glentogher Lead-Silver mine. A short hole drilling programme was completed at the end of 2023 focused on the main vein at Meeneragh. All 4 holes intercepted the vein proving the vein continues along strike.

The Aughrim lithium project is the latest addition to Arkle's Irish portfolio in 2023 with four licences spanning over 127km squared in county Wicklow. Initial prospecting over the area revealed multiple new targets not only for lithium but tungsten, copper and rare earth elements. These targets will be explored in more detail in the coming year.

At the end of 2023 the company also announced the acquisition of two lithium brines licences in Botswana covering over 837km². This is part of the Company's diversification out of Ireland and focus on new lithium resources.

The Company also holds two prospecting licences in Zimbabwe focused on hard rock lithium in lepidolite.

Review of Operations *(continued)*
for the year ended 31 December 2023

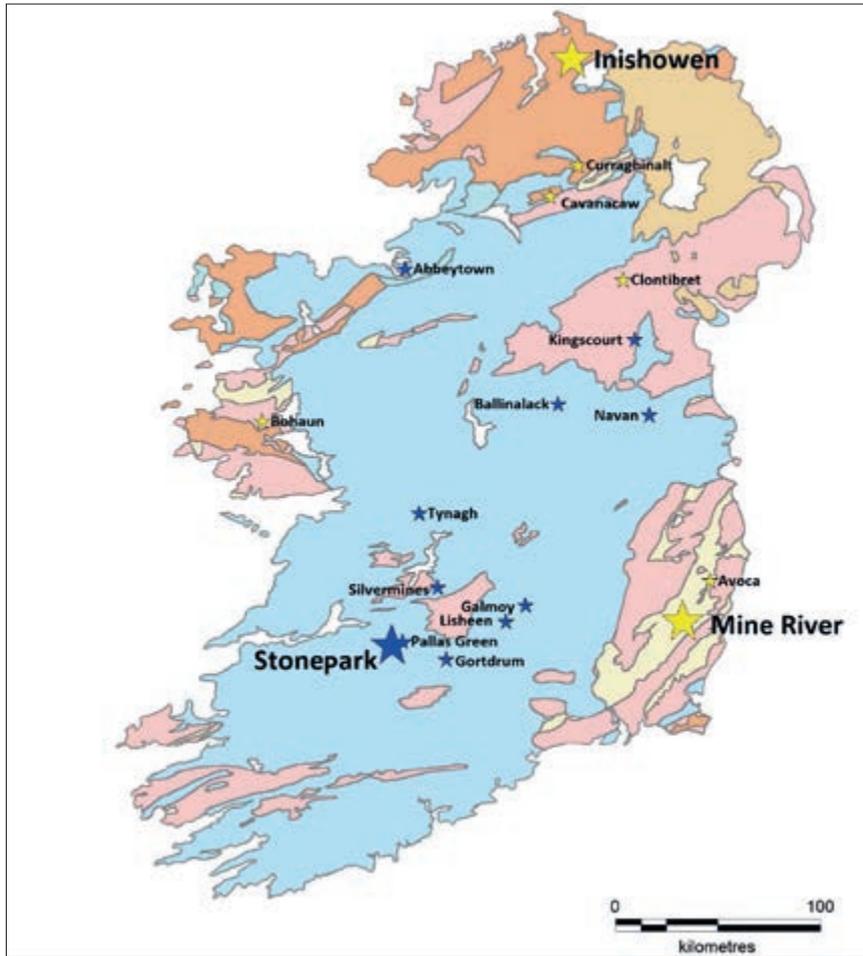


Figure 1 Arkle's Irish project locations including other significant gold and base metal deposits

Exploration Activity

Stonepark Zinc Project (23.44% Arkle)

The Stonepark Zinc Project is formed of seven contiguous prospecting licences covering an area of approximately 201 square kilometres. Glencore's Pallas Green project lies immediately to the east. The project block is bounded to the south and west by Group Eleven's extensive PG West Project and by Adventus Mining Corporation's Rathkeale Project (Rathkeale is subject to an earn-in agreement with South32 Base Metals Ireland Limited). South32 Base Metals Ireland is a wholly-owned subsidiary of South32 Limited.

The Stonepark Project Joint Venture (known as TILZ) was originally formed with Teck of Canada who earned in 76.56%, drilling 54,767 metres between 2007 and 2012 and conducting other geological and geophysical studies, including 18 line kilometres of 2D seismic surveys. Teck sold their share to Group Eleven Resources Corp. in late 2017. Group Eleven is a Canadian-listed company with extensive base metal licence holdings in Ireland, backed by Toronto listed MAG Silver Corp. and with a significant holding by Teck Resources. Arkle Resources hold a 23.44% working interest in the Stonepark Zinc Project, and have maintained this share by contributing to the current exploration program.

Arkle Resources PLC

Review of Operations *(continued)*

for the year ended 31 December 2023

The northern-most prospecting licence in the block (PL 2638) hosts a maiden Inferred Mineral Resource totalling 5.1 million tonnes at 11.3% zinc and lead combined (8.7% Zn and 2.6% Pb), detailed in a NI 43-101 Independent Report. The Resource is formed by three main zones of known mineralisation: Stonepark North, Stonepark and Stonepark West, located west of Glencore's Pallas Green deposit. The deposit is relatively shallow (occurring at depths ranging from 190 metres to 395 metres) and consists of flat-lying lenses (1.0 to >7.5 metres thick) of massive to semi-massive sphalerite, galena and pyrite hosted in thick (10 to >75 metres) hydrothermal alteration bodies (primarily black matrix breccias) within the Waulsortian limestone.

Area	Resource Category	Tonnes	Grades			Metal Content (pounds)		
		('000)	Zn (%)	Pb (%)	Zn+Pb (%)	Zn ('000)	Pb ('000)	Zn+Pb ('000)
Stonepark North	Inferred	3,900	9.2	2.9	12.1	790,200	247,600	1,037,800
Stonepark West	Inferred	800	7.1	2.2	9.3	128,000	39,900	167,900
Stonepark	Inferred	400	7.0	1.0	8.0	64,000	9,100	73,100
Total		5,100	8.7	2.6	11.3	982,200	296,600	1,278,800

Figure 2: Stonepark resource

During 2019, a four-hole program across the Stonepark property was completed with results published in the same year. Beyond PL 2638, Group Eleven have developed the concept of a mineralised trend called the 'Pallas Green Corridor', extending from Pallas Green deposit into the south of the project block and south towards the historic Carrickittle prospect (where high historic intercepts are known e.g. 2.4 metres of 26.8% zinc + lead and 61 g/t silver).

The 'Kilteely hole' (G11-450-01) was positioned to test an area 1.4 kilometres northwest of the known high-grade zinc mineralisation at the Carrickittle prospect along the Pallas Green Corridor. The hole intersected a vertically extensive (230 metre) zone (downhole depth of 200-430 metres) containing varying amounts of extensive iron-sulphide (pyrite and possible marcasite), chert (suspected to be either volcanogenic and/or hydrothermal) and brecciation (mostly hydrothermal) - within a package of predominantly flat-lying and interlayered volcanics and limestones. Black cherts near the top of the Waulsortian unit contain local elevated zinc and other metals. This sequence is interpreted to represent the peripheral part of a hydrothermal system typical of southern Irish-Type zinc deposits.

Review of Operations *(continued)*

for the year ended 31 December 2023

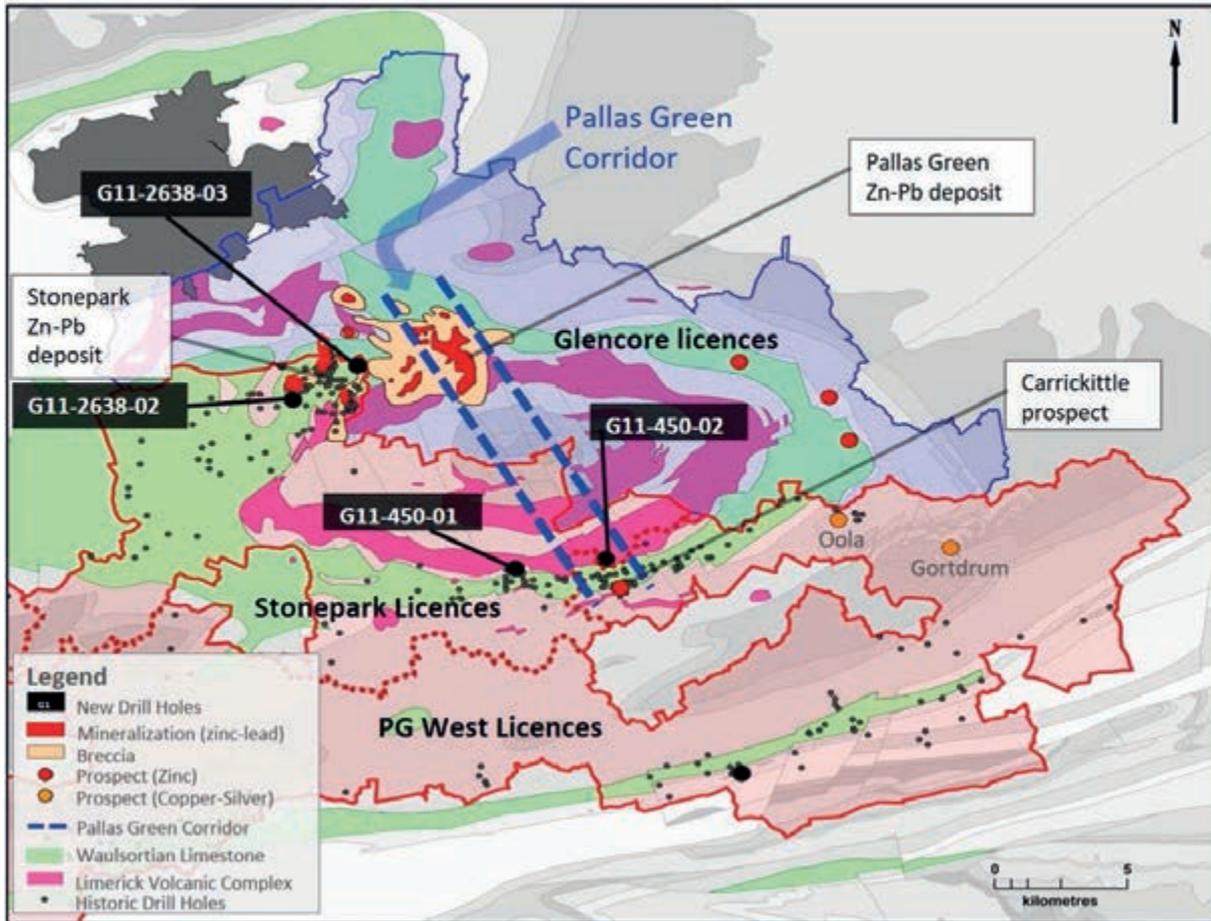


Figure 3 Mineralisation and location of 2018/2019 drill holes at the Stonepark Zinc Project

Review of Operations *(continued)*

for the year ended 31 December 2023

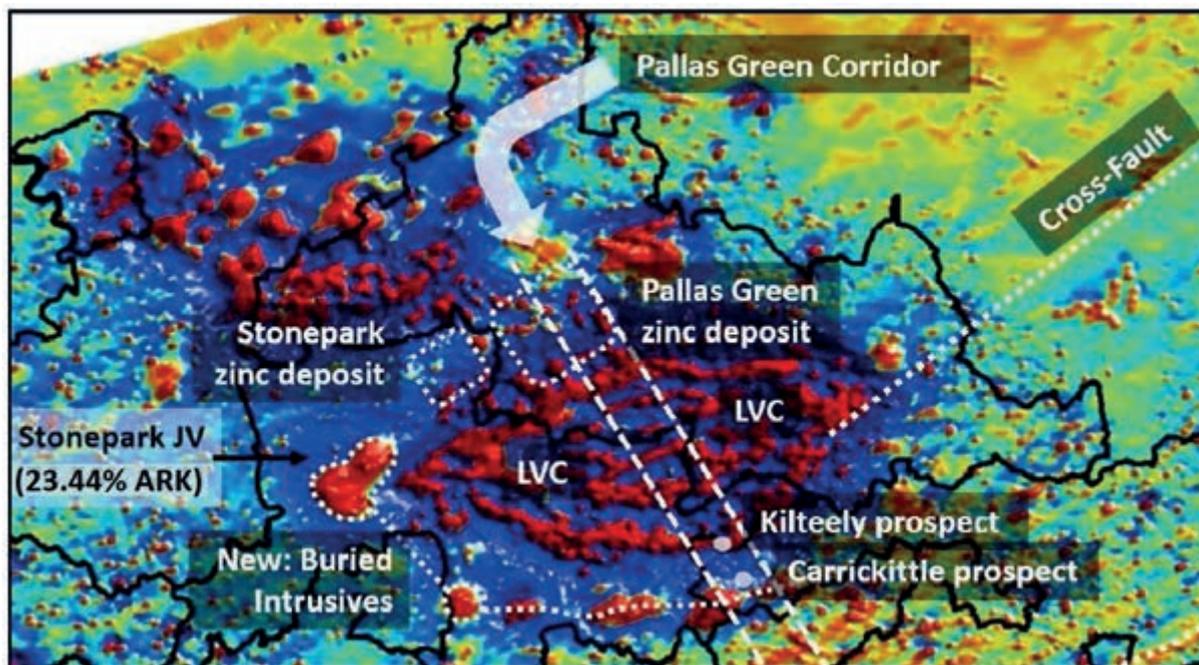


Figure 4 Magnetic Data from Tellus Survey over the Stonepark JV (source Group Eleven Resources Corp.)

The Geological Survey of Ireland's Tellus airborne geophysical survey, which was completed during 2019, identified a number of previously unknown geological features and shows the Limerick Volcanic cover rocks (limerick Volcanic Complex or LVC) in much clearer detail than on any previous survey. The data helps corroborate the key exploration concept - the 'Pallas Green Corridor' and cross-fault north of Kiltelly. New and prospective features, likely representing buried volcanic centres or intrusions, have been identified along the southwestern margin of the Limerick Volcanics.

During 2020 two step out diamond drill holes (G11-2638-04 and 05) were drilled outside of the Stonepark mineral resource totalling 864m. G11-2638-04 was targeted to infill a gap between two high grade zones to the north and south. Highlights of this hole included 2.15m at 4.31% combined lead, zinc and 1.55m at 4.5% combined lead, zinc extending the mineralisation beyond the boundary of the current mineral resource estimate. G11-2638-05 intersected low grade sulphides of up to 2m at 1.21% combined lead, zinc.

