

# Corcel Plc

## Annual Report and Accounts 2024

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# Strategic Report

## Company Information and Advisers

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### Directors

**Scott Gilbert**  
Executive Director  
**Geraldine Geraldo**  
Executive Director  
**Pradeep Kabra**  
Non-Executive Chairman  
**Yan Zhao**  
Non-Executive Director  
**Andrew Fairclough**  
Non-Executive Director

### All of

Corcel Plc  
(WeWork), 71-91 Aldwych House  
London WC2B 4HN

### Website

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

### Registered Company Number

05227458

### Secretary

AMBA Secretaries Limited  
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Reading, Berkshire RG6 1PT

### Registered Office

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### Nominated Adviser

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12<sup>th</sup> Floor, 125 Old Broad Street  
London  
EC2N 1AR

### Accountants

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3<sup>rd</sup> Floor, 14 Hanover Street  
London EC2A 4EB

### Tax Advisers

Cameron & Associates Limited  
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### Auditor

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London E14 4HD

### Broker

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12<sup>th</sup> Floor, London  
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TN14 6NJ

### Bankers

Coutts & Co  
440 Strand  
London WC2R 0QS

### Registrars

Share Registrars Limited  
The Courtyard  
17 West Street  
Farnham  
Surrey GU9 7DR  
Tel: 012 5282 1390

# Chairman and CEO Statements

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## Chairman's Statement

Dear Shareholders,

I am pleased to present Corcel Plc's Annual Report and Accounts for the financial year ending 30 June 2024. Our activities this year have set the path for a true transformation of Corcel, characterised by strategic realignment, commercial and operational milestones, and a strengthened commitment to delivering significant sustainable value for our stakeholders.

### Strategic and Operational Progress

In July 2023, with the acquisition of 90% of Atlas Petroleum Exploration Worldwide Ltd "APEX", we embarked on a strategic pivot, focusing our efforts on high-impact onshore oil and gas assets in Angola's Kwanza Basin, namely: operated Block KON-16 and non-operated blocks KON-11 and KON-12. The operator of KON-11, Angola's national oil company, Sonangol Pesquisa e Produção, S.A. ("Sonangol"), drilled two wells (TO-13 and TO-14) in the Tobias field during Q3 and Q4 of 2023. Both wells had oil shows indicating the presence of hydrocarbons in the field. Detailed work is currently being undertaken to assess the results and address the mechanical and performance issues faced during the testing of these two wells.

In our operated block KON-16, we initiated Geological and Geophysical "G&G" studies and conducted an Enhanced Full Tensor Gradiometry Survey ("eFTG") which was successfully acquired post year-end reporting during Q3, 2024, with processing ongoing. The eFTG is expected to provide highly accurate geophysical representations of critical information for developing a detailed exploration programme comprising of a 2D seismic acquisition programme and an exploration well to establish the shallow post-salt and deep pre-salt prospectivity of KON-16.

In April 2024, to recalibrate the strategic direction, Mr. Scott Gilbert (a co-founder of APEX) was appointed as interim CEO, bringing to the company extensive experience operating in Brazil and in Angola, complementing the experience of Ms. Geraldine Geraldo, Executive Director (also a co-founder of APEX). In July 2024, post year end reporting, Scott was appointed as permanent CEO and an Executive Director to the Board. The newly formed management team delivered the following key milestones:

- Increased our equity in KON-16 from 31.5% to 49.5%, underscoring our confidence in what we believe to be one of the most exciting blocks in the onshore Kwanza Basin with not only a post-salt potential, but a significant pre-salt potential as well (September 2024)
- Delivered critical G&G progress, including the completion of the eFTG survey for developing prospectivity in KON-16. (Q2-Q3 2024)
- Signed a collaboration agreement with a Brazilian oil field services company, which has resulted in our entry into the country through the option agreement (with minimal dilution to shareholders) for the acquisition of gas production from the Irai field, onshore Brazil. Our collaboration has enhanced our operational capacity in Brazil, and we are presently reviewing several promising production acquisition opportunities in the region. (July 2024)
- Strengthened the technical and operational team with the appointment of Chief Operating Officer, Richard Lane (November 2024)
- Secured new strategic investors with extensive experience in oil and gas in both Angola and Brazil (September 2024)
- Completed a full review and analysis of the mining portfolio paving the way for operations to recommence in 2025 (Q3 2024)

Corcel is now firmly established as an energy company with three verticals which intend to deliver a) significant upside through our Angola exploration assets, b) revenue from production through our entry into the Irai field and other potential acquisitions in Onshore Brazil, and c) continued exposure to rare earth and battery metals from our historical assets which are very much at the forefront of energy transition and global electrification trends.

## Financial Discipline and Fundraising

Financial resilience remains a cornerstone of our approach. In May 2024, we successfully raised £399,750 through equity issuances, reflecting continued investor confidence in our vision. These funds have been deployed strategically to advance our work programs in Angola, evaluate opportunities in Brazil, and support ongoing operational needs.

Prior to year end reporting, in June 2024, we raised a further £500,000 from strategic investors, again, reflecting investor confidence in the company and the management team. These modest raises were completed with the intention of minimising dilution to shareholders, yet enabled the company to deliver on several of its newly set strategic objectives.

In September 2024, the Company completed a fundraising of £1,220,000, which included the participation of several supportive long-term oil and gas investors.

We report during the period that the Group incurred a loss of £3.03 million (2023: loss of 1.26 million), primarily due to increases in administrative expenses £2.57 million (2023: £1.44 million) related to the expansion of the business and asset portfolio, and the impairment of £0.22 million to the Company's Canegrass project in Australia (2023: £nil). Project costs during the year held flat at £0.14 million (2023: £0.11 million) and finance costs fell to £0.13 million (2023: £0.45 million) reflecting the Company's transition to less expensive sources of capital.