Review of Operations *(continued)*
 for the year ended 31 December 2023

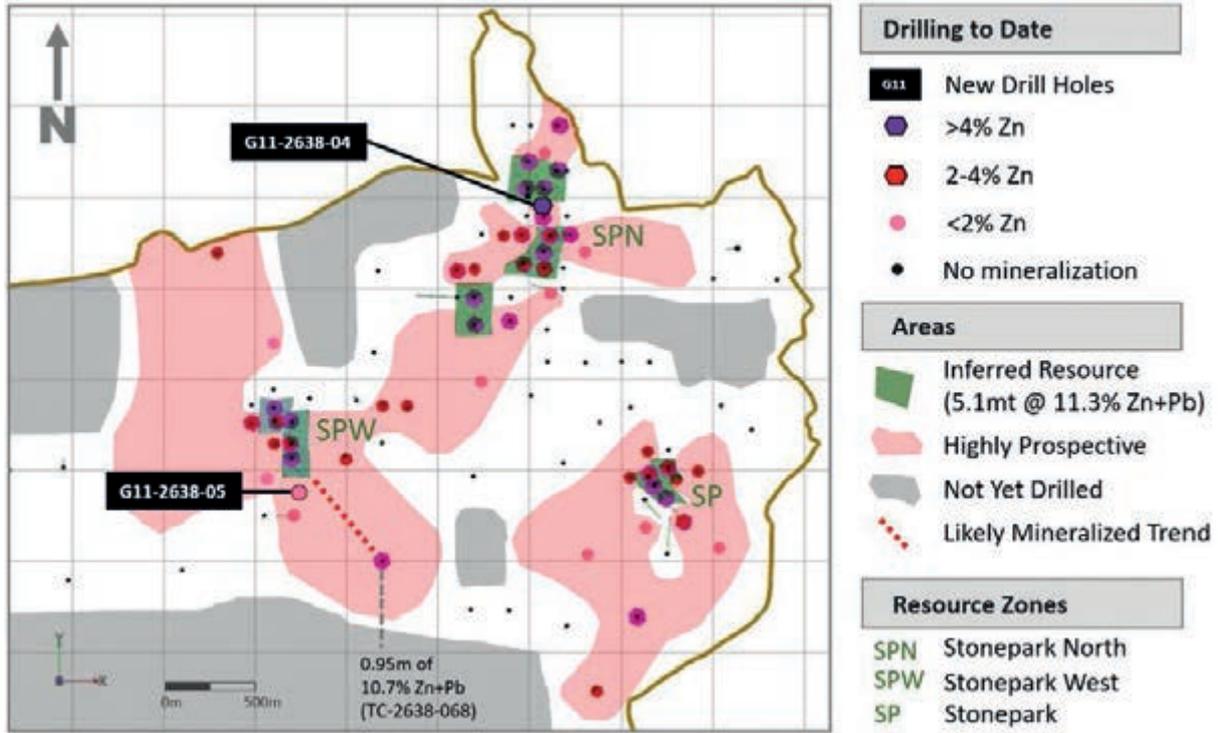


Figure 5 Location map of the 2 step out holes drilled at Stonepark 2020

In 2022 seven drillholes were completed across the entire block. Three holes were positioned at the main targets at Carrickittle North, Carrickittle West and Stonepark West. Four short exploratory holes were drilled within the other licences. The highlight of the recent drilling was the identification of a major fault structure at Carrickittle West thought to be connected to the highly prospective Coonagh Castle Fault. Exploratory drilling has identified significant mineralised trends which will be followed up with further drilling planned in late 2024. Current plans call for three or four holes to be drilled across the south western part of the block.

Arkle Resources PLC

Review of Operations *(continued)*

for the year ended 31 December 2023

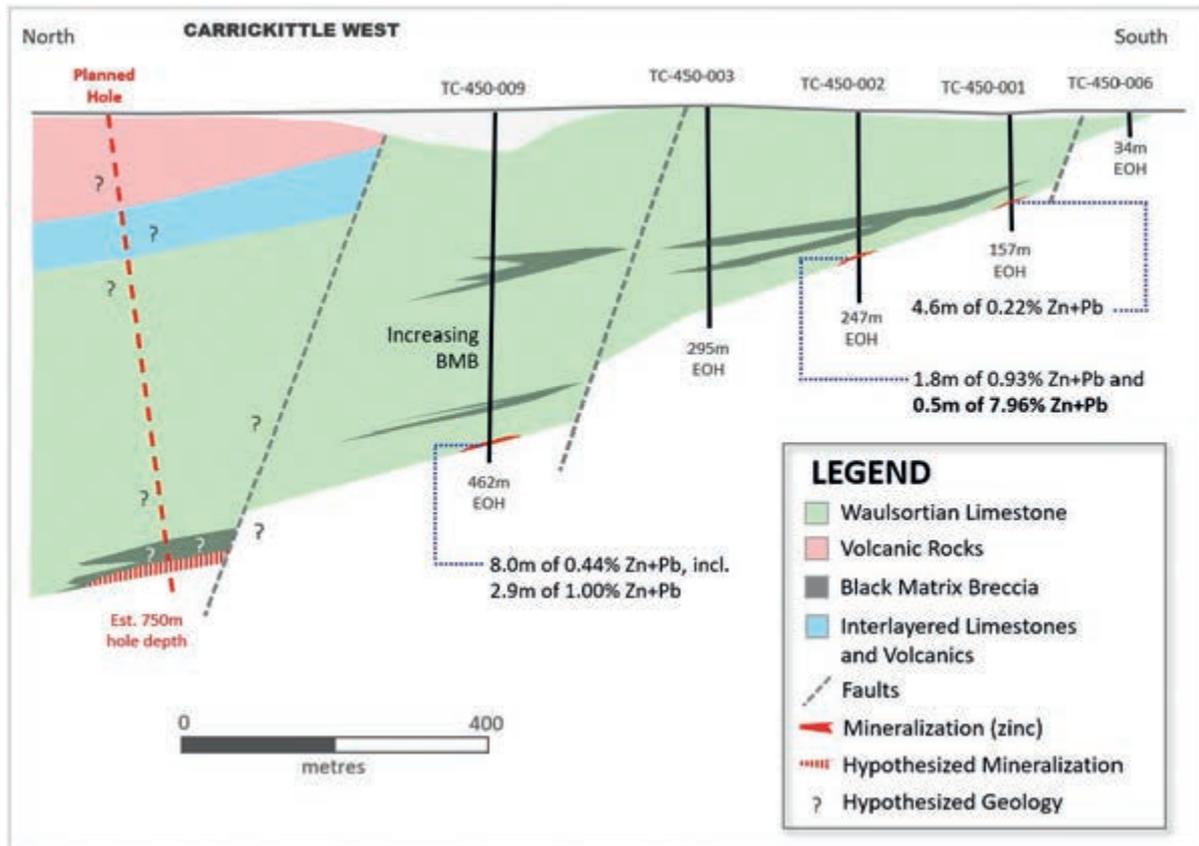


Figure 6 Carrickittle West target with proposed deep hole

Review of Operations *(continued)*

for the year ended 31 December 2023

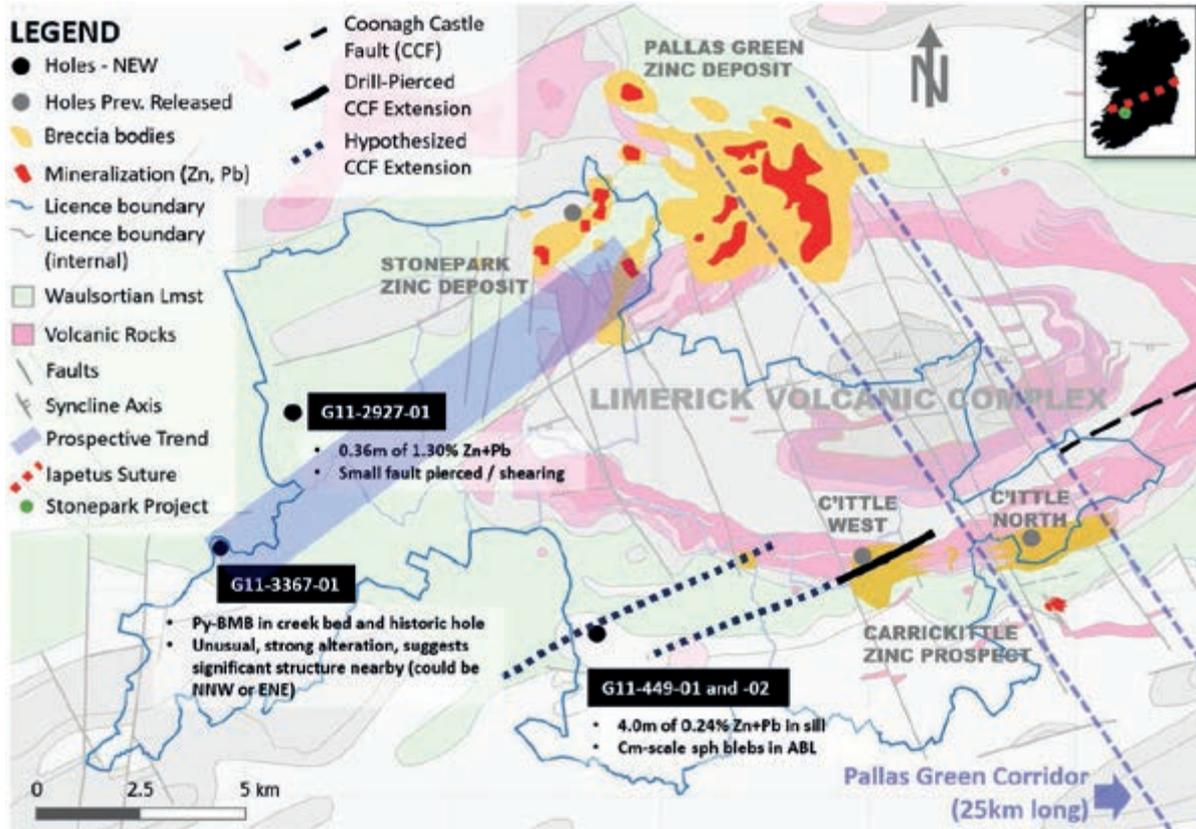


Figure 7 Location map of most recent exploratory drilling 2022

Mine River Gold Project (100% Arkle)

The Block currently comprises two Prospecting Licences with a total area of approximately 76 km², located in the counties of Wicklow and Wexford located in southeast Ireland. The area was the focus of the Wicklow Gold Rush of 1795 and gold mining continued on a small scale until the mid-1800s. The Company has identified a 15 kilometre long target by combining data from geochemical surveys in streams and soils completed across the Block with results from the airborne geophysical survey flown by Hendrick Resources in 2012 (and combined with the Tara Exploration survey of 2000).

Review of Operations *(continued)*

for the year ended 31 December 2023

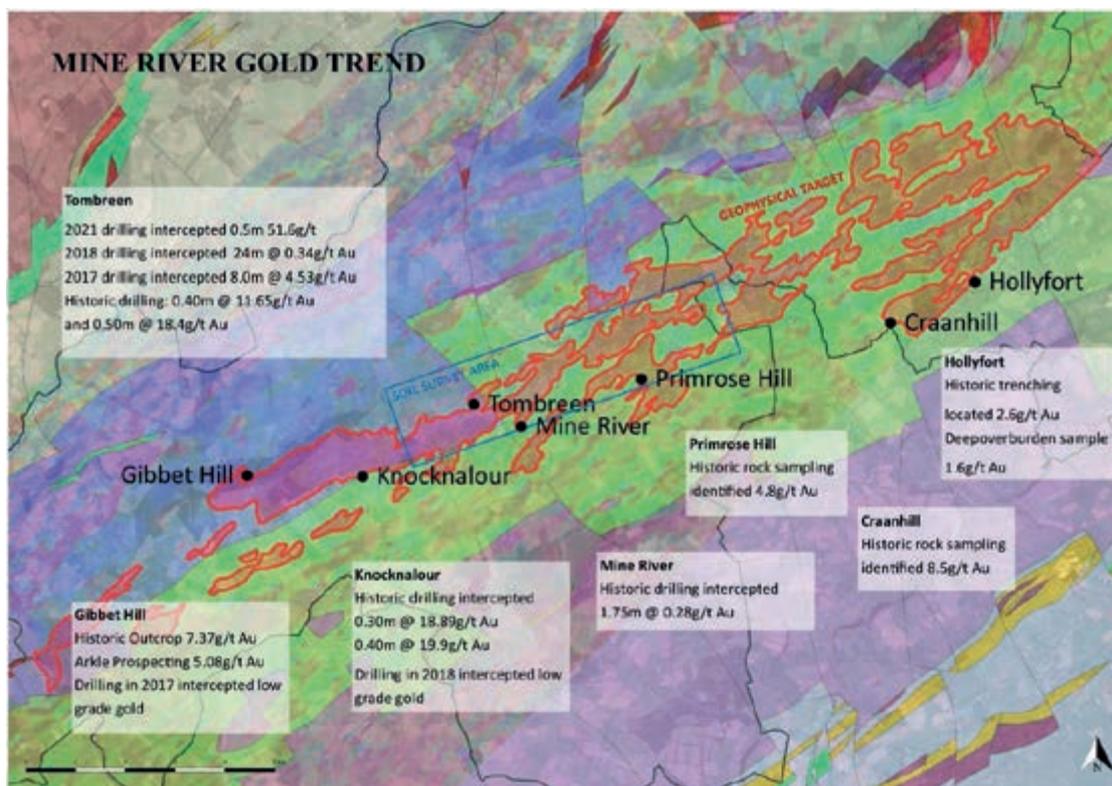


Figure 8: The Mine River Gold Trend Compilation

Geophysical targets highlighted across Mine River Gold Project Historic drilling and recent drilling by Arkle Resources has proven gold mineralisation in bedrock. An eight metre intersection from 74m grading at 4.53 g/t gold (Au) at Tombreen (17-TB-01) has demonstrated substantial mineralised thickness, which includes 2m from 78m at 16.1 g/t Au. The best reported historical intersection at Tombreen was 50cm grading at 21.28 g/t Au from 70.7m (2558-3). Historic geological data indicates significant strata-bound gold mineralisation is associated with the contacts between Ordovician volcanic rocks and metasedimentary rocks. Arkle Resources has completed initial petrological studies, where thin sections of the drill core were examined under microscope, on samples from the recent drilling at the Mine River Gold Project. The observations are consistent with an orogenic style of gold mineralisation. There is also evidence of later mobilisation of gold. The target trend, over 15 kilometres, follows magnetic anomalies delineated from airborne geophysical data, which are interpreted to be associated with sulphide mineralisation tied to the known gold trend. A large-scale soil sampling programme was conducted in 2019 and 2020 to identify targets for trenching. At the end of 2020 visible gold was identified in a trench in a new area and was drill tested in 2021 revealing 0.80m at 4.69g/t Au. Further drilling during 2021 at this new target, which lies over 750m along trend from the Tombreen Main target, revealed 1.00m at 2.62g/t Au and 0.45m at 7.77g/t gold. During the 2021 drilling, visible gold was also observed in drillcore at the Tombreen Main target. A step out hole at Tombreen Main also identified 51.6g/t Au over 0.5m.

The entire Tombreen target has now grown to a 1.5km long, 750m wide gold target. Recent trenching has discovered gold in bedrock at two new locations south of Tombreen West which remain undrilled.

Gold remains 'nuggety' which is affecting the analysis, as nuggets can elude the final small representative sample used in grade determination. Lower grade intersections are common but locating a wide, rich gold zone is the main target for the Mine River project like that discovered in 2017 which graded 8m at 4.53g/t Au. There is potential also for wide, low grade gold zones like that discovered in 2018 which included 24m at 0.34g/t Au.

Currently the core is undergoing hyperspectral scanning that will feed into a 3D deposit model.