## Governance and Leadership

This year, we undertook a governance refresh to better align with our evolving strategic priorities. I was honoured to assume the role of Non-Executive Chairman. The Company is supported by a talented Board and an excellent leadership team with deep expertise across oil and gas, finance and international markets. Together, we are committed to ensuring robust governance as a foundation for existing operations and our growth ambitions.

## Outlook and Future Plans

The upcoming year is poised to be one of great importance for Corcel.

Our key priorities for 2024-2025 include:

- o Advancing the exploration program on KON-16.
- o Building on our first acquisition, expanding our footprint in Brazil through strategic acquisitions targeting near-term production.
- o Strengthening partnerships and working closely with the Operator in Angola to maximize the value of KON-11 and KON-12.
- o Maximising value potential from our Battery Metals and Rare Earth assets.
- o Upholding financial prudence and operational efficiency to sustain progress.

We remain steadfast in our commitment to building a balanced portfolio of energy assets, combining near-term production with long-term exploration upside, while delivering sustainable value for our shareholders.

On behalf of the Board, I extend my deepest gratitude to our shareholders for their unwavering support, to our employees for their dedication, and to our partners for their collaboration. Together, we are forging a resilient and dynamic Corcel, poised to thrive in an evolving energy landscape.

Yours sincerely,



**Pradeep Kabra**  
Independent Non-Executive Chairman  
Corcel Plc

## CEO's Statement

Dear Shareholders,

I am delighted to provide the following statement which underscores a year where we have laid the foundation for an ambitious transformation of our company, emerging as a dynamic and resilient player in the energy sector. Our journey is characterised by a clear strategic vision, decisive actions, and an unwavering commitment to unlocking the immense potential of our asset portfolio across Angola, Brazil, and beyond, by investing and maturing our three verticals:

- **Exploration:** high-impact oil and gas post-salt and pre-salt exploration from the onshore Kwanza Basin in Angola
- **Production:** low-risk production from oil and gas fields onshore Brazil for near-term revenue generation
- **Energy Transition:** through the development of our Battery Metals asset portfolio.

### Operational Achievements and Strategic Momentum

2024 has been a pivotal year for Corcel. The acquisition of a 90% interest in APEX in June 2023 marked the beginning of a new chapter, enabling the business to pivot our focus toward high-impact, high-potential oil and gas assets in Angola's Kwanza Basin. In KON-16, our operated block, we made significant progress, including the completion of the Enhanced Full Tensor Gradiometry (eFTG) survey—an instrumental step in refining our exploration plans.

Additionally, our increased equity in KON-16 as disclosed in the Chairman's Statement underscores our confidence in this asset's transformative potential, particularly its pre-salt prospectivity. These advancements represent more than technical milestones; they signal Corcel's readiness to lead in unlocking the untapped value in Angola's onshore energy landscape.

Beyond Angola, we entered Brazil with a strategic collaboration, signing an option agreement to acquire gas production from the Irai field transaction (post year-end). This entry not only diversifies our portfolio but also establishes a beachhead for additional opportunities in a key market with significant near-term production potential.

### Financial Resilience and Strategic Investment

The financial discipline we have exercised has been instrumental in achieving key operational objectives while minimising shareholder dilution. With successful fundraisings, strategic partnerships, and a shift toward cost-effective capital, we have ensured Corcel's financial robustness even as we scale our ambitions.

The company's loss during the period reflects necessary investments in our people, processes, and portfolio. These expenditures, while initiated under previous management, are not merely costs but strategic steps toward Corcel's future—a future rooted in operational excellence, technical innovation, and long-term value creation. Since taking over as CEO after the year-end, I have prioritized exercising tight cost control and adopting a more disciplined approach to ensure that every investment aligns with our strategic objectives and drives sustainable value. This marks a shift toward greater financial prudence and accountability under my leadership.

### People and Partnerships: Driving Progress

At the core of our transformation is a talented team of experts, supported by strategic partnerships that amplify our operational capacity. The addition of a seasoned leadership team and our collaboration with partners in Angola and Brazil are critical enablers of our vision. We are building an organization that thrives on collective expertise, delivering impactful results with precision and accountability.

### Looking Ahead: The Road to 2025

Corcel is entering an era of execution. Our focus for the year ahead includes advancing exploration on KON-16, expanding our footprint in Brazil, and maximizing the value of KON-11 and KON-12 through close collaboration with Sonangol. Simultaneously, we will work to maximise value from our Battery Metals and Rare Earth assets to capture the opportunities presented by the energy transition.

As we execute on these priorities, we will remain uncompromising in our commitment to financial prudence, operational excellence, and stakeholder value. Corcel is poised to deliver a balanced portfolio that marries the immediacy of production revenues with the upside potential of long-term exploration.

**A Shared Vision for Success**

I am deeply grateful to our shareholders, to our employees, and our partners. Together, we are not just building a company—we are crafting a legacy of sustainable growth, innovation, and resilience in the energy sector.

Thank you for your support as we take bold steps toward realizing the full potential of Corcel Plc.

Yours sincerely,

*Scott R. Gilbert*

**Scott Gilbert**  
Chief Executive Officer  
Corcel Plc

# Strategic Review

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## Overview of the Business

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

## Business Strategy

The Group seeks to become a significant player in onshore Angola, by participating in the reactivation of the Kwanza Basin, which has been dormant since the 1990s. Concurrently, the Company is exploring oil and gas transactions in onshore Brazil, where it has established a working relationship with a Brazilian oilfield services company during the summer of 2024.

The Group recognizes that a global energy transition is underway, but believes that hydrocarbons will remain an important element of the energy mix for many years.

## Principal Risks and Risk Management

Oil and gas exploration and development is inherently high-risk, with multiple identified risks outlined below:

**Health, Safety, and Environment (HSE):** The complexity and physical nature of oil and gas exploration, development, and production activities pose significant HSE risks. These include major accidents, personal health and safety issues, regulatory compliance, and potential environmental harm. The Group is committed to ensuring the safety of its employees, contractors, and consultants, and strives to minimize its environmental impact wherever possible. The Group looks to strengthen its health and safety protocols, to promote a safety first culture, to enhance environmental management, compliance and monitoring, and to utilize technological innovations where appropriate.