Review of Operations *(continued)*
 for the year ended 31 December 2023

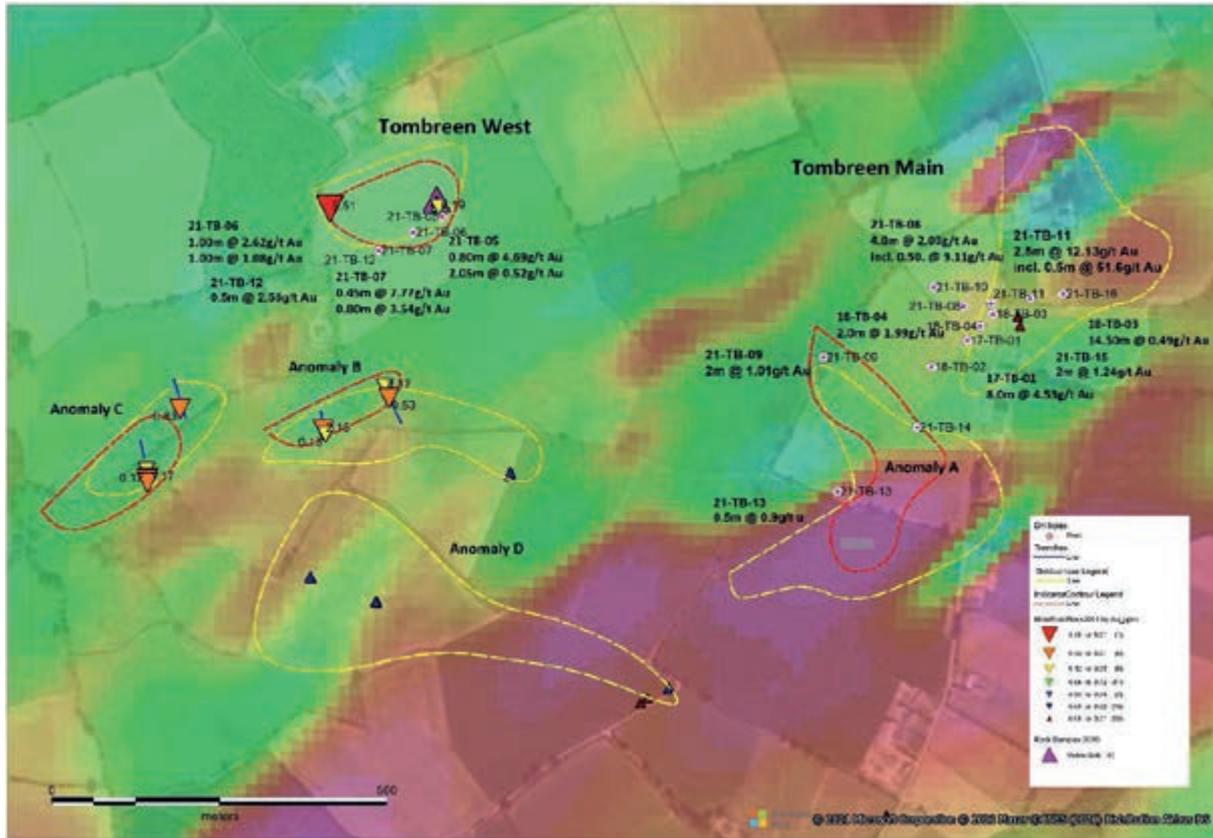


Figure 9 Tombreen Target Compilation

Arkle Resources PLC

Review of Operations *(continued)*

for the year ended 31 December 2023



Figure 10 Drilling at Tombreen 2021

Review of Operations *(continued)*
for the year ended 31 December 2023



Figure 11: Visible Gold identified in core 21-TB-08

Arkle Resources PLC

Review of Operations *(continued)*

for the year ended 31 December 2023



Figure 12: Blue Quartz from bedrock in trench 6.39g/t Au

Mine River Lithium

In early 2023 the company announced the discovery of lithium bearing pegmatites within the Mine River Block. Further work will aim to seek lithium grades of economic significance and locate the pegmatites in bedrock.

Inishowen Gold Project (100% Arkle)

The project is located on the Inishowen peninsula in north County Donegal and comprises one prospecting licence totalling 46km squared. Initial drilling success was achieved in 2016, Arkle Resources being the first company known to drill specifically for gold in the area. Drilling at the Meeneragh prospect in 2016 gave intercepts of 3.05m grading at 5.8g/t gold and 4.82m at 5.48g/t gold. The targets are similar (mesothermal veins) and hosted in similar geology (Dalradian Supergroup) to the deposits at Galantas Mine and at the Curraghinalt Project in Tyrone over 40 km away to the south.

Drill targets were selected at the Meeneragh prospect and two phases of initial drilling were completed in 2016, which identified a series of parallel gold bearing veins. Five additional drill holes were completed in October 2017 in order to better understand the orientation of the high-grade veins intercepted in 2016 and to locate further veins noted in historic exploration, lying to the south. The 2017 drilling identified further narrow quartz veins in the vicinity of the high-grade intersection drilled in 2016. To date, a total of 1,344.2m has been drilled over sixteen holes. A large-scale soil sampling programme was completed in 2020 over the wider area around Meeneragh to develop targets for follow up trenching and drilling. Trenching at the end of 2020 located gold bearing veins in bedrock which were drill tested in 2023. Results of the short hole drilling programme that were released early 2024 proved that the gold bearing veins continue along strike.

Review of Operations *(continued)*

for the year ended 31 December 2023



Figure 13: Vein in trench Dec. 2020, 13.1g/t Au from grab sample. Not yet drill tested.

Arkle Resources PLC

Review of Operations *(continued)*

for the year ended 31 December 2023



Figure 14: 40.7g/t Au from quartz vein in trench, Meeneragh target

Review of Operations *(continued)*
 for the year ended 31 December 2023

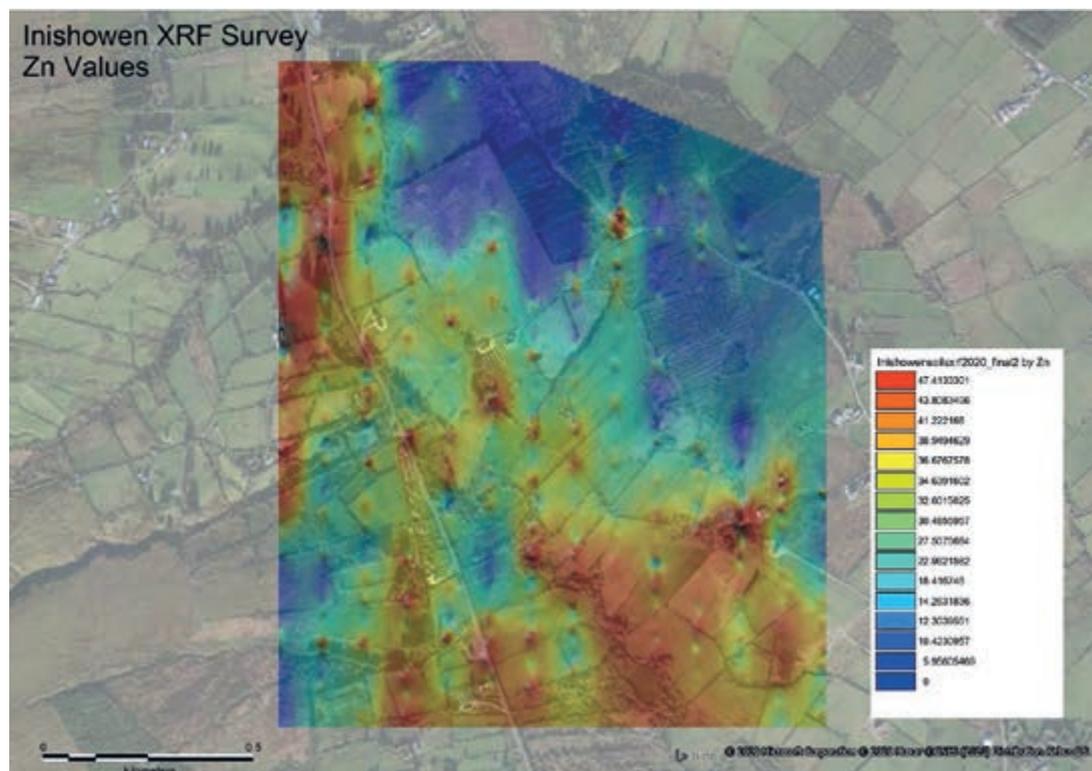
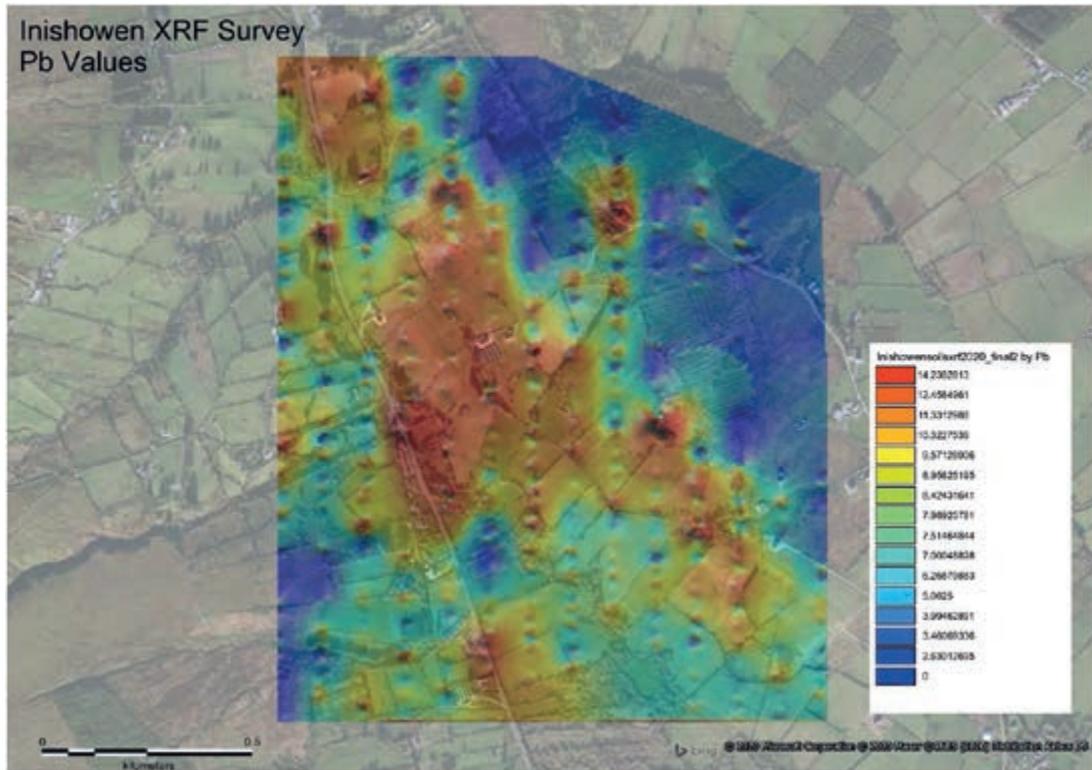


Figure 15: Gold indicator soil anomalies, Meeneragh Target

Review of Operations *(continued)*

for the year ended 31 December 2023

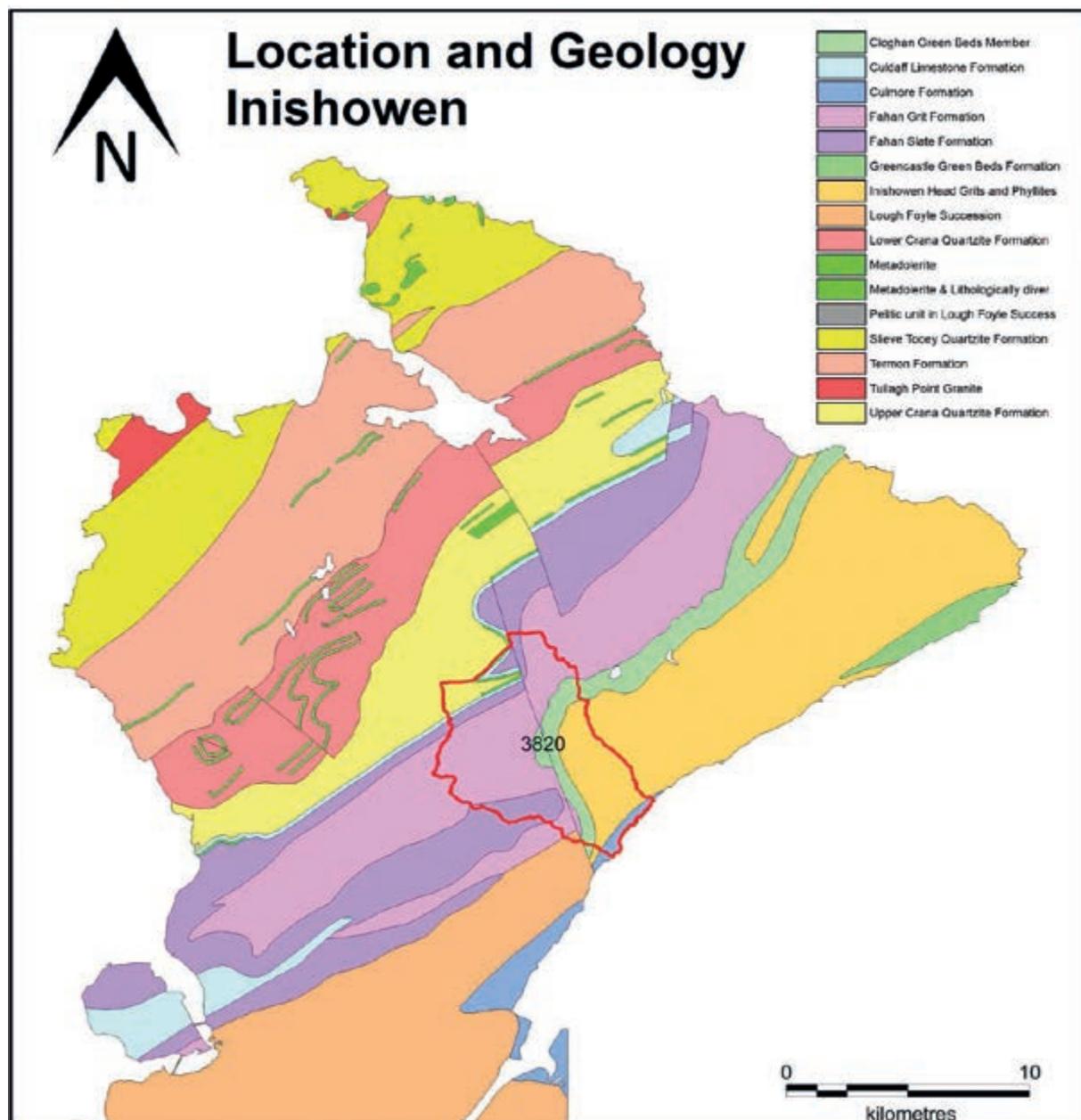


Figure 16: Prospecting licence

Aughrim Lithium Project (100% Arkle)

The project consists of four prospecting licences centred over the town of Aughrim, County Wicklow, Ireland with a total size of 127.28 km². The ground is contiguous with the International Lithium Corp - Gangfeng Lithium Co. Ltd joint venture to the west, where a large zone of lithium bearing pegmatites has been discovered associated with the Leinster Granite Pegmatite Belt. The block contains many outcrops of the granite.

In late 2023 Arkle announced that it had discovered lithium bearing pegmatites at their Aughrim block with one assay returning 0.09% Li₂O. Other samples returned elevated levels of Beryllium, Tungsten, Tin and copper. The project is still at an early stage but that it is anticipated that further work will identify higher grades of lithium and other critical metals.

Review of Operations *(continued)*
 for the year ended 31 December 2023

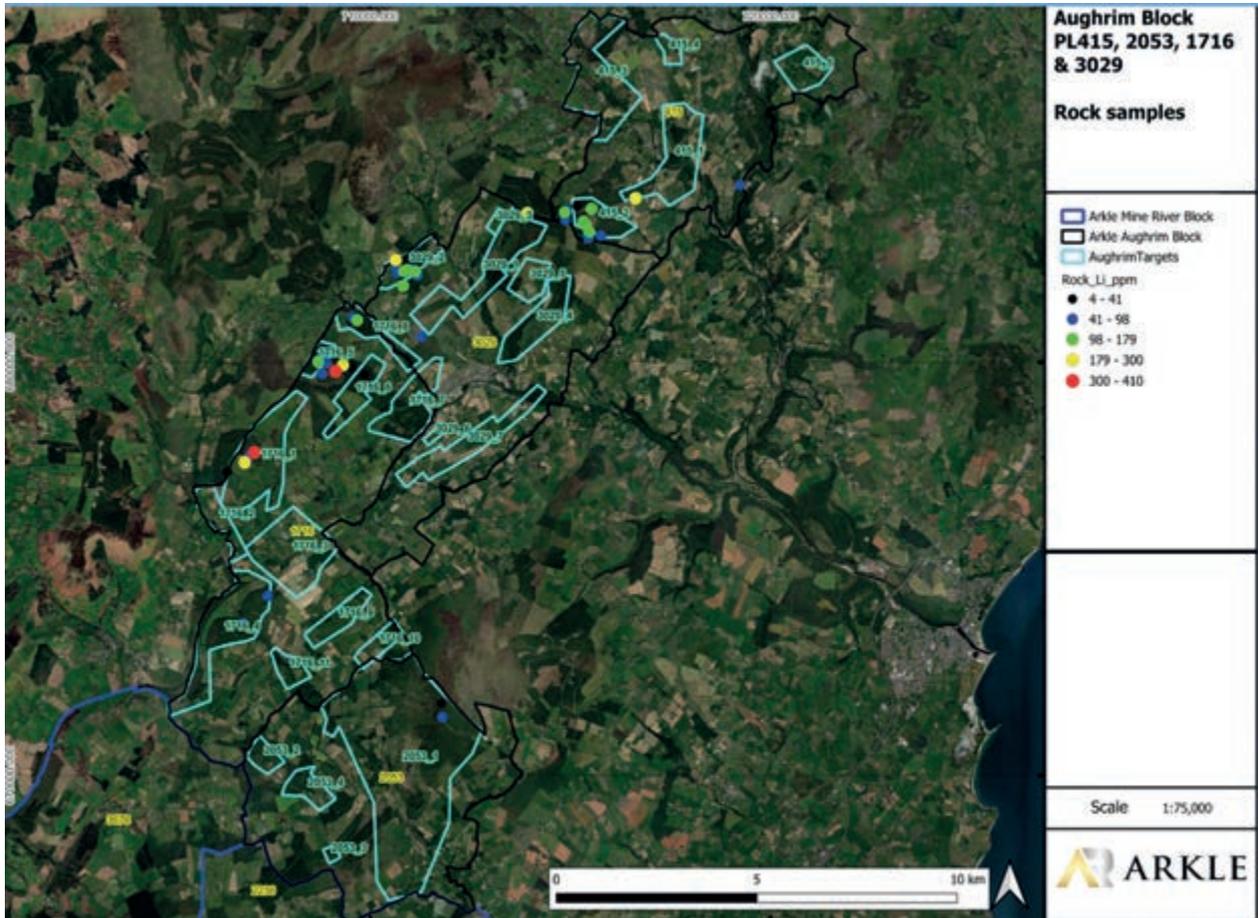


Figure 17: Target areas within the Aughrim block

Botswana Lithium Project (100% Arkle)

At the end of 2023 the company acquired two lithium brines licences in Botswana covering over 837km² in the Makadikgadi Salt Pans in North Eastern Botswana. A gravity survey is ongoing. Initial results show brines up to 10 metres thick across the part of the licences surveyed. The remaining lines will be completed shortly. Based on earlier work in the Northern part of the Makadikgadi the brines are likely to contain lithium. No grades are known.

Arkle Resources PLC

Review of Operations *(continued)*

for the year ended 31 December 2023



Figure 18: Salt pans in North Eastern Botswana

Zimbabwe Lithium Project (100% Arkle)

The company also holds two prospecting licences in Zimbabwe focused on hard rock lithium in lepidolite. The total land holding is 163 hectares in the Insiza District of the Matabeleland South Province of Zimbabwe. Discussions are ongoing with potential partners to who will undertake the prospecting work.

Directors' Report

for the year ended 31 December 2023

The directors present their report and audited financial statements for the year ended 31 December 2023.

Principal activities, business review, and future developments

The main activity of Arkle Resources plc ("Arkle") is exploration for and development of mineral resources in Ireland. The Group holds interests in 14 exploration licences mainly for gold, zinc and lithium in known mineralised trends. During the financial year, €98,644 (2022: €159,943) was spent on exploration on the mineral licences.

Further information concerning the activities of the Group (company and subsidiaries) during the financial year and its future prospects is contained in the Chairman's Statement and Review of Operations.

Results and dividends

The consolidated loss for the year after taxation was €297,021 (2022: €299,214).

The directors do not recommend that a dividend be declared for the financial year ended 31 December 2023 (2022: €Nil) and no interim dividend payments were made during the financial year (2022: €Nil).

Directors' Compliance Statement

The directors, in accordance with Section 225(2)(a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations." "Relevant obligations", in the context of the Company, are the Company's obligations under:

- a) the Act, where a breach of the obligations would be a category 1 or category 2 offence;
- b) the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and
- c) tax law.

Pursuant to Section 225(2)(b) of the Act, the directors confirm that:

- the Company has drawn up a statement setting out the Company's policies that are in the opinion of the directors appropriate with respect to the Company complying with its relevant obligations;
- there are appropriate arrangements and structures in place designed to secure material compliance with the Company's relevant obligations, and;
- a review of these structures has been performed during the year.

Arkle Resources PLC

Directors' Report *(continued)*

for the year ended 31 December 2023

Principal risks and uncertainties

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation. The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk.

The following risk factors, which are not exhaustive, are the principal risks relevant to the Group's activities:

Risk	Nature of risk and mitigation
License obligations	<p>Operations must be carried out in accordance with the terms of each licence, agreed with the relevant ministry for natural resources in the host country. Typically, operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such agreements or fails to make timely payments of relevant levies and taxes, or provide the required geological information or meet other reporting requirements.</p> <p>The Group has regular communication and meetings with relevant bodies to discuss future work plans and receive feedback from those bodies. The Group also has regular meetings with its operating partners to discuss planned work programmes. Compliance with licence obligations is monitored by the Board.</p> <p>There have been no significant changes to the overall assessment of this risk from last year.</p>
Requirement for further funding	<p>The Group may require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy and may dilute its interest in existing projects.</p> <p>The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through its website and regulatory reporting.</p>
Geological and development risks	<p>Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves.</p> <p>The Group activities in Ireland are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.</p> <p>There have been no significant changes to the overall assessment of this risk from last year.</p>

In addition to the above there can be no assurance that current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Group's and Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values of the Group's assets.

Key performance indicators

The two main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

	2023	2022
	€	€
Exploration and evaluation costs capitalised during the year	98,644	159,943
Finance raised in the year on the Alternative Investment Market	246,128	465,818

Directors' Report *(continued)*

for the year ended 31 December 2023

Directors

The directors who served during the year were:

John Teeling
James Finn
David Cockbill

Directors and their interests in shares of the company

The directors holding office at 31 December 2023 had the following interests in the ordinary shares of the company:

	31 December 2023			31 December 2022		
	Ordinary Shares of 0.25c each Number	Warrants of 0.25c each Number	Share Options of 0.25c each Number	Ordinary Shares of 0.25c each Number	Warrants of 0.25c each Number	Share Options of 0.25c each Number
John Teeling	41,947,202	31,071,429	3,000,000	13,375,773	2,500,000	3,000,000
James Finn	28,349,241	14,285,714	3,000,000	14,063,527	-	3,000,000
David Cockbill	7,435,408	2,500,000	3,000,000	7,435,408	2,500,000	3,000,000

On 2 May 2024 the Company announced a placing of shares in which two directors participated. John Teeling subscribed for 10,000,000 shares and David Cockbill subscribed for 6,000,000 shares. Each placing share has one warrant attached with the right to subscribe for one new share for a period of two years.

Substantial shareholdings

The share register records that the following shareholders, excluding directors, held 3% or more of the issued share capital of the Company as at 31 December 2023 and 31 May 2024:

	31 December 2023	
	No. of Shares	%
Jarvis Investment Management Limited	81,640,326	17.87
Redmayne Bentley LLP	34,328,438	7.51
Interactive Investor Services Nominees Ltd (SMKTISAS)	23,384,945	5.12
Interactive Investor Services Nominees Ltd (SMKTNOMS)	16,503,439	3.61
Hargreaves Lansdown Stockbrokers	15,135,813	3.31

	31 May 2024	
	No. of Shares	%
Jarvis Investment Management Limited	132,398,251	23.44
Redmayne Bentley LLP	37,531,341	6.65
Interactive Investor Services Nominees Ltd (SMKTISAS)	22,745,672	4.02
Hargreaves Lansdown Stockbrokers	19,751,042	3.50
Interactive Investor Services Nominees Ltd (SMKTNOMS)	19,131,840	3.39

Arkle Resources PLC

Directors' Report *(continued)*

for the year ended 31 December 2023

Social responsibility

The Group aims to minimise the use of natural resources such as energy and water and is committed to full reinstatement as part of environmental obligations, where applicable. The Group works toward positive and constructive relationships with governance and the public, ensuring fair treatment of those affected by the Group's operations. In particular, the Group aims to provide employees with a healthy and safe working environment whilst receiving payment that enables them to maintain a reasonable lifestyle for themselves and their families.

Going concern

Information in relation to going concern is outlined in Note 3.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 162 Clontarf Road, Dublin 3, Ireland.

Charitable and political contributions

There were no charitable and political contributions during the current year or prior year.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Subsequent events

Refer to Note 25 for details of Post Balance Sheet Events.

Auditors

This confirmation is given and should be interpreted in accordance with the provisions of 383 of the Companies Act 2014. The auditors, Azets Audit Services Ireland Limited have been appointed in accordance with 383(2) of the Companies Act 2014, following the merger of PKF O'Connor Leddy Holmes Limited with Azets Ireland on 1 March 2024. A resolution to reappoint Azets Audit Services Ireland Limited will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 26 June 2024 and signed on its behalf by

John Teeling
Director

James Finn
Director

Corporate Governance Report

for the year ended 31 December 2023

The Company's securities are traded on the AIM Market of the London Stock Exchange ("AIM"). The Company has applied the requirements of the Quoted Companies Alliance ("QCA") corporate governance guidelines for AIM companies. Due to the size and nature of its current business the Company has not adopted the UK Corporate Governance Code in its entirety. The Company have complied with the QCA corporate guidelines where practical; instances of non-compliance have been highlighted below.

In addition, the Company has an established code of conduct for dealings in the shares of the Company by directors.

John Teeling, in his capacity as Non-Executive Chairman has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are communicated and applied.

The Board currently consists of three directors: Non-Executive Chairman; Financial Director (and Company Secretary); and one Non-Executive Director. This is not in compliance with the QCA Code which requires at least two independent non-executive directors. However the Board considers that appropriate oversight of the Company is provided by the currently constituted Board having regard to the current size and resources of the Company.

The 10 principles set out in the QCA Code are listed below, with an explanation of how Arkle Resources applies each of the principles and the reason for any aspect of non-compliance. The same information can be viewed at the following link <https://arkleresources.com/arkle/qca-code-arkle-resources-corporate-governance-policy>

1. Establish a strategy and business model which promote long-term value for shareholders

The Company has a clearly defined strategy and business model that has been adopted by the Board.

Our vision is for Arkle Resources to be regarded as the leading junior base and precious metals explorer in Ireland, as a preferred investment and as a preferred joint venture partner. Our objective is to create shareholder value by exploring in Ireland, one of the most prospective countries in the world for zinc and lead (as well as Europe's largest producer) and where gold projects have recently attracted major investment. Arkle Resources will also seek opportunities in safe jurisdictions beyond Ireland as long as those jurisdictions are attractive in terms of mineral prospectivity, security of tenure and overall political stability.

Additionally, our objective is to be joint venture partner of choice for larger mining companies and investment funds and enter into such agreements when this is beneficial to our shareholders while maintaining focus on our core competencies.

We will: maintain a flat, low-cost organisational structure; maintain a balance of 100% owned and joint venture projects; use our reputation and knowledge to continue to access ground prospective for both base and precious metals; and be alert to emerging opportunities, adapting our strategies accordingly.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. All shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company through its website (www.arkleresources.com). The Company provides regulatory, financial and business news updates through the Regulatory News Service. The Company also provides access to news releases and general news related to our business through various media channels such as twitter (@ArkleResources) and the Company page on LinkedIn ([linkedin.com/company/arkle-resources-plc/](https://www.linkedin.com/company/arkle-resources-plc/))

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board is committed to having the highest degree possible of corporate social responsibility in how the Company undertakes its activities. We aim to have an uncompromising stance on health, safety, environment and community relations. The Company policy is that all activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. Arkle Resources will ensure an appropriate level of contact and negotiation with all stakeholders including operating partners, landowners, community groups and regional and national authorities.

Arkle Resources PLC

Corporate Governance Report *(continued)*

for the year ended 31 December 2023

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks to which the Company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. It is ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group. The principal risks and uncertainties facing the Company at this stage in this development and in the foreseeable future are detailed on page 24 of the Annual Report, together with risk mitigation strategies employed by the Board. The Company also faces a number of financial risks such as liquidity risks. The Company's financial risk management policies are set out in note 22.

5. Maintain the board as a well-functioning, balanced team.

The Board's role is to agree the Company's long-term direction and strategy and monitor achievement its business objectives, while ensuring that they are properly pursued within a robust framework of risk management and internal controls. The Board meets formally at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board held seven scheduled meetings during the year, during which the Board received reports for consideration on all significant strategic, operational and financial matters.

The Board is supported by the Audit and Remuneration and the Nomination committees, detailed below. The Audit Committee met twice during the year, and both the Remuneration and Nomination Committee's met once.

The Board comprises non-executive Chairman, John Teeling, Financial Director and Company Secretary, James Finn, and one non-executive director David Cockbill.

All directors are subject to re-election intervals as prescribed in the Company's Articles of Association. At each Annual General Meeting one-third of the Directors who are subject to retirement by rotation, shall retire from office. They can then offer themselves for re-election.

On appointment, each director receives a letter of appointment from the Company. The Directors will receive a fee for their services as a director which is approved by the Board, being mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. The non-executive Directors are reimbursed for travelling and other incidental expenses incurred on Company business.

The Board currently has one non-executive director, which is a departure from the QCA Code which requires at least two independent non-executive directors. However, the Board considers that appropriate oversight of the Company is provided by the currently constituted Board having regard to the current size and resources of the Company.

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

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the size and stage of development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and discharge its fiduciary duties effectively. The experience and knowledge of each of the Directors gives them the ability to constructively challenge the strategy and execute performance. The Board is committed to ensuring diversity of skill and experience.

The Board delegates certain of its responsibilities to the Board Committees, listed within this report, which clearly defined terms of reference.

All Directors have access to the advice and services of the Company's solicitors and the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his duties.