**Exploration, Development, and Production:** The Group's success hinges on its ability to increase production from existing and future assets and create value through exploration activities across its portfolio, alongside selective acquisitions to expand its asset base. The Group leverages both internal and external technical expertise to support exploration and appraisal activities, maximizing the chances of success.

**Reserves and Resources:** Estimating oil and gas reserves and resources involves a high degree of subjective judgment based on available geological, technical, and economic information. The Group boasts a strong team with expertise in subsurface and reservoir analysis, as well as drilling and well engineering. The Group employs technical experts with industry-standard qualifications and experience to operate its assets and collaborate closely with operators where necessary.

**Portfolio Concentration:** The Group's exploration and appraisal assets are currently concentrated in the Kwanza Basin, onshore Angola. This concentration of risk in a single jurisdiction and basin with broadly similar geology across the Blocks is a concern. The Group is actively seeking to diversify its asset base, potentially including opportunities in Brazil and other areas of Angola.

**Technical and Operational Risk:** Technical challenges such as drilling complications, equipment failure, and subsurface uncertainties can disrupt operations. Advanced technologies are often employed to mitigate these risks, but unexpected technical issues can still impact project timelines and costs.

**Regulatory and Legal Risk:** Oil and gas companies operate under stringent regulatory frameworks that vary across jurisdictions. Changes in environmental laws, taxation, or licensing requirements can impose additional costs or restrict activities. Non-compliance with regulations can lead to fines, operational shutdowns, or revocation of licenses. The Group seeks to minimize these risks by employing regulatory monitoring, training and awareness as well as through communication with relevant authorities, participation in policy discussions, and local partnerships.

**Financing Risk:** Oil and gas development and production activity are capital intensive. The Group currently generates no cash from operations and relies on investment capital to move the business forward. Ongoing access to funding from investors and the capital markets remains critical the Group's development. The Group seeks to minimize this risk by cultivating high-quality industry specific investors, who will provide capital repeatedly over time as part of a longer-term investment strategy. This helps insulate the group from market conditions and the issues associated with short term capital sources.

**Supply Chain and Logistical Risk:** Oil and gas development often involves complex supply chains and logistics, especially in remote locations. Supply chain disruptions, delays, or cost escalations in essential materials or equipment can slow down projects and inflate operational expenses. The Company seeks to mitigate these risks through diversification of suppliers, performance monitoring, inventory management as well as conducting geographic risk assessments where appropriate.

**Climate Change and Transition Risk:** As the global focus shifts towards renewable energy, oil and gas companies face increasing pressure to reduce carbon emissions. Climate change policies, carbon pricing, and environmental activism may reduce demand for fossil fuels and impact the long-term viability of hydrocarbon assets. Transitioning to lower-carbon operations may also require significant capital investments. The Company seeks to mitigate these risks by investing in transitional energy sources such as natural gas, alongside more traditional oil exploration and development activities.

**Bribery and corruption:** There is a risk that third parties or staff could engage in corrupt or questionable practices. Transparency International's rankings place Angola at 116 out of 180 countries with a score of 33 out of 100 points on their 2022 Corruption Perceptions Index. The Group enforces a zero-tolerance policy towards bribery and corruption and has an established anti-bribery and corruption (ABC) policy. All new hires are required to complete an online certificated course to understand ABC and how to handle potential situations in their workplaces.

**Commodity prices:** The Group faces commodity price risk regarding the valuation of future hydrocarbon reserves. As the Group is not yet in production and does not currently have reserves, the Directors consider this risk relatively minimal at present. While longer term commodity prices may affect access to capital and therefore the Group's ability to access capital, currently the Group does not actively utilize financial hedging, but will determine when it is relevant to do so. The Group also seeks to have some diversity of commodity exposure to minimize the risk of any one commodity it is exposed to.

**Fiscal and political:** The Group's operations are located in Angola and Brazil with legacy assets in Australia, exposing the Group to fiscal and political risks in all these countries. In Angola, the Group employs a Managing Director and several employees with extensive experience in the country. The Group monitors political risks and developments in Angola to assess their potential impact on operations and engages with relevant governments, ministries, agencies, and the state-owned oil and gas company to mitigate these risks. In Australia, the Group monitors costs denominated in Australian Dollars and seeks to mitigate risks through the pre-purchase of Australian Dollars as appropriate for the current scale of operations. In Brazil, the Group announced an initial investment on 18 November 2024 and will look at ways to ameliorate these risks in Brazil in due course.

#### Internal Controls & Risk Management

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

### Key Performance Indicators (KPIs)

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

Key Performance Indicators	2024 £'000	2023 £'000
Cash Balance	268	257
Current Assets	1,185	1,011
Net Working Capital	(3,923)	39
Total Assets	12,055	6,833

### Corporate Responsibility

Corcel aims to be socially and environmentally responsible, following and exceeding standards set for exploration and investment companies around the world. The Group expects to develop a formal Corporate Social Responsibility policy in due course.

## Governance

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

## Analysis by Gender

Category	Male	Female
Directors	4	1
Other Employees	2	3

## Employees and Employee Development

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

## Diversity and Inclusion

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

## Health and Safety

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

## Section 172 Statement

The Directors of Corcel Plc recognize their duty to promote the success of The Group for the benefit of its members as a whole, as outlined under Section 172 of the Companies Act 2006. In fulfilling this duty, the Directors consider the interests of our stakeholders, including shareholders, employees, customers, suppliers, the communities in which we operate, and the environment. The following statement describes how the Board has taken these factors into account in its decision-making.