The biographies of the Directors are as follows:

John Teeling – Non-Executive Chairman

John Teeling is non-executive chairman of Arkle Resources Plc and has 40 years' resources experience. Teeling is also involved in a number of other AIM exploration companies and has been a serial entrepreneur in the resource sector having founded African Diamonds and created Pan Andean Resources, Minco, African Gold, Persian Gold and West African Diamonds, all listed on AIM. He is also the founder and a former director of Kenmare Resources, former director of Arcon and holds interests in a number of industrial ventures. Mr. Teeling holds degrees in Economics and Business from University College Dublin, an MBA from Wharton and a Doctorate in Business Administration from Harvard. He lectured for 20 years in business and finance at University College Dublin.

Corporate Governance Report *(continued)*

for the year ended 31 December 2023

James Finn – Financial Director/Company Secretary

James Finn is Finance Director of Arkle Resources Plc and has over 20 years' experience in working with exploration companies. Mr. Finn has extensive experience in the administration of oil and gas and minerals companies. He has been responsible for listing several resource sector companies on AIM in London, including two of the first companies ever listed on AIM, Pan Andean Resources and African Gold. He holds a degree in Management and an Association of Chartered Certified Accountants (ACCA) qualification.

David Cockbill – Non-Executive Director

David Cockbill is an experienced corporate financier and public capital markets executive. Born in Northern Ireland, he studied accountancy at Manchester University before commencing a 35 year career in the City of London at various leading investment banks as a proprietary trader. David has been a Financial Conduct Authority (FCA) regulated person, for the last five years, focusing on opportunities within the micro-cap sector and raising capital for public companies in the natural resources and technology sectors.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually. In 2023, the performance evaluation process was conducted internally.

Board Evaluation Process in July 2023

The Non-Executive Chairman John Teeling appraised the Board on the performance of each of the Directors during the year. The Board formally concluded on its own performance, on the performance of Committees and on the performance of individual Directors, including the Non-Executive Chairman.

Analysis of 2023 evaluation

The evaluation indicated a high level of satisfaction with the composition, performance and effectiveness of the Board, its Chair and Committees. It found that there are good communications both within the Board/ Committees and with management.

A number of key focus areas were identified for the Board to consider. These include:

- Continued consideration of succession planning at Board and management level
- Increased allocation of Board meeting time to consideration of strategic issues
- Increased diversity on the Board

Arising from the evaluation process, a number of actions were agreed by the Board which will be implemented by the Chairman during the current year.

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

The corporate culture of the Company is promoted throughout its employees and contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies, including Health & Safety Policy, Share Dealing Policy, Privacy Policy and Social Media Policy. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including landowners, community groups and regional and national authorities.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that employees behave. The exploration for, and development, of mineral resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view Company's activities positively. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this is reflected in all the Company does. The Company has an established code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with Rule 21 of the AIM rules and the Market Abuse Regulation.

The Companies Act 2014 (Ireland) permits the directors of public companies to authorise director's conflicts and potential conflicts of interest, where appropriate, and the Company's Articles of Association contain provisions to this effect. No conflicts of interest arose during the year which were required to be authorised by the directors.

Arkle Resources PLC

Corporate Governance Report *(continued)*

for the year ended 31 December 2023

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

The Board has overall responsibility for all aspects of the business. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-Executive Directors are properly briefed on all operational and financial matters. The Chairman has overall responsibility for corporate governance matters in the Company and chairs the Nomination Committee. The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with.

The Nomination Committee comprises the non-executive Chairman (Committee Chair), Finance Director and Company Secretary and the Non-Executive Director and meets at least once per year to examine Board appointments and to make recommendations to the Board in accordance with best practice and other applicable rules and regulations.

The Audit Committee, chaired by Non-Executive Director David Cockbill and includes non-executive Chairman John Teeling meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Finance Director and Company Secretary James Finn is invited to attend meetings of the Committee. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

The Remuneration Committee is comprised of Non-Executive Director, David Cockbill (Committee Chair) and James Finn, Finance Director. The Remuneration Committee meets at least once a year to determine the appropriate remuneration for the Company's executive directors, ensuring that this reflects their performance and that of the Company. The Remuneration Committee did not meet during the year as there was no change to the directors remuneration.

The Company's Audit Committee Report is presented on page 31 and provides further details on the committee's activities during 2023, and while a separate report from the Remuneration Committee and Nomination Committee was not produced due to the size of the company, the Company intends to review this requirement on an annual basis.

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

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

Investors also have access to current information on the Company through its website www.arkleresources.com and through the Non-Executive Chairman who is available to answer investor relations enquiries. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

The Company's financial reports can be found here: <https://arkleresources.com/investor-center/reports/>

A complete history of Investor Notices can be found here: <https://arkleresources.com/rns-regulatory-news/>

The Company also communicates through social media on twitter: www.twitter.com/ArkleResources and LinkedIn: www.linkedin.com/company/arkle-resources-plc

Audit Committee Report

for the year ended 31 December 2023

Dear Shareholders,

I am pleased to present this report on behalf of the Audit Committee and to report on the progress made by the Committee during the year. The Company's internal financial reporting and control systems are in compliance with good corporate governance guidelines outlined in the QCA Corporate Governance Code (2018) and with advice from our Nomad. This report details how the Audit Committee has met its responsibilities under its Terms of Reference and the Irish Companies Act over the last twelve months.

Aims of the Audit Committee

Our purpose is to assist the Board in managing risk, discharging its duties regarding the preparation of financial statements, ensure that a robust framework of accounting policies is in place and enacted and oversee the maintenance of proper internal financial controls.

The Audit Committee, which is chaired by Non-Executive Director David Cockbill and includes non-executive Chairman John Teeling meets at least twice a year and assists the Board in meeting responsibilities in respect of financial reporting and internal controls. The Finance Director and Company Secretary James Finn is invited to attend meetings of the Committee. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

The Audit Committee is committed to:

- Maintaining the integrity of the financial statements of the Company and Group and reviewing any significant reporting matters therein;
- Reviewing the Annual & Interim Report and Accounts and monitoring the accuracy and fairness of the Company and Group's financial statements;
- Ensuring compliance of financial statements with applicable accounting standards and the AIM Rules;
- Reviewing the adequacy and effectiveness of the internal financial control environment and risk management systems; and
- Overseeing the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met twice in 2023.

Activities of the Audit Committee during the year

On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Audit committee received and reviewed reports from the Finance Director, other members of management and external auditor relating to the interim and annual financial statements and the accounting and internal control systems in use throughout the Group.

The external auditor attended one of the meetings to discuss the planning and conclusions of their work and meet with members of the committee. The committee was able to call for information from management and consult with the external auditor directly as required. The objectivity and independence of the external auditor was safeguarded by reviewing the auditor's formal declarations and monitoring relationships between key audit staff and the Company.

As noted above, the committee met twice during the year, to review the 2022 annual accounts and the interim accounts to 30 June 2023 and audit planning for the year ended 31 December 2023. Members of the committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

Since the year end, the committee has met further with the auditors to consider the 2023 financial statements. In particular, the committee discussed the significant audit risks, in particular the application of IFRS 6 in relation to the recoverability of intangible assets, including any impairment of assets identified and the application of any new accounting standards. In addition, the committee monitors the auditor firm's independence from Company management and the Company.

David Cockbill
Chairman Audit Committee

26 June 2024

Arkle Resources PLC

Directors' Responsibilities Statement

for the year ended 31 December 2023

The directors are responsible for preparing the Directors' Report and the Group and Company financial statements ("financial statements") in accordance with Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, ("relevant financial reporting framework").

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 assets, liabilities and financial position of the Group and the Company as at the financial year end date and of the profit or loss of the Group for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position of the Group and Company and profit or loss of the Group to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website (<https://arkleresources.com>). Irish legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. 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 also responsible for ensuring that they meet their responsibilities under the AIM Rules.

Independent Auditors' Report to the members of Arkle Resources plc

for the year ended 31 December 2023



Opinion

We have audited the financial statements of Arkle Resources plc and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent assets, liabilities and financial position as at 31 December 2023 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 parent company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) 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.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to note 3 in the financial statements concerning the group and parent's ability to continue as a going concern. The Group incurred a loss for the year of €297,024 (2022: loss of €299,214) after exchange gains on retranslation of foreign operations of €2,753 (2022: loss of €12,250) at the balance sheet date. The Group had net current liabilities of €424,108 (2022: € 274,571) and the Company €418,151 (2022: €272,499) at the balance sheet date.

Arkle Resources PLC

Independent Auditors' Report to the members of Arkle Resources plc *(continued)*

for the year ended 31 December 2023

The going concern assumption of the group and parent company is dependent on the group and parent company obtaining additional finance to meet the working capital needs for a period of not less than twelve months from the date of approval of the financial statements.

These events and conditions, along with the other matters as set forth in note 3 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the directors' assessment of the group's and parent company's ability to adopt the going concern basis of accounting included:

- Obtaining an understanding of the group and parent company's relevant controls over the preparation and review of cash flow projections and assumptions used in the cash flow forecasts to support the going concern assumption and assessed the design and implementation of these controls;
- Challenging the key assumptions used in the cash flow forecasts by agreement to historical run rates, expenditure commitments and other supporting documentation;
- Testing the clerical accuracy of the cash flow forecasts;
- Sensitivity analysis on the cash flow forecasts to assess the amount of headroom available to the group and parent company based on its year end cash position;
- Assessment of the group and parent company's ability to raise additional finance; and
- Assessment of the adequacy of the disclosures in the financial statements with a particular focus on appropriate disclosure of the key uncertainties relating to going concern.

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

The materiality applied to the group financial statements was €83,600. This has been calculated using Gross Assets benchmarks which we have determined, in our professional judgement, to be the most appropriate benchmarks within the financial statements relevant to the members of the Group in assessing financial performance. The materiality applied to the parent company financial statements was €83,500 based upon 2% of Gross Assets. Performance materiality was 75% of overall materiality for the group and parent company.

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit in excess of €3,000 for the group and parent company. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The group and its one subsidiary are accounted for from a central location in Dublin, Ireland.

Independent Auditors' Report to the members of Arkle Resources plc *(continued)*

for the year ended 31 December 2023

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 the scope of our audit addressed the key audit matter
<p>Valuation and recoverability of intangible assets (refer note 11)</p> <p>The group carries a material amount of intangible assets in relation to capitalised costs associated with group's exploration activities in both the consolidated balance sheet and parent company balance sheet. As a result, the following risks arise:</p> <ul style="list-style-type: none"> – Costs may have been incorrectly capitalised and not conform with all the 6 step criteria detailed in IAS 38. – The carrying value of the capitalised cost may be overstated and the realisation of these intangible assets is dependent on the discovery and successful development of economic gold and zinc reserves, which is subject to a number of risks and uncertainties, including obtaining title to licences and the ability of the group to raise sufficient finance to develop the projects. 	<p>The work undertaken to mitigate the risks were as follows:</p> <ul style="list-style-type: none"> • We reviewed and challenged management's assessment of impairment of exploration activities, considered whether there are any indicators of impairment. We found the judgements used by management in their impairment assessment were reasonable. • We verified the capitalised exploration costs meet the eligibility criteria detailed in IAS 38 for that given site. • We substantively tested additions in the year back to supporting documentation to include licences held by the group and parent company to identify terms and commitments in relation to those licences. • We also considered the adequacy of the disclosures included in the financial statements in accordance with IFRS.

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. Our opinion on the group and parent 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Arkle Resources PLC

Independent Auditors' Report to the members of Arkle Resources plc *(continued)*

for the year ended 31 December 2023

Opinions on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception.

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group and parent 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 parent company financial statements, the directors are responsible for assessing the group's and the parent 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 parent 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 (Ireland) 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. Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to those directly impacting the preparation of the financial statements, such as the Companies Act 2014 and the AIM Rules. There are no significant laws and regulations currently impacting the trading activities of the group other than compliance with normal business contractual terms.

Independent Auditors' Report to the members of Arkle Resources plc *(continued)*

for the year ended 31 December 2023

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks related to management bias through judgements and assumptions in significant accounting estimates, and to posting inappropriate journal entries. The key audit matters section of our report explains the specific procedures performed in respect of the valuation and recoverability of intangible assets.

Our audit procedures performed included:

- Discussions with and inquiry of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud.
- Review of minutes from board and other committee meetings.
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Testing the appropriateness of journal entries and other adjustments and evaluating the business rationale of any significant transactions that are unusual or outside the normal terms of business.

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

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://www.iaasa.ie/Publications/Auditing-standards/>

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 Section 391 of the Companies Act 2014. 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.

Keith Doyle

For and on behalf of Azets Audit Services Ireland Limited

Statutory Auditor

3rd Floor

40 Mespil Road

Dublin 4

26 June 2024

Arkle Resources PLC

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	Note	2023 €	2022 €
Administrative expenses		(276,759)	(303,195)
	4	<u>—</u>	<u>—</u>
Loss from operations		(276,759)	(303,195)
Profit/(loss) due to fair value volatility of warrants	18	(20,262)	3,981
Loss before tax		(297,021)	(299,214)
Tax expense	9	<u>—</u>	<u>—</u>
Loss for the year		(297,021)	(299,214)
Total comprehensive income		(297,021)	(299,214)
		<u><u> </u></u>	<u><u> </u></u>
Earnings per share attributable to the ordinary equity holders of the parent		cents	cents
Profit/(Loss) per share – Basic & Diluted	10	(0.07)	(0.09)
		<u><u> </u></u>	<u><u> </u></u>

Consolidated Statement of Financial Position

as at 31 December 2023

	Note	2023 €	2022 €
Assets			
Non-current assets			
Intangible assets	11	<u>4,089,667</u>	<u>3,991,023</u>
Current assets			
Other receivables	13	788	6,928
Cash and cash equivalents	14	<u>91,082</u>	<u>199,990</u>
		91,870	206,918
Total assets		<u>4,181,537</u>	<u>4,197,941</u>
Liabilities			
Current liabilities			
Trade and other liabilities	15	<u>(340,026)</u>	<u>(325,799)</u>
Warrants	18	<u>(175,952)</u>	<u>(155,690)</u>
Total liabilities		<u>(515,978)</u>	<u>(481,489)</u>
Net assets		<u>3,665,559</u>	<u>3,716,452</u>
Equity			
Called-up Share capital – Deferred	16	992,337	992,337
Called-up Share capital – Ordinary	16	1,142,027	988,456
Share premium reserve	16	7,015,119	6,922,562
Share based payments reserve	19	156,494	156,494
Retained deficit	20	<u>(5,640,418)</u>	<u>(5,343,397)</u>
Total Equity		<u>3,665,559</u>	<u>3,716,452</u>

The financial statements were approved by the board of directors on 26 June 2024 and were signed on its behalf by:

John Teeling
Director

James Finn
Director

Arkle Resources PLC

Company Statement of Financial Position

as at 31 December 2023

	Note	2023 €	2022 €
Assets			
Non-current assets			
Intangible assets	11	29,015	12,041
Investment in subsidiaries	12	180,398	180,398
Other receivables	13	3,874,297	3,796,512
		<u>4,083,710</u>	<u>3,988,951</u>
Current assets			
Other receivables	13	—	2,631
Cash and cash equivalents	14	90,986	199,518
		<u>90,986</u>	<u>202,149</u>
Total assets		<u>4,174,696</u>	<u>4,191,100</u>
Liabilities			
Current liabilities			
Trade and other liabilities	15	(333,185)	(318,958)
Warrants	18	(175,952)	(155,690)
Total liabilities		<u>(509,137)</u>	<u>(474,648)</u>
Net assets		<u>3,665,559</u>	<u>3,716,452</u>
Equity			
Called-up Share capital – Deferred	16	992,337	992,337
Called-up Share capital – Ordinary	16	1,142,027	988,456
Share premium reserve	16	7,015,119	6,922,562
Share based payments reserve	19	156,494	156,494
Retained deficit	20	(5,640,418)	(5,343,397)
Total Equity		<u>3,665,559</u>	<u>3,716,452</u>

The financial statements were approved by the board of directors on 26 June 2024 and were signed on its behalf by:

John Teeling
Director

James Finn
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

Group	Called up Share Capital Deferred €	Called up Share Capital Ordinary €	Share Premium €	Share Based Payment Reserve €	Retained Deficit €	Total €
At 1 January 2022	992,337	764,956	6,680,245	156,494	(5,044,183)	3,549,849
Shares issued	—	223,500	242,317	—	—	465,817
Loss for the year	—	—	—	—	(299,214)	(299,214)
At 31 December 2022	992,337	988,456	6,922,562	156,494	(5,343,397)	3,716,452
Shares issued	—	153,571	92,557	—	—	246,128
Loss for the year	—	—	—	—	(297,021)	(297,021)
At 31 December 2023	992,337	1,142,027	7,015,119	156,494	(5,640,418)	3,665,559

Arkle Resources PLC

Company Statement of Changes in Equity

for the year ended 31 December 2023

Company	Called up Share Capital Deferred €	Called up Share Capital Ordinary €	Share Premium €	Share Based Payment Reserve €	Retained Deficit €	Total €
At 1 January 2022	992,337	764,956	6,680,245	156,494	(5,044,183)	3,549,849
Shares issued	—	223,500	242,317	—	—	465,817
Loss for the year	—	—	—	—	(299,214)	(299,214)
At 31 December 2022	992,337	988,456	6,922,562	156,494	(5,343,397)	3,716,452
Shares issued	—	153,571	92,557	—	—	246,128
Loss for the year	—	—	—	—	(297,021)	(297,021)
At 31 December 2023	992,337	1,142,027	7,015,119	156,494	(5,640,418)	3,665,559

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	2023 €	2022 €
Cash flows from operating activities		
Loss for the year	(297,021)	(299,214)
Adjustments for		
Fair Value movement of warrants	20,262	(3,981)
Foreign exchange	(2,753)	12,250
	<u>(279,512)</u>	<u>(290,945)</u>
Movements in working capital:		
Decrease in trade and other receivables	6,140	25,707
Increase in trade and other payables	14,9227	91,926
	<u>(259,145)</u>	<u>(173,312)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(98,644)	(159,943)
	<u>(98,644)</u>	<u>(159,943)</u>
Cash flows from financing activities		
Proceeds from issue of equity shares	246,128	465,817
Share issue expenses	—	—
	<u>246,128</u>	<u>465,817</u>
Net cash generated from financing activities	246,128	465,817
Net cash (decrease)/increase in cash and cash equivalents	(111,661)	132,562
Cash and cash equivalents at the beginning of year	199,990	79,678
Exchange gains on cash and cash equivalents	2,753	(12,250)
	<u>91,082</u>	<u>199,990</u>
Cash and cash equivalents at the end of the year	14 <u>91,082</u>	<u>199,990</u>

Arkle Resources PLC

Company Statement of Cash Flows

for the year ended 31 December 2023

	2023 €	2022 €
Cash flows from operating activities		
Loss for the year	(297,021)	(299,214)
Adjustments for		
Fair Value movement of warrants	20,262	(3,981)
Foreign exchange	(2,753)	12,250
	<u>(279,512)</u>	<u>(290,945)</u>
Movements in working capital:		
Increase in trade and other receivables	(75,154)	(115,418)
Increase in trade and other payables	14,227	85,085
	<u>(340,439)</u>	<u>(321,278)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(16,974)	(12,041)
	<u>(16,974)</u>	<u>(12,041)</u>
Cash flows from financing activities		
Proceeds from issue of equity shares	246,128	465,817
Share issue expenses	—	—
	<u>246,128</u>	<u>465,817</u>
Net cash generated from financing activities	246,128	465,817
Net cash (decrease)/increase in cash and cash equivalents	(111,285)	132,498
Cash and cash equivalents at the beginning of year	199,518	79,270
Exchange gains on cash and cash equivalents	2,753	(12,250)
	<u>90,986</u>	<u>199,518</u>
Cash and cash equivalents at the end of the year	14 <u>90,986</u>	<u>199,518</u>

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

1. General information

Arkle Resources plc (the Company) is a public company limited by shares incorporated and registered in Ireland. The company is a public limited company incorporated and domiciled in Ireland, the number under which it is registered is 417725. The address of its registered office is 162 Clontarf Road, Dublin 3.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out on Directors' Report.

2. Accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and in accordance with the provisions of the Companies Act 2014.

The financial statements have been prepared on the historical cost basis. The consolidated financial statements are presented in Euro which is also the functional currency for the Group.

2.2 International Financial Reporting Standards

New standards and interpretations not yet adopted

The following standards have been issued by the IASB but have not been endorsed by the EU, accordingly none of these standards have been applied in the current period and the Group is currently assessing whether these standards will have a material impact in the financial statements.

- Amendments to IFRS 10 and IAS 28: Sale and Contribution of Assets between an Investor and its Associate or Joint Venture – optional

The adoption of the above standards and interpretations is not expected to lead to any changes to the accounting policies or have any other material impact on the financial position or performance of the group.

There have been no other new or revised International Financial Reporting Standards, International Accounting Standards or Interpretations that are in effect since that last annual report that have a material impact on the financial statements.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Arkle Resources PLC

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

2. Accounting policies (continued)

2.4 Intangible assets Exploration and evaluation assets

Exploration expenditure relates to the initial search for mineral deposits with economic potential in Ireland.

Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential.

The costs of exploration properties and cost of licences to explore for or use minerals, which include the cost of acquiring prospective properties and exploration rights and costs incurred in exploration and evaluation activities, are capitalised as intangible assets as part of exploration and evaluation assets.

Exploration costs are capitalised as an intangible asset until technical feasibility and commercial viability of extraction of reserves are demonstrable, when the capitalised exploration costs are re-classed to property, plant and equipment. Exploration costs include an allocation of administration and salary costs (including share based payments) as determined by management.

Prior to reclassification to property, plant and equipment exploration and evaluation assets are assessed for impairment and any impairment loss recognised immediately in the statement of comprehensive income

Impairment of intangible assets

Exploration and evaluation assets are assessed for impairment on a licence-by-licence basis when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The company reviews for impairment on an ongoing basis and specifically if any of the following occurs:

- a) the period for which the Group has a right to explore under the specific licences has expired or is expected to expire;
- b) further expenditure on exploration and evaluation in the specific area is neither budgeted or planned;
- c) the exploration and evaluation has not led to the discovery of economic reserves;
- d) sufficient data exists to indicate that although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

2.5 Functional and presentational currency

The individual financial statements of each Group Company are maintained in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in euro, the functional currency of the Group.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re-determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated at the statement of financial position date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Statement of Comprehensive Income for the year.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

2. Accounting policies (continued)

2.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax payable is based on the taxable profit for the year. Taxable profit differs from the loss 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 calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry forward of unused tax credits and unused tax losses 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 that affects neither the taxable profit nor the accounting profit.

Unrecognised deferred tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

2.7 Share-based payments

Equity settled share-based payments are measured at fair value at the date of grant. The fair value excludes the effect of non market based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Where the value of the goods or services received in exchange for the share-based payment cannot be reliably estimated the fair value is measured by use of a Black-Scholes model.

Expected volatility is determined by management based on the historic volatility for the same period of time as equals the life of the option.

2.8 Operating loss

Operating loss comprises general administrative costs incurred by the Group and company, which are not specific to evaluation and exploration projects and any impairment charges relating to exploration and evaluation assets. Operating loss is stated before investment revenue, finance costs and other gains and losses.

2.9 Investment in subsidiaries

The company's investments in subsidiaries are stated at cost, less any accumulated impairment losses.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

2. Accounting policies (continued)

2.10 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognised immediately in profit or loss.

The Group includes in this category cash and other receivables. Due to the nature of the financial assets being short-term in nature, the carrying value approximates fair value.

Impairment of financial assets

The Group only holds receivables at amortized cost, with no significant financing component and which have maturities of less than 12 months and as such, has implemented the simplified approach for expected credit losses (ECL) model under IFRS 9 to account for all receivables other than amounts owed by group undertakings. Therefore, the Group does not track changes in credit risk, but instead, recognizes a loss allowance based on lifetime ECLs at each reporting date.

In addition, the Company holds financial assets owed by group undertakings. The Company applied the IFRS 9 general approach for such financial assets. Under the general approach ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (Stage 1). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (Lifetime ECL).

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The Company classified financial assets owed by group undertakings in Stage 1 and measures the loss allowance for financial assets owed by group undertakings at an amount equal to 12-month ECL. The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. The measurement of expected credit losses for financial assets owed by group undertakings is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. In addition to management judgment, the assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not:

- (i) contingent consideration of an acquirer in a business combination,
- (ii) held-for-trading, or
- (iii) designated as at FVTPL,

are measured subsequently at amortised cost using the effective interest method.

The Group includes in this category trade and other payables.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Warrants

Warrants issued are classified separately as equity or as a liability at FVTPL in accordance with the substance of the contractual arrangement. Warrants classified as liabilities at FVTPL are stated at fair value, with any gains and losses arising on remeasurement recognised in the profit or loss.

2.11 Critical accounting judgements and key sources of estimation uncertainty **Critical judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation assets

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets.

Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to prospecting, exploration and related expenditure in Ireland.

The Group's exploration activities are subject to a number of significant and potential risks including:

- uncertainties over development and operational risks;
- compliance with licence obligations;
- ability to raise finance to develop assets;
- liquidity risks; and
- going concern risks;

The recoverability of intangible assets is dependent on the discovery and successful development of economic reserves which is subject to a number of uncertainties, including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the statement of financial position would be written off to the statement of comprehensive income. The recoverability of investments in subsidiaries and intercompany receivables is dependent on the recoverability of intangible assets

Going concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the group and finance for the development of the group's projects becoming available. Based on the assumptions that such finance will become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the group's assets, in particular the intangible assets, to their realisable values. Further information concerning going concern is outlined in Note 3.

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group undertakes periodic reviews to assess the risk factors and have concluded that there is little or no risk that will cause material adjustments to be made in the next financial year.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

2. Accounting policies (continued)

2.11 Critical accounting judgements and key sources of estimation uncertainty Critical judgements in applying the Group's accounting policies (continued)

Impairment of Intangible Assets

The assessment of intangible assets for any indications of impairment involves a degree of estimation. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss recognised to the extent that carrying amount exceeds recoverable amount. Recoverable amount is determined as the higher of fair value less costs to sell and value in use. The assessment requires judgements as to the likely future commerciality of the assets and when such commerciality should be determined; future revenues, capital and operating costs and the discount rate to be applied to such revenues and costs.

Impairment of investments

The directors make an assessment at the end of each financial year of whether there is objective evidence of asset impairment. When assessing impairment of investments assets, the directors consider factors including the carrying value of intangible assets held by investment and the statement of financial position of the investment.

Recoverability of amounts due from group undertakings

The directors make an assessment at the end of the financial year on the recoverability of intercompany debtors. If the financial conditions of the companies were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

Valuation of share warrants

The issued share warrants are classified as liabilities at FVTPL and are stated at fair value, with any gains and losses arising on remeasurement recognised in the profit or loss.

The Company has made estimates as to the volatility of its own shares based on the historic volatility for the same period of time as equals the life of the warrant. The model used by the Company is the Black Scholes model. The fair value of the warrants is measured using an appropriate option pricing model, taking into account the terms and conditions upon which the warrants were issued.

3. Going concern

The Group and Company incurred a loss for the financial year of €297,021 (2022: €299,214) and the Group had net current liabilities of €424,108 (2022: €274,571) at the statement of financial position date leading to concern about the Company and Group's ability to continue as a going concern.

The Group had a cash balance of €91,082 (2022: €199,990) at the statement of financial position date.

Included in current liabilities is an amount of €262,500 (2022: €217,500) owed to key management personnel in respect of remuneration due at the balance sheet date. Key management have confirmed that they will not seek settlement of these amounts in cash for a period of at least one year after the date of approval of the financial statements or until the Group has generated sufficient funds from its operations after paying its third party creditors.

The directors have prepared cashflow projections for a period of at least twelve months from the date of approval of these financial statements. As the Group and the Company are not revenue or cash generating they rely on raising capital from the public market. The cash flow projections prepared by the Group and Company indicate that additional finances will be required to meet the obligations of the Group and Company for a period of at least twelve months from the date of approval of these financial statements. The directors are confident that additional capital can be raised as required. The Group raised £215,000 during the year from a placing. On 2 May 2024 the Group raised £270,000 from a placing.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include any adjustment to the carrying amount, or classification of assets and liabilities, if the Company or Group was unable to continue as a going concern.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

4. Administrative expenses

	2023 €	2022 €
Professional fees	167,781	180,313
Foreign exchange (gain) / loss	(2,753)	12,250
Directors' remuneration	45,000	45,000
Other administrative expenses	66,731	65,632
Share options	—	—
	276,759	303,195

Details of the auditor and directors' remuneration are set out in Note 5 and 8 respectively.

5. Auditors' Remuneration

Auditor's remuneration for work carried out for the Group and Company in respect of the financial year is as follows:

	2023 €	2022 €
Group		
Audit of Group accounts	20,000	20,000
Other assurance services	—	—
Tax advisory services	2,750	2,750
Total	22,750	22,750
Company		
Audit of individual company accounts	20,000	20,000
Tax advisory services	2,750	2,750
	22,750	22,750

6. Employee Information

There were no employees of the Group or company other than the directors during the current or prior year.

Further information on directors' remuneration during the current and prior year is outlined in note 8.

7. Segment information

IFRS 8 Operating Segments requires operating assets to be identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker within the Group.

In the opinion of the Directors the Group has one class of business, being the exploration for, and development and production of, oil and gas reserves, and other related activities.

The Group's primary reporting format is determined to be the geographical segment according to the location of its assets. The Group is organised into two segments in the current period: Limerick and Rest of Ireland. The accounting policies of the reportable segments are the same as the Group's accounting policies as described in Note 2.

Arkle Resources PLC

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

7. Segment information (continued)

7.1 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment revenue 2023 €	Segment results 2023 €	Segment revenue 2022 €	Segment results 2022 €
Limerick	—	—	—	—
Rest of Ireland	—	—	—	—
Total continuing operations	—	—	—	—
Unallocated head office	—	(297,021)	—	(299,214)
	—	(297,021)	—	(299,214)

7.2 Segment assets and liabilities

	Assets 2023 €	Liabilities 2023 €	Assets 2022 €	Liabilities 2022 €
Group				
Limerick	1,705,480	(6,841)	1,705,480	(6,841)
Rest of Ireland	2,355,172	—	2,273,502	—
Zimbabwe	29,015	—	12,041	—
Total continuing operations	4,089,667	(6,841)	3,991,023	(6,841)
Unallocated head office	91,870	(509,137)	206,918	(474,648)
	4,181,537	(515,978)	4,197,941	(481,489)

7.3 Other segment information

	Additions to non-current assets	
	2023 €	2022 €
Group		
Limerick	—	105,056
Rest of Ireland	81,670	42,846
Zimbabwe	16,974	12,041
Total continuing operations	98,644	159,943
Unallocated head office	—	—
	98,644	159,943

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

8. Related party and other transactions

Group and Company

Key Management Compensation and Directors' Remuneration

The remuneration of the directors, who are considered to be the key management personnel, is set out below.