### Long-Term Decision-Making

The Board is committed to ensuring that Corcel Plc is positioned for sustainable, long-term success. In line with our strategy, we evaluate each decision's impact on the Group's growth, resilience, and ability to deliver value over time. Key decisions during 2024, as announced following the reporting date of these financial statements, such as a focus on Brazil were made with careful consideration of their long-term impact on our operational and financial performance.

### Employee Wellbeing and Development

Our employees are integral to our success. This year, we continued to invest in their health, safety, and professional development. The Board regularly seeks feedback from employees to ensure that we foster an inclusive and supportive workplace, aligned with our commitment to attracting and retaining top talent.

### Stakeholder Engagement

The Board values open and constructive dialogue with our stakeholders. We engage regularly with our shareholders, customers, suppliers, and other key stakeholders through investor presentations and events,

question and answer sessions, and responses to social media and e-mails. This feedback informs our strategies and supports our commitment to responsible, transparent governance.

- **Shareholders:** We engage closely with our investors to understand their views and to communicate our progress and strategic goals. The Board is committed to clear, transparent communication and provides regular updates on financial performance and operational developments.
- **Local Communities:** We recognise our responsibility to the communities where we operate.

#### **Environmental Impact and Sustainability**

The Board is committed to minimising our environmental impact and advancing sustainability. Our goal is to operate responsibly and to make a positive contribution toward global sustainability goals.

#### **High Standards of Business Conduct**

Upholding high ethical standards is fundamental to our business. The Group has established policies to ensure compliance with laws, regulations, and industry standards. This includes a zero-tolerance approach to bribery and corruption, supported by our Anti-Bribery and Corruption (ABC) policy. We require all employees and partners to complete regular training on ethical conduct and compliance standards.

#### **Risk Management and Resilience**

The Board has a structured approach to risk management that involves regularly identifying, assessing, and mitigating potential risks to the business. Our risk management framework is designed to protect the Group's assets, maintain operational stability, and support long-term growth.

#### **Conclusion**

In all our actions, the Directors strive to balance the interests of our stakeholders, ensuring that decisions are made in the best interest of the Group and with consideration of the broader social, environmental, and economic impacts. Through thoughtful governance and engagement, we aim to achieve sustainable success and uphold our responsibilities to stakeholders.

## **Decision Making and Implementation**

The Board is collectively responsible for the decisions made towards the long-term success of The Group and how the strategic, operational and risk management decisions have been implemented throughout the business is detailed in this Strategic Review on pages 7 to 11.

## **Employee Engagement**

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

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

## **Suppliers, Customers and Regulatory Authorities**

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

## **Community and Environment**

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

Corcel is committed to sustainable natural resource investment and development worldwide and recognises a responsibility to protect the environments in which it operates. The Group seeks to manage and mitigate environmental risks as well as to minimise the overall impact of our operations on the people and countries in which we operate. The Board encourages that good relations are cultivated with local governments and communities, aiming to better understand

various parties' aspirations and ensure that the Group's business activities are compliant not only with local and global laws, including environmental laws, but also where possible take account of local expectations and priorities.

## **Maintaining High Standards of Business Conduct**

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

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

## **Shareholder Engagement**

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

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

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

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

*Scott R. Gilbert*

**Scott Gilbert**  
**Executive Director**  
**13 December 2024**

# Governance

## Chairman's Corporate Governance Statement

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On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 30 June 2024. We at Corcel believe that having a solid corporate governance structure throughout the business is a vital factor in achieving our strategic goals and creating value for our shareholders. The Board is committed to maintaining high standards of corporate governance and in this it is guided by the Quoted Companies Alliance's Corporate Governance Code (the "QCA Code"). The Directors believe the QCA Code to be the most appropriately recognised corporate governance code for The Group to adhere to. During the year under review, the Board continued to strive to uphold the principles of the QCA Code across the business.

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

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

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

During 2023-2024 Corcel has seen a number of changes to the Board. Antoine Karam was appointed Non-Executive Chairman of the Company in June 2023. Shortly thereafter he assumed the role of Interim Executive Chairman when James Parsons stepped down as Chief Executive Officer on 19 July 2023.

Geraldine Geraldo, Andrew Fairclough and Pradeep Kabra joined the Board in December 2023, as Chief Commercial Strategy Officer and Independent Non-Executive Directors respectively. At that time Ewen Ainsworth stepped down as Independent Non-Executive Director of the Company. Scott Gilbert was appointed as Chief Executive Officer on 18 September 2024.

Andrew Fairclough was appointed Non-Executive Chairman during July 2024 at which point Antoine Karam assumed the role of Non-Executive Director, following which Mr Karam stepped down from the Board in November 2024.

Most recently in November 2024 Pradeep Kabra took over as Non-Executive Chairman from Andrew Fairclough, who returned to an Independent Non-Executive Director position.

The Board is acutely aware of the significant changes to the roles and composition of the Board over the last twelve months and now looks ahead to the financial year 2024-2025 as a year of stability for the Board to provide a solid platform in which to grow the business and build upon the foundations established within Angola and Brazil during the past twelve months.

The Board currently complies with the 2018 QCA Code and will be looking to adopt the 2023 QCA Code over the coming months, which will be reported in the annual report and accounts for the year ended 30 June 2025.