	2023 Fees: Services as director €	2023 Fees: Other services €	2023 Share Options €	2023 Total €	2022 Fees: Services as director €	2022 Fees: Other services €	2022 Share Options €	2022 Total €
John Teeling	5,000	10,000	—	15,000	5,000	10,000	—	15,000
James Finn	5,000	10,000	—	15,000	5,000	10,000	—	15,000
David Cockbill	5,000	10,000	—	15,000	5,000	10,000	—	15,000
	15,000	30,000	—	45,000	15,000	30,000	—	45,000

All remuneration related to short term employee benefits. The number of directors to whom retirement benefits are accruing is nil. There were no entitlements to pension schemes or retirement benefits. Details of directors' interests in the shares of the company are set out in the Directors' Report.

Any further required disclosures in Sections 305 and 306 of Companies Act 2014 are nil for both the current and prior financial year.

€262,500 (2022: €217,500) of directors' remuneration remains unpaid at year end.

Other

Group and Company

Arkle Resources plc shares offices and overheads with a number of companies also based at 162 Clontarf Road. These companies have some common directors.

Transactions with these companies during the year are set out below:

	Botswana Diamonds Plc €	Petrel Resources Plc €	Great Northern Distillery Ltd €	Clontarf Energy Plc €	Total €
At 1 January 2022	—	—	—	—	—
Overhead and office costs recharged	(11,447)	(9,868)	34,379	8,594	21,658
Repayments	11,447	9,868	(34,379)	(8,594)	(21,658)
At 31 December 2022	—	—	—	—	—
Overhead and office costs recharged	(11,584)	(9,951)	35,563	8,891	22,919
Repayments	11,584	9,951	(35,563)	(8,891)	(22,919)
At 31 December 2023	—	—	—	—	—

Amounts due to and from the above companies are unsecured and repayable on demand.

Arkle Resources PLC

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

8. Related party and other transactions (continued)

Company

At 31 December the following amount was due to the company by its subsidiary:

	2023 €	2022 €
Connemara Mining Company of Ireland Limited	<u>€ 3,874,297</u>	<u>€ 3,796,512</u>

The increase in the amount due from Connemara Mining Company of Ireland Limited arises due to funds advanced by the company to fund exploration and evaluation expenditure by its subsidiary. The amount due from Connemara Mining Company Limited is net of an allowance of €521,012 (2022: €521,008), refer to Note 13, which has been recognised due to losses incurred by the subsidiary in current and prior financial years. The amount due is non-interest bearing, repayable on demand and is unsecured.

The recoverability of amounts due from Connemara Mining Company of Ireland Limited is dependent on the discovery and successful development of economic reserves which is subject to a number of potential risks as set out in Note 2.

9. Income tax expense

	2023 €	2022 €
Current tax	—	—
Deferred tax	—	—
Total income tax expense	<u>—</u>	<u>—</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the Republic of Ireland applied to losses for the year are as follows:

	2023 €	2022 €
Profit/(loss) for the year	(297,021)	(299,214)
Tax using the Company's domestic tax rate of 12.5% (2022:12.5%)	(37,127)	(37,402)
Utilisation of tax losses	37,127	37,402
Tax losses carried forward	—	—
Total tax expense	<u>—</u>	<u>—</u>

No charge to corporation tax arises in the current financial year or the prior financial year primarily due to losses brought forward.

At the statement of financial position date, the Group has unused tax losses of €4,758,698 (2022: €4,461,677) which equates to a deferred tax asset of €594,836 (2022: €557,709). The deferred tax asset has not been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

10. Earnings per share

Basic earnings per share is computed by dividing the loss after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the profit or loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets forth the computation for basic and diluted earnings per share (EPS):

	2023 €	2022 €
Numerator		
For basic and diluted EPS Loss after taxation	<u>(297,021)</u>	<u>(299,214)</u>
Denominator	No.	No.
For basic and diluted EPS	<u>402,955,811</u>	<u>343,481,056</u>
Basic EPS	<u>(0.07c)</u>	(0.09c)
Diluted EPS	<u>(0.07c)</u>	(0.09c)

Basic and diluted loss per share are the same as the effect of the outstanding share options and warrants is anti-dilutive.

11. Intangible assets

	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Exploration and evaluation assets:				
Cost:				
At 1 January	3,991,023	3,831,080	12,041	—
Additions	98,644	159,943	16,974	12,041
Impairment	—	—	—	—
At 31 December	<u>4,089,667</u>	<u>3,991,023</u>	<u>29,015</u>	<u>12,041</u>
Carrying amount:				
At 31 December	<u>4,089,667</u>	<u>3,991,023</u>	<u>29,015</u>	<u>12,041</u>

In 2007 the Group entered into an agreement with Teck Cominco which gave Teck Cominco the option to earn a 75% interest in a number of other licences held by the Group. Teck Cominco had to spend CAD\$3m to earn the interest. During 2012 the relevant licences were transferred to a new company, TILZ Minerals Limited, which at 31 December 2023 was owned 23.44% (2022: 23.44%) by Limerick Zinc Limited (subsidiary of Arkle Resources plc) and 76.56% (2022: 76.56%) by Group Eleven Resources Corp (third party).

On 13 September 2017 the board of Arkle Resources plc were informed that Group Eleven Resources Corp. a private company, has acquired the 76.56% interest held by Teck Ireland in TILZ Minerals. Arkle Resources plc owns the remaining 23.44%.

The Group's share of expenditure on the licences continues to be capitalised as an exploration and evaluation asset. The Group is subject to cash calls from Group Eleven Resources Corp. in respect of the financing of the ongoing exploration and evaluation of these licences. In the event that the Group decides not to meet these cash calls its interest in TILZ Minerals Limited may be diluted accordingly.

Arkle Resources PLC

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

11. Intangible assets (continued)

On 23 June 2022 the Company announced it had been granted licences covering 163 hectares to prospect for Lithium in the Insiza District of the Matabeleland South Province of Zimbabwe. The Directors believe that these licences, which cover a small area, represent a low-cost entry into one of the largest lithium producing countries in the world.

On 25 October 2023 the Company announced it has been granted a new lithium exploration block north of its Mine River Block in Wicklow/Wexford in Ireland. The new block consists of four prospecting licences for lithium, rare earth elements and other minerals, including gold and platinum. The ground is contiguous with the International Lithium Corp – Gangfeng Lithium Co. Ltd joint venture to the west, where a large zone of lithium bearing pegmatites has been discovered associated with the Leinster Granite Pegmatite Belt. The Directors believe this new ground is fertile for lithium deposits.

On 15 December 2023 the Company announced that it has been awarded two exploration licences in the Makgadikgadi Salt Pans in North-Eastern Botswana. The licences, PL 075/2023 and PL 0148/2023, cover 312 and 525 sq kilometres respectively in size. The licences are awarded to prospect for lithium in the Salt Pans.

The realisation of the intangible assets is dependent on the discovery and successful development of economic reserves which is subject to a number of risks as outlined in Note 2.11. Should this prove unsuccessful the carrying value included in the statement of financial position would be written off to the statement of comprehensive income.

The directors are aware that by its nature there is an inherent uncertainty in such exploration and evaluation expenditure as to the value of the asset. Having reviewed the carrying value of exploration and evaluation of assets at 31 December 2023 the directors are satisfied that the value of the intangible asset is not less than carrying value.

Segmental Analysis

	Group 2023	Group 2022	Company 2023	Company 2022
	€	€	€	€
Limerick	1,705,480	1,705,480	—	—
Rest of Ireland	2,355,172	2,273,502	—	—
Zimbabwe	29,015	12,041	29,015	12,041
	4,089,667	3,991,023	29,015	12,041

12. Investments in subsidiaries

	2023	2022
	€	€
Company		
As at 1 January	180,398	180,398
Additions	—	—
As at 31 December	180,398	180,398

The realisation of the investment in subsidiary companies is dependent on the successful development of economic mineral reserves which is subject to a number of risks as outlined in Note 2. See note 11 for further details.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

12. Investments in subsidiaries (continued)

The subsidiaries of the company at 31 December 2023 were:

Name of subsidiary	Registered office	Group share	Nature of business
Connemara Mining Company of Ireland Limited	162 Clontarf Road, Dublin 3, Ireland	100%	Mineral Exploration
Limerick Zinc Limited***	162 Clontarf Road, Dublin 3, Ireland	100%	Mineral Exploration
Oldcastle Zinc Limited	162 Clontarf Road, Dublin 3, Ireland	100%	Mineral Exploration
Hendrick Resources (Ireland) Ireland Limited	Unit 8B, Block C, Athy Business Campus, Kilkenny Road, Kildare, Ireland	100%	Mineral Exploration

***Indirectly held.

The directors are of the opinion that the value of the investments is not less than their balance sheet value.

The Group also holds a 23.44% (2022: 23.44%) interest in TILZ Minerals Limited, a company incorporated in Ireland. The balance of 76.56% is held by Group Eleven Resources Corp. See Note 11 for further details.

13. Other Receivables

	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Current assets:				
VAT refund due	788	4,297	—	—
Other receivables	—	2,631	—	2,631
	788	6,928	—	2,631

The realisation of the amounts due from Group undertakings is dependent on the discovery and successful development of economic mineral reserves as outlined in Note 11.

	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Non-current assets:				
Due to Group undertakings	—	—	3,874,297	3,796,512

Other receivables are non interest bearing and are generally receivable within 90 days. The carrying value of the receivables approximates to their fair value.

*An Expected Credit Loss provision of €521,012 has been provided for against the amount due by Group undertakings. The gross amount due is €4,317,520 (2022 €4,317,520).

Arkle Resources PLC

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

13. Other Receivables (continued) Expected Credit Loss

	2023 €	2022 €
Company		
As at 1 January	521,008	520,666
Movement during the year	4	342
As at 31 December	<u>521,012</u>	<u>521,008</u>

14. Cash and cash equivalents

	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Cash and cash equivalent	<u>91,082</u>	<u>199,990</u>	<u>90,986</u>	<u>199,518</u>

The fair values of cash and cash equivalents is €91,082 (2022: €199,990) for the Group and €90,986 (2022: €199,518) for the company.

15. Trade and other payables

	Group 2023 €	Group 2022 €	Company 2023 €	Company 2022 €
Current assets:				
Trade and other payables	63,526	96,299	56,685	89,458
Accruals	<u>276,500</u>	<u>229,500</u>	<u>276,500</u>	<u>229,500</u>
	<u>340,026</u>	<u>325,799</u>	<u>333,185</u>	<u>318,958</u>

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the Group's policy that payment is made between 30 – 45 days.

Included in accruals are amounts due for directors' remuneration of €262,500 (2022: €217,500) accrued but not paid at year end.

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

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

16. Share capital and share premium

	2023 €	2022 €
Authorised		
1,000,000,000 Ordinary shares of €0.0025 each	2,500,000	2,500,000
500,000,000 Deferred shares of €0.0075 each	3,750,000	3,750,000
	6,250,000	6,250,000

Deferred Shares – nominal value of €0.0075

	Number	Share Capital €	Share Premium €
At 1 January 2022 and 2023	132,311,591	992,337	–
At 31 December 2022 and 2023	132,311,591	992,337	–

Ordinary Shares – nominal value of €0.0025 Allotted, called-up and fully paid:

	Number	Share Capital €	Share Premium €
At 1 January 2022	305,982,426	764,956	6,680,245
Issued during the year	89,400,000	223,500	242,317
At 31 December 2022	395,382,426	988,456	6,922,562
Issued during the year	61,428,571	153,571	92,557
At 31 December 2023	456,810,997	1,142,027	7,015,119

Deferred share capital

The deferred share reserve comprises of the value of the deferred shares that arose when the company divided the ordinary shares via special resolution on 22 April 2020 the shares into 500,000,000 deferred shares of 0.75 cent each and 500,000,000 ordinary shares of 0.25 cent each.

Called up ordinary share capital

The called up ordinary share capital reserve comprises of the nominal value of the issued share capital of the company.

Share premium

The share premium reserve comprises of a premium arising on the issue of shares. Share issue expenses are deducted against the share premium reserve when incurred.

Movement in shares

On 16 November 2023, a total of 61,428,571 shares were issued at a price of 0.35p per share to provide additional working capital and fund development costs. For each share subscribed for, the investors also received one warrant to subscribe for an additional ordinary share at a price of 0.35p per share until 23 November 2025.

Arkle Resources PLC

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

17. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant.

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant.

Share Options

	31 December 2023		31 December 2022	
	Options	Weighted average exercise price in pence	Options	Weighted average exercise price in pence
Outstanding at beginning of year	16,100,000	1.32	16,100,000	1.32
Granted during the year	—	—	—	—
Expired during the year	—	—	—	—
Outstanding at end of year	16,100,000	1.32	16,100,000	1.32
Exercisable at end of year	16,100,000	1.32	16,100,000	1.32

The terms of the options granted do not contain any market conditions within the meaning of IFRS 2.

18. Warrants

	31 December 2023		31 December 2022	
Number	Number of Warrants	Weighted average exercise price in pence	Number of Warrants	Weighted average exercise price in pence
Outstanding at beginning of year	50,000,000	0.50	110,462,500	0.90
Granted during the year	61,428,571	0.35	50,000,000	0.50
Expired during the year	—	—	(71,062,500)	0.90
Exercised during the year	—	—	(39,400,000)	0.50
Outstanding and exercisable at the end of the year	111,428,571	0.42	50,000,000	0.50

	2023 €	2022 €
Fair Value		
At 1 January	155,690	159,671
FV of warrants issued during the year at grant date	117,509	155,690
FV of warrants exercised during the year	—	(72,191)
Movement in fair value	(97,247)	(87,480)
At 31 December	175,952	155,690

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

18. Warrants (continued)

	2023 €	2022 €
Profit/(Loss) due to Fair Value Volatility of Warrants		
Fair Value movements warrants b/fwd	97,247	87,480
Fair Value of warrants exercised	—	72,191
Fair Value new warrants granted	(117,509)	(155,690)
	<hr/>	<hr/>
Movement for the year	(20,262)	3,981
	<hr/> <hr/>	<hr/> <hr/>

On 21 November 2022, a total of 50,000,000 warrants with an exercise price of 0.5p per warrant were granted as part of the placing. The fair value of €97,247 to 31 December 2023 was expensed to the Consolidated Statement of Comprehensive Income.

On 16 November 2023, a total of 61,428,571 warrants with an exercise price of 0.35p per warrant were granted as part of the placing. The fair value of €117,509 to 31 December 2023 was expensed to the Consolidated Statement of Comprehensive Income. The fair value was calculated using the Black-Scholes valuation model.

The inputs into the Black-Scholes valuation model were as follows:

Grant 16 November 2023

Weighted average share price at date of grant (in pence)	0.35p
Weighted average exercise price (in pence)	0.35p
Expected volatility	86.81%
Expected life	1.88 years
Risk free rate	5%
Expected dividends	none

Expected volatility was determined by management based on their cumulative experience of the movement in share prices.

The terms of the warrants granted do not contain any market conditions within the meaning of IFRS 2.

19. Other Reserves

	Share Based Payment Reserve €
Balance at 1 January 2022	156,494
Granted during the year	—
	<hr/>
Balance at 31 December 2022	156,494
Granted during the year	—
	<hr/>
Balance at 31 December 2023	156,494
	<hr/> <hr/>

Share Based Payment Reserve

The share based payment reserve arises on the grant of share options under the share option plan. Share options expired are reallocated from the share based payment reserve to retained deficit at their grant date fair value.