**Pradeep Kabra**  
Non-Executive Chairman  
13 December 2024

## QCA Code 2018 Principles

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

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

<b>Principle</b>	<b>Corcel's Application</b>
Establish a strategy and business model, which promote long-term value for shareholders	<p>Corcel follows a medium to long-term corporate strategy, with the objective of identifying and developing natural resource investments, with attractive risk weighted return profiles. The Group has embarked on early-stage exploration projects with higher risk and larger upside as well as more mature and conservative investments with near-term cash flow potential, exploring the potential leveraging of its existing portfolio of nickel-cobalt assets through exposure to the ongoing revolution in batteries and energy storage technologies. The Group seeks to grow its business and make acquisitions and disposals to crystallise gains and enhance shareholder value.</p> <p>The Group's Business Model and Strategy is detailed on pages 7 to 11 of the Strategic Review.</p>
Seek to understand and meet shareholder needs and expectations	<p>The Group seeks to understand the varied needs and expectations of its shareholders and recognises that in order to ensure a good match between the shareholder profile and the Group's Business Model and the plans for implementation of that model, it needs to manage shareholder communications clearly regarding expectations and timelines. This is achieved by giving regular updates on developments via RNS announcements, X (previously Twitter) service, Company interviews and meetings, both informal and formal, in order to serve the needs of private and institutional investors as well as analysts.</p> <p>The Group also engages with shareholders and prospective investors via the Annual General Meeting and various physical and virtual presentations.</p>
Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>Corcel recognises its duties to stakeholders, including employees, whether at the parent company or joint venture level, and investment level business partners, consultants and contractors as well as suppliers, service providers and regulators. The Group strives to be a responsible corporate citizen in all its territories of operation and has established a range of processes and systems to ensure that there is ongoing two-way communication, control and feedback processes in place to enable appropriate and timely responses to stakeholder needs interests and expectations.</p>
Embed effective risk management, considering both opportunities and threats throughout the organisation	<p>The Group continues to build an effective risk management framework, which identifies the risks to which the Group has been or could be exposed. The Audit Committee oversees the Group's financial reporting, including accounting policies and internal financial controls and is responsible for ensuring that the financial performance of the Group is properly monitored and reported to the Board.</p> <p>Details on principal risks and internal controls established for Risk management are set out on pages 7 to 11 of the Strategic Review.</p>

# QCA Code 2018 Principles

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continued

## Principle

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

## Corcel's Application

The QCA Code requires that the boards of AIM companies have an appropriate balance between Executive and Non-Executive Directors. The QCA Code further states that at least two of the non-executive directors should be independent. As a result, the Board currently comprises of five Directors with a 3:2 balance of Non-Executive Directors and Executive Directors. Andrew Fairclough and Pradeep Kabra are the Independent Directors on the Board. The Chair of the Board is an Independent Non-Executive Director.

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

The Board meets as regularly as necessary and also has established an Audit Committee and a Remuneration Committee to provide support in these specific areas. The attendance of the Board and Committee meetings are set out in on page 17 of the Annual Report.

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

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

The Board consists of five Directors: two Executive and three Non-Executives and the Group believes that there is a strong balance of resource sector, technical, financial, accounting, legal and public markets skills. The profiles of the Board of Directors are included on page 16 of the Annual Report.

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

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

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# QCA Code 2018 Principles

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continued

## Principle

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

## Corcel's Application

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

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

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

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

The Group's governance structure, including matters reserved for the Board, is set out on pages 17 to 18 of the Annual Report.

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

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

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

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## Board of Directors

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### **Pradeep Kabra**

*Independent Non-Executive Chair*

- Over 35 years of oil and gas experience in nearly all facets of the upstream oil and gas sector
- Currently serves as the MD of Ojas Consulting SA, based in Geneva, providing oil and gas technical, strategic, financial and investment banking services across Asia, Africa and the Middle East
- Previously was the CEO and Director of ShaMaran Petroleum Corporation, listed on the TSX-V in Toronto and NASDAQ First North Growth Market in Stockholm, which conducted oil exploration and development helping open up the Kurdistan region of Iraq
- Prior to this he held various positions in the industry with Addax Petroleum, Petro Canada and Lundin Oil

### **Scott Gilbert**

*Chief Executive Officer*

- Over 15 years of international experience across oil and gas sector – with most of his career spent in Africa and Latin America
- Started his career working as an engineer at Halliburton and later progressed to commercial and executive roles, where he led Weatherford's business in Angola and East Africa
- As an investor and entrepreneur, Scott has founded and invested in businesses in the oil and gas sector, thus bringing to Corcel extensive experience in deal origination and M&A
- BEng in Electronics and Electrical Engineering from the Robert Gordon University in Aberdeen.

### **Geraldine Geraldo**

*Chief Commercial and Strategy Officer and Executive Director*

- Over 15 years of experience in the oil and gas sector with deep commercial experience operating in Angola and internationally
- Has held multiple positions with Chevron in the USA and in Angola in business development and the legal sectors
- An entrepreneur and the founder of multiple businesses in Angola in the energy and other spaces
- Originally trained as a lawyer

### **Yan Zhao**

*Non-Executive Director*

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

### **Andrew Fairclough**

*Independent Non-Executive Director*

- Andrew has over 29 years of finance and oil and gas experience, and is currently the CFO of Jadestone Energy Plc, an independent oil and gas company focused on the Asia-Pacific region
- Previously was CFO of Serinus Energy plc, an AIM and WSE listed oil and gas production company with assets in Tunisia and Romania and CFO of Whalsay Energy Limited, a UKCS oil and gas appraisal and development company
- Prior to this Mr. Fairclough was an investment banker with extensive experience in M&A and capital markets, predominantly at Flemings, Rothschild and Merrill Lynch

# Corporate Governance Framework

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## Role of the Board

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

## Responsibilities of the Board

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

## Board of Directors

The Board of Directors currently comprises five Directors.

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

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

## Board Meetings

The Board meets regularly throughout the year. During the year ended 30 June 2024, the Board had 23 Board meetings.

## Board Meeting Attendance

The Directors' attendance at scheduled and ad hoc Board meetings and Board Committees during the year ended 30 June 2024 is detailed in the table below:

Director	Board Meetings (23)	Audit Committee Meetings (3)	Remuneration Committee Meetings (1)
Antoine Karam (appointed 13 June 2023)	23	-	-
Geraldine Geraldo (iv)	14	-	-
Andrew Fairclough (iii)	14	1	1
Pradeep Kabra (v)	13	-	-
Yan Zhao (appointed 13 June 2023)	19	3	1
James Parsons(i)	-	-	-
Ewen Ainsworth(ii)	8	2	1
<b>Total meetings</b>		<b>3</b>	<b>1</b>

(i) James Parsons resigned on 19 July 2023

(ii) Ewen Ainsworth resigned on 22 December 2023

(iii) Andrew Fairclough appointed on 22 December 2023

(iv) Geraldine Geraldo appointed on 22 December 2023

(v) Pradeep Kabra appointed on 22 December 2023

## Matters Reserved for the Board

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

## Board Activities 2023-24

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

### 2023-24 Board Activities

- Drilled two wells in Block KON-11, Kwanza Basin, onshore Angola
- Advanced exploration and development programmes on Blocks KON-12 and KON-16
- Completed Board restructuring to better reflect revised oil and gas centric strategy
- Expanded Company's focus to include oil and gas assets located onshore Brazil

### 2024-25 Board Focus

- Complete IRAI field workovers in Brazil and determine option execution
- Advance KON-16 development program to bring prospects to drill ready status
- Consider additional transactions in Brazil focused on adding production
- Consolidate position in onshore Angola
- Work with block partners to further develop KON-11 and KON-12
- Develop value of battery metals projects

## Board Committees

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

### Audit Committee

The Audit Committee considers the Group's financial reporting, including accounting policies, and internal financial controls. It is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Audit Committee meets at least twice a year, once with the auditors, and is comprised of Andrew Fairclough Non-Executive Director as Chairman and Yan Zhao, Non-Executive Director. The Auditors and other personnel attend the Committee as requested by the Committee.

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

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

### Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on Executive Directors' remuneration. It currently comprises Yan Zhao, Non-Executive Director as Chairman, and Andrew Fairclough, Non-Executive Director. The Executive Directors and other senior personnel attend meetings as requested by the Committee, which meets at least once a year. The Remuneration Committee considers the performance of the Executive Directors in line with those targets set at the beginning of the year within the Company's scorecard.

During the past year, the Remuneration Committee met once. Consideration was given to Board composition, option awards and Executive remuneration packages including and any related bonus awards for the executives.

### ESG Committee

In 2023-2024, the ESG Committee continued to drive our commitment to sustainable and responsible business practices. Our focus on Environmental, Social, and Governance ("ESG") principles remains integral to our strategy, ensuring that we create long-term value for our shareholders while positively impacting the communities we serve and the environment.

**Environmental Initiatives:**

- Our commitment to the energy transition to renewable energy sources continued throughout the year with investment into our mining portfolio:
  - Mt Weld, refreshed review of the drilling results from the 2023 drilling campaign. New focus on the identified ionic adsorption clay deposits with elevated REE's at shallow depths. 2025 activities under planning and consideration.
  - KON 16, undertook site visit with National Biodiversity Institute in 2024 to block KON 16 to determine how demining and seismic can be conducted in 2025 without environmental impact. Planning kicked off for Environment Impact Assessment. Also undertook eFTG survey critical to selection of seismic location to ensure minimal impact to the environment with seismic acquisition. Seismic planning conducted 2024 focusing on engaging companies such as Stryde, with nodal system, to minimize environmental footprint.
  - KON 11 and KON 12, focused on working with Operator to monitor environmental impact. Zero recordable incidents.
  - 2023-2024 company adopted revised comprehensive HSE Policy, appropriate for expanded portfolio, including environmental consideration.
  - Environmental due diligence has also been incorporated in Business Development process. Q2 2024, site visit was conducted to onshore Brazil acreage to complete DD.

**Social Responsibility:**

- We have continued to invest in our workforce, providing comprehensive training programs and promoting diversity and inclusion at all levels of the organization.
- Our community engagement initiatives have expanded. In 2024, a scouting trip was conducted to the operated KON 16. 1<sup>st</sup> Company meeting with local community and community leaders completed. Expected company contribution in 2024-2025 is additional demining of block KON 16 area, which will increase security of the community.

**Governance:**

- We have reinforced our governance framework to ensure transparency, accountability, and ethical conduct in all our business dealings.
- The implementation of robust internal controls and compliance measures has been a priority, safeguarding the interests of our stakeholders.
- Comprehensive review of all internal policies commenced April 2024. In progress.

**Meetings:**

- 1 held in April 2024

# Directors' Report

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The Directors present their Annual Report on the affairs of the Corcel Plc (the "Company") and its subsidiaries (the "Group"), together with the Group Financial Statements for the year ended 30 June 2024.

## Principal Activities

The Company was incorporated for the purpose of pursuing the development of and investment in mineral exploration projects and more recently has moved to Angola and Brazil focused oil and gas appraisal and development. The Company's current portfolio includes several interests in onshore Angola, in the Kwanza Basin, as well as legacy battery metals projects in Western Australia and Papua New Guinea.

## Strategic Report

The Company is required by the Companies Act 2006 to include a Strategic Report in its Annual Report. The information that fulfils this requirement can be found in the Annual Report on pages 2 to 11.

## Business Review and Future Developments

The business review and future developments are dealt with in the Chairman's Statement and in the Strategic Review on pages 3 to 11.

## Fundraising and Share Capital

During the year, cash of £1.8 million (2023: £1.5 million) gross before deducting any associated transaction costs, was raised by the issue of new equity, comprising new ordinary shares of 1,113,918,531 (2023: 903,503,689), and attached warrants totalling 291,052,900 (2023: 444,582,214); further details are given in Note 16.

## Results and Dividends

The Group's results are set out in the Group Income Statement on page 33. The audited Financial Statements for the year ended 30 June 2024 are set out on pages 33 to 76. The Group made a loss after taxation of £3.03million (2023: loss of £1.26 million) with the increase on the prior year driven largely by the costs associated with operating an expanded group, inclusive of operations in Angola, which had only been acquired at the end of the prior year. The Directors do not recommend the payment of a dividend (2023: nil).