Arkle Resources PLC

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

20. Retained Deficit

	Group		Company	
	2023 €	2022 €	2023 €	2022 €
Opening Balance	(5,343,397)	(5,044,183)	(5,343,397)	(5,044,183)
Profit/(Loss) for the year	(297,021)	(299,214)	(297,021)	(299,214)
Closing Balance	(5,640,418)	(5,343,397)	(5,640,418)	(5,343,397)

Retained Deficit

Retained deficit comprises of accumulated profits and losses incurred in the current and prior years.

21. Company Income Statement

In accordance with Section 304 of the Companies Act 2014, the company is availing of the exemption from presenting its individual profit and loss account in the annual report and from filing it with the Registrar of Companies. The loss after taxation as determined in accordance with IFRS for the company amounted to €297,021 (2022: profit €299,214).

22. Financial Risk Management

The Group's financial instruments comprise cash, other receivables, equity, warrants and trade payables which arise directly from exploration activities. The main purpose of these financial instruments is to provide working capital to finance Group operations.

It is the Group's policy that no trading in financial instruments shall be undertaken. The Board reviews and agrees policies for managing the risk and they are summarised below.

Interest rate risk

The Group has no outstanding bank borrowings and has no interest rate exposure, as the Group finances its operations primarily through equity finance.

Liquidity Risk

As regards liquidity, the Group's exposure is confined to meeting obligations under short term trade payable agreements. The Group's commitments have been fully met from cash flows generated from equity finance raised to date. In addition the majority of the Group's licences are the subject of agreements with third party operators, under which expenditure commitments in relation to the licences are met by third parties. The Group is subject to cash calls from Group Eleven Resources Corp. in relation to the licences held by TILZ Limited. Where the group cannot meet these cash calls its interest in TILZ Limited (and accordingly the licences) will be diluted. In light of the share issues during the year and cash reserves of the Group and Company, The directors are confident that adequate cash resources exist to finance operations in the short term, including exploration and development. See note 3 for further details on going concern.

Foreign Currency Risk

In the normal course of business the Group enters into transactions in foreign currencies (Sterling and US Dollar). As a result, the Group is subject to exposure from fluctuations in foreign currency rates. The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates and restricting the buying and selling of currencies to predetermined exchange rates within specified bands.

The Group does not presently utilise swaps or forward contracts to manage its currency exposures, although such facilities are considered and may be used where appropriate in the future.

Notes to the Consolidated Financial Statements *(continued)*

for the year ended 31 December 2023

22. Financial Risk Management (continued)

The carrying amounts of the Group and Company in foreign currency denominated assets and liabilities at the reporting dates are as follows:

	Assets 2023 €	Assets 2022 €	Liabilities 2023 €	Liabilities 2022 €
Group				
Sterling	85,789	174,294	22,937	6,526
US Dollars	182	483	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
	Assets 2023 €	Assets 2022 €	Liabilities 2023 €	Liabilities 2022 €
Company				
Sterling	89,789	174,294	22,937	6,526
US Dollars	86	11	—	—
	<hr/>	<hr/>	<hr/>	<hr/>

Credit Risk

With respect to credit risk arising from financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group controls this exposure by ensuring that all financial instruments are held with reputable and financially secure institutions who have a credit rating of Baa2.

Credit risk arises on the financial assets of the company, which comprise receivables and amounts due from Group undertakings, as a result of uncertainties set out in Note 2.11), surrounding the recoverability of the assets. The maximum exposure is equal to the carrying value of the asset at the balance sheet date.

As at 31 December 2023 the Company had amounts due from Group undertakings of €3,874,297 (2022: £3,796,512) all of which were current. There is no credit rating available for amounts due from Group undertakings as the counterparty is not publicly traded and is wholly owned by the Company. An allowance of €521,012 (2022: €521,008) has been provided for against the amount due by Group undertakings. The gross amount due is €4,395,309 (2022: €4,317,520).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The capital structure of the Group consists of equity (comprising issued capital and reserves) of €3,665,559 for the current year (2022 €3,716,452).

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

23. Commitments and contingencies

Arising under mining licences issued by the Department of Communications, Climate, Action and Environment there are commitments at 31 December 2023 to undertake exploration totalling €284,750 (2022: €225,000) over two years.

The Group is subject to cash calls from Group Eleven Resources Corp, as outlined in note 11, in respect of the financing of the ongoing exploration and evaluation of certain licences. In the event that the Group decides not to meet these cash calls its interest in TILZ Minerals Limited may be diluted accordingly.

Arkle Resources PLC

Notes to the Consolidated Financial Statements

for the year ended 31 December 2023

24. Contingent liabilities

There are no contingent liabilities (2022: Nil).

25. Post balance sheet events

On 2 May 2024 the Company announced it had raised £270,000 (before expenses) through a placing of 108,000,000 shares at a price of 0.25p per share. Each placing share has one warrant attached with the right to subscribe for one new ordinary share at a price of 0.35p for a period of two years.

26. Approval of the financial statements

The financial statements were approved by the board of directors on 26 June 2024.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Arkle Resources plc will be held on 25 July 2024 at the Hotel Riu Plaza The Gresham, 23 O'Connell Street Upper, North City Dublin, D01 C3W7, Ireland at 10.00 am for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Director's Report, Audited Accounts and Auditor's Report for the year ended 31 December 2023.
2. To re-elect Director: John Teeling retires in accordance with Article 89 and seeks re-election.
3. To re-elect Azets Audit Services Ireland Limited as auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business of an annual general meeting.

SPECIAL BUSINESS

ORDINARY RESOLUTION

5. That the authorised share capital of the Company be increased from €6,250,000 to €8,750,000 by the creation of 1,000,000,000 ordinary shares of €0.0025 each in the capital of the Company.

SPECIAL RESOLUTIONS

6. That the Memorandum of Association be amended by the deletion of clause 5 in its entirety and replacement with the following clause 5:

"The share capital of the Company is €8,750,000 divided into 2,000,000,000 Ordinary Shares of €0.0025 each and 500,000,000 Deferred Shares of €0.0075 each. The capital may be divided into different classes of shares with any preferential, deferred or special rights or privileges attached thereto, and from time to time the Company's regulations may be varied so far as may be necessary to give effect to any such preference, restrictions or other term"

7. That the Articles of Association be amended by the deletion of article 3(a) in its entirety and the replacement with the following article 3(a):

"The share capital of the Company is €8,750,000 divided into 2,000,000,000 Ordinary Shares of €0.0025 each and 500,000,000 deferred shares of €0.0075 each"

ORDINARY RESOLUTION

8. The Directors be and are hereby generally and unconditionally authorised pursuant to Section 1021 of the Companies Act 2014 ("2014 Act"), in substitution for all existing such authorities, to exercise all powers of the Company to allot relevant securities (within the meaning of Section 1021 of the 2014 Act) provided that such power shall be limited to the allotment of relevant securities up to an amount equal to aggregate nominal value the authorised but unissued ordinary share capital of the Company from time to time. The authority hereby conferred shall expire on 25 July 2030, unless previously revoked, renewed or varied by the Company in General Meeting, save that the Company may before such expiry date make an offer or agreement which would or might require relevant securities to be allotted after such authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

Arkle Resources PLC

Notice of Annual General Meeting *(continued)*

SPECIAL RESOLUTION

9. Subject to the passing of Resolution 8 above that the Directors be and are hereby empowered pursuant to Section 1022 and Section 1023(3) of the Companies Act 2014 (“2014 Act”), in substitution for all existing such authorities, to allot equity securities (within the meaning of Section 1023 of the 2014 Act) for cash pursuant to the authority conferred by resolution number 8 above as if Section 1022(1) of the 2014 Act, did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities (including, without limitation, any shares purchased by the Company pursuant to the provisions of the 2014 Act and held as treasury shares) up to an amount equal to the aggregate nominal value of the authorised but unissued ordinary share capital of the Company from time to time. The authority hereby conferred shall expire on 25 July 2030, save that the Company may before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such authority has expired and the Directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the power hereby conferred had not expired. The authority hereby conferred may be renewed, revoked or varied by special resolution of the Company.

By order of the Board:

James Finn
Secretary

Registered Office: 162 Clontarf Road, Dublin 3.

26 June 2024

Notes:

- a. Any shareholder of the Company entitled to attend and vote may appoint another person (whether a member or not) as his/her proxy to attend, speak and on his/her behalf. For this purpose a form of proxy is enclosed with this Notice. A proxy need not be a shareholder of the Company. Lodgement of the form of proxy will not prevent the shareholder from attending and voting at the meeting.
- b. Only shareholders, proxies and authorised representatives of corporations, which are shareholders, are entitled to attend the meeting.
- c. To be valid, the form of proxy and, if relevant, the power of attorney under which it is signed, or a certified copy of that power of attorney, must be received by the Company’s share registrar, Computershare Investor Services (Ireland), 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82 at not less than 48 hours prior to the time appointed for the meeting.
- d. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of member of the Company in respect of the joint holding.
- e. The Company, pursuant to Section 1095 of the Companies Act 2014 and regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulation 1996 (as amended) specifies that only those shareholders registered in the Register of Member of the Company (the “Register”) at the close of business on the day which is four days before the date of the Meeting, (or in the case of an adjournment at the close of business on the day which is four days prior to the adjourned Meeting), shall be entitled to attend and vote at the Meeting or any adjournment thereof in respect only of the number of shares registered in their name at that date.
- f. Subject to the articles of association of the Company and provided it is received not less than 48 hours before the time appointed for the holding of the AGM or adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or adjourned AGM) at least 48 hours before the taking of the poll at which it is to be used, the appointment of a proxy by a Shareholder may be submitted electronically, subject to the terms and conditions of electronic voting, via the internet by accessing the Company’s Registrar’s website www.eproxyappointment.com. You will need your control number, shareholder reference number and your PIN number, which can be found on your Form of Proxy.

Electronic proxy voting by Euroclear Nominees Limited in respect of the ordinary shares registered in the name of Euroclear Nominees Limited as nominee for Euroclear Bank SA/NV (“Euroclear Bank”) may also occur through the use of a secured mechanism to exchange electronic messages as agreed by the Company with Euroclear Bank.

Notice of Annual General Meeting *(continued)*

- g. Persons who hold their interests in ordinary shares of the Company as Belgian law rights through the Euroclear system (either directly or indirectly, including through a custodian) or as CREST depository interests through the CREST system, should consult with their stockbroker, custodian or other intermediary at the earliest opportunity for further information on the processes and timelines for submitting proxy voting instructions for the AGM through the respective systems.

Voting Instructions

Proxy voting

Those Shareholders unable to attend the Meeting may appoint a proxy. For Shareholders whose name appears in the register of members of the Company at the record date, your proxy may be submitted by post by completing the enclosed Form of Proxy and returning it to the Company's Registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland. Your proxy may also be submitted through Computershare's voting website www.eproxyappointment.com, instructions on how to do this are set out on the Form of Proxy.

Electronic proxy voting by Euroclear Nominees Limited as nominee for Euroclear Bank SA/NV ("Euroclear Bank" or "EB") in respect of the ordinary shares registered in the name of Euroclear Nominees Limited may also occur through the use of a secured mechanism to exchange electronic messages (as agreed by the Company with Euroclear Bank).

Deadlines for receipt by the Company of proxy voting instructions

All proxy votes must be received by the Company's Registrar not less than 48 hours before the time appointed for the Meeting or any adjournment of the Meeting. However, persons holding through the Euroclear Bank or (via a holding of CREST depository interests ("CDIs")) CREST systems will also need to comply with any additional voting deadlines imposed by the respective service offerings. All persons affected are recommended to consult with their stockbroker or other intermediary at the earliest opportunity.

The submission of a proxy will not prevent members attending and voting at the Meeting should you wish to do so. We are encouraging Shareholders to submit their votes on the resolutions in advance of the meeting through the appointment of a proxy.

For voting services offered by custodians holding Irish corporate securities directly with Euroclear Bank, please contact your custodian.

The following information for EB Participants and holders of CDIs is based on the information available to the Company as at the date of this document.

Further information for EB Participants

Participants in the Euroclear system ("EB Participants") can submit proxy appointments (including voting instructions) electronically in the manner described in the document issued by Euroclear Bank in February 2022 and entitled "Euroclear Bank as issuer CSD for Irish corporate securities" (the "EB Services Descriptions"). EB Participants can either send:

- electronic voting instructions to instruct Euroclear Nominees Limited (as sole registered shareholder of all ordinary shares held through the Euroclear system) ("Euroclear Nominees") (or to appoint the chairman of the meeting as proxy) to:
- vote in favour of all or a specific resolution(s);
- vote against all or a specific resolution(s);
- abstain from all or a specific resolution(s); or
- give a discretionary vote to the chairman in respect of one or more of the resolutions being put to a shareholder vote; or
- a proxy voting instruction to appoint a third party (other than Euroclear Nominees/the chairman of the meeting) to attend the meeting and vote for the number of ordinary shares specified in the proxy voting instruction.

Arkle Resources PLC

Notice of Annual General Meeting *(continued)*

Euroclear Bank will, wherever practical, aim to have a voting instruction deadline of one (1) hour prior to the Company's proxy appointment deadline (being 48 hours before the relevant meeting).

Voting instructions cannot be changed or cancelled after Euroclear Bank's voting deadline. There is no facility to offer a letter of representation/appoint a corporate representative other than through the submission of third-party proxy appointment instructions.

EB Participants are strongly encouraged to familiarise themselves with the new arrangements with Euroclear Bank, including the new voting deadlines and procedures.

Further information for CREST members with holdings of CDIs

Euroclear UK & Ireland Limited ("EUI"), the operator of the CREST system has arranged for voting instructions relating to the CDIs held in CREST to be received via a third-party service provider, Broadridge Financial Solutions Limited ("Broadridge"). Further details on this service are set out on the "All you need to know about SRD II in Euroclear UK & Ireland" webpage (see section CREST International Service – Proxy voting). CREST members can complete and submit proxy appointments (including voting instructions) electronically through Broadridge.

If you hold CDIs you will be required to make use of the Euroclear UK & Ireland proxy voting service facilitated on EUI's behalf by Broadridge Global Proxy Voting service in order to receive meeting announcements and send back voting instructions as required.

To facilitate client set up, if you hold CDIs and wish to participate in the proxy voting service, you will need to complete the following documentation: Meetings and Voting Client Set-up Form (CRT408).

Completed application forms should be returned to EUI by an authorised signatory with another relevant authorised signatory copied in for verification purposes using the following email address: eui.srd2@euroclear.com

Fully completed and returned applications forms will be shared with Broadridge by EUI. This will enable Broadridge to contact you and share further detailed information on the service offering and initiate the process for granting your access to the Broadridge platform. The voting service will process and deliver proxy voting instructions received from CREST members on the Broadridge voting deadline date to Euroclear Bank, by its cut-off and to agreed market requirements. The same voting options as described above for EB Participants will be available (i.e. electronic votes by means of chairman proxy appointments or appointing a third-party proxy).

Broadridge's voting deadline will be earlier than Euroclear Bank's voting instruction deadline as set out above. Broadridge will use best endeavours to accept late votes, changes and cancellations from a CDI holder after the voting deadline but there is no guarantee that these will be processed within the requisite timeframes. There is no facility to offer a letter of representation/appoint a corporate representative other than through the submission of third-party proxy appointment instructions.

CREST members with holdings of CDIs are strongly encouraged to familiarise themselves with the arrangements with Broadridge, including the voting deadlines and procedures and to take, as soon as possible, any further actions required by Broadridge before they can avail of this voting service.

Arkle Resources PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS

John Teeling (Chairman)
James Finn
David Cockbill

COMPANY SECRETARY

James Finn

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