## Directors

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

	Appointed	Resigned
Andrew Fairclough	22.12.2023	
Scott Gilbert	18.09.2024	
Geraldine Geraldo	22.12.2023	
Yan Zhao	13.06.2023	
Pradeep Kabra	22.12.2023	
Antoine Karam	13.06.2023	03.11.2024
Ewen Ainsworth	24.06.2019	22.12.2023
James Parsons	23.12.2019	19.07.2023

The interests of the Board in the shares of the Group as at 30 June 2024 were as follows:

	Ordinary shares	As percentage of issued share capital	Options	Warrants
Andrew Fairclough	-	-	-	-
Geraldine Geraldo	79,175,000	3.22%	31,490,580	-
Antione Karam	239,199,761	9.73%	125,962,320	94,996,305

Yan Zhao	38,833,333	1.58%	-	-
Pradeep Kabra	-	-	31,490,580	-

The interests of the Board in the shares of the Group as at 10 December 2024 were as follows:

	Ordinary shares	As percentage of issued share capital	Options	Warrants
Andrew Fairclough	-	-	-	-
Geraldine Geraldo	79,175,000	2.12%	31,490,580	-
Scott Gilbert	25,000,000	0.67%	31,490,580	-
Yan Zhao	38,833,333	1.04%	-	-
Pradeep Kabra	-	-	31,490,580	-

## Substantial Shareholdings

On 30 June 2024, the following were registered as being interested in 3% or more of the Group's Ordinary share capital:

	Ordinary shares of £0.0001 each	Percentage of issued share capital
Fiske Nominees Limited – Designation FISKPOOL*	359,147,004	14.61%
Securities Services Nominees Limited – Designation 2276220*	350,000,000	14.24%
Interactive Brokers LLC – Designation IBLLC2	323,480,342	13.16%
Pershing Nominees Limited – Designation SHCLT*	179,408,021	7.30%
Interactive Brokers LLC – Designation IBLLCR	150,000,000	6.10%
Vidacos Nominees Limited – Designation FGN*	116,501,742	4.74%
Hargreaves Lansdown (Nominees) Limited – Designation 15942*	96,016,781	3.91%

\*Client accounts

## Management Incentives

In the year to 30 June 2024, the Company has granted 307,033,155 options over its ordinary shares (2023: Nil). As at 30 June 2024, 333,720,567 options were outstanding (2023: 26,687,412).

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

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

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

## Directors' Remuneration

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

Fees paid to each Director, for the year ended 30 June 2024, are set out in Note 8 to the Financial Statements. The Company offers a fixed remuneration package, including salary and pension. In addition, there is a discretionary bonus award and share options awards. The contract of the Non-Executive Chairman contains a three-month notice period.

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

## Corporate Governance Statement and QCA Code

Corporate Governance Statement and QCA Corporate Governance principles are set out in the Annual Report on pages 12 to 15.

## Control Procedures

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

## Environmental Responsibility

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

## Employment Policies

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

## Diversity and Equality

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

## Health and Safety

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

## Other Matters

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

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

## Going Concern

It is the prime responsibility and requirement of the Board to prepare the Group and the Company Financial Statements on a going concern basis, unless inappropriate to assume the Group will continue in business. At 30 June 2024, the Group had cash and cash equivalents of £0.3m (2023: £0.3m) and £1.3m of borrowings (2023: £0.6). The Group has nil revenues.

The Directors note the necessity, given the limited cash resources currently held by the Group, that additional funding be raised in the near term to meet the ongoing spending projections and working capital requirements of the business. This would most likely be through equity and/or debt issuances in Q1 2025 with, dependent on the quantum of near term funding raised, further resources required to be secured in the first quarter of 2025. Whilst the Directors remain confident that funding will be secured as and when required to continue to progress the Group's projects and meet its obligations, there can be no certainty that the Company will be able to secure the necessary funding when required. Consequently, there exists a material uncertainty over the application of the going concern principle. See note 1.2 to these financial statements for further details.

Having considered the prepared cashflow forecasts and the Group budget, expected operational costs and the continued support of the Company's suppliers and shareholders, the Directors consider that they will have access to adequate resources in the 12 months from the date of the signing of these Financial Statements. As a result, they consider it appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements.

Should the Group be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities, which might arise, and to classify non-current assets as current. The Financial Statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern. Notwithstanding the confidence and historical track record of the board and Company in raising funding as and when required, there can be no certainty that the Company will be successful in raising the additional funding necessary to continue to meet its obligations as and when they fall due. Consequently, a material uncertainty exists, which may cast significant doubt on the Group and the Company's ability to act as a going concern.

## Events After the Reporting Period

Events after the reporting period are set out in Note 26 to the Financial Statements.

## Independent Auditors

PKF Littlejohn LLP, the independent auditors of the Company financial statements, have confirmed their independence and willingness to be reappointed for the coming year. A resolution confirming their reappointment and authorising the Board to fix their remuneration will be tabled at the Company's next annual general meeting.

## Disclosure of Information to Auditors

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

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

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

By order of the Board

*Scott R. Gilbert*

**Scott Gilbert**  
**Executive Director**  
**13 December 2024**

## Statement of Directors' Responsibilities

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

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

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

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

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

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

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

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

We confirm that to the best of our knowledge:

1. The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
2. The Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

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

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## Opinion

We have audited the financial statements of Corcel Plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 June 2024 which comprise the Consolidated and Company Statements of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the Group and Company are reliant on raising additional funding in order to meet commitments as they fall due, including working capital requirements and funding of agreed work programmes. As stated in Note 1.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

- consideration of the objectives, policies and processes in managing its working capital;
- reviewing the cash flow forecasts for the ensuing twelve months from the date of approval of these financial statements and critically analysing the key inputs and assumptions used;
- reviewing the stress testing performed by management for reasonableness;
- obtaining an understanding of committed spend versus spend that can be deferred if needed, and how management is able to cut back costs should it be needed to preserve cashflow in the short term;
- reconciling the opening bank balance as per the cashflow forecast to the bank statements at the beginning of December 2024;
- reviewing management's going concern memorandum and holding discussions with management regarding future plans and availability of funding;
- reviewing the adequacy and completeness of disclosures in the Group and Company financial statements; and
- reviewing post balance sheet events as they relate to the Group's and Company's ability to raise funds.

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

## Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as a magnitude of misstatement, including omission, that makes it probable that the economic decisions of a reasonably

knowledgeable person, relying on the financial statements, would be changed or influenced. We have also considered those misstatements including omissions that would be material by nature and would impact the economic decisions of a reasonably knowledgeable person based on our understanding of the business, industry and complexity involved.

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

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

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

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

Materiality for the Group financial statements was set at £181,000 (2023: £172,400). This was calculated at 3% of net assets (2023: 3% of net assets). Using our professional judgement, we have determined this to be the principal benchmark within the Group financial statements as it is from these net assets that the Group seeks to deliver returns for shareholders, in particular the value of exploration and development projects the Group is interested in through its subsidiaries, mining tenements and joint venture.

Materiality for the significant components of the Group ranged from £91,500 to £180,000 (2023: £87,600 to £171,000) calculated as a percentage of net assets.

Performance materiality for the Group financial statements was set at £126,700 (2023: £120,600) being 70% (2023: 70%) of materiality for the Group financial statements as a whole.

Materiality and performance materiality for the Company was set at £180,000 (2023: £171,000) and £126,000 (2023: £119,700) respectively.

The materiality and performance materiality for the significant components, including the Company, are calculated on the same factors as Group materiality and performance materiality.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £9,050 (2023: £8,600) for the Group and for the Company a value in excess of £9,000 (2023: £8,500). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

## **Our approach to the audit**

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

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

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

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

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

## 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.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matter	How our scope addressed this matter
<p><b>Carrying value of investments in subsidiaries and receivables from subsidiary (Company only) (Notes 10 and 13)</b></p> <p>Investments in subsidiaries and receivables from subsidiaries are significant balances in the financial statements.</p> <p><u>Investments:</u></p> <p>The Company holds a 90% interest in Atlas Petroleum Exploration Worldwide Ltd (carrying value of £966,000) and a 100% interest in Corcel Australasia (carrying value of £1,014,000).</p> <p><u>Receivable balance:</u></p> <p>The Company currently has outstanding receivables due of £3,882,000 from subsidiary Atlas Petroleum Exploration Worldwide Ltd.</p> <p>As at 30 June 2024, these assets have material value in the financial statements.</p> <p>Given the losses in these entities and uncertainty around the development as the projects are in early stages of development, there is a risk that these balances may be impaired. As determining the recoverability involves a high degree of management estimate and judgement, this is considered to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Obtaining relevant documentation relating to the ownership of investments at the year end;</li> <li>• Reviewing management's assessment of recoverability of investments in subsidiaries and receivable from subsidiary, including challenging and corroborating key assumptions made therein;</li> <li>• Consideration of the recoverability of these balances by reference to underlying net asset values, including the recoverability potential of the underlying projects where applicable;</li> <li>• Obtaining and reviewing any relevant agreements relating to investments (including shareholder agreements and licence agreements) to ensure all terms were complied with;</li> <li>• Review of Board minutes and Regulatory News Service (RNS) announcements to identify potential indicators of impairment to these assets; and</li> <li>• Considering the appropriateness of disclosures included in the financial statements.</li> </ul>
<p><b>Carrying value of exploration and evaluation assets (Group) (Note 21)</b></p> <p>The exploration and evaluation asset represents a significant balance in the Group's financial statements. There is the risk that this amount is impaired and the capitalised amounts do not meet the recognition criteria as adopted by the Group. The capitalisation of the costs and determination of the recoverability of these assets are subject to a high degree of management estimation and judgement and therefore there is a risk this balance is materially misstated. Given the level of</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Confirming that the Group has good title to the projects through inspection of relevant licenses, contracts and agreements;</li> <li>• Testing a sample of costs capitalised including considerations of their appropriateness for capitalisation in accordance with <i>IFRS 6- Exploration for and Evaluation of Mineral Resources</i> and the Group's accounting policy;</li> </ul>

<p>judgement involved, this is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Reviewing management's impairment assessment in respect of the carrying value, including <i>challenging and obtaining corroborating evidence</i> for key assumptions used;</li> <li>• Performing independent assessment of the existence of impairment indicators as required by IFRS 6; and</li> <li>• Considering the appropriateness of disclosures included in the financial statements.</li> </ul>
<p><b>Accounting treatment and recoverability of assets held for sale (Group and Company) (Notes 1.5 and 22)</b></p> <p>The Group and Company hold a 41% interest in JV Company Oro Nickel Ltd. The sale agreement was entered into with the Buyer in October 2023 subject to completion terms. This was treated as an asset held for sale in the previous year in accordance with <i>IFRS 5 Non-current assets held for Sale and Discontinued operations</i>.</p> <p>The sale transaction could not be completed in the current year due to a dispute raised by the JV partner in relation to <i>pre-emption rights on the sale of the interest</i>.</p> <p>At the year end, £3,000,000 (Company) and £2,975,000 (Group) have been classified as Assets held for sale in relation to the Group's and Company's investment in the JV, made up of equity investment and loan balance. This balance is material to the financial statements.</p> <p>There is a risk that the balances relating to the Group's and Company's interest in Oro Nickel are inappropriately classified as Assets held for sale and, further, that the carrying value is not held at the lower of carrying value and fair value less costs to sell as required by IFRS 5. Given the significance of these balances to the financial statements, we have considered this to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Obtaining the agreements signed in the disposal process and reviewing the terms and conditions of the disposal;</li> <li>• Agreeing the consideration received or receivable to the underlying calculations, agreements and other relevant supporting documentation;</li> <li>• Obtaining an understanding of progress made during the year and the appropriateness of classification of the relevant assets as held for sale in accordance with IFRS 5;</li> <li>• Reviewing RNS announcements and Board minutes, as well as holding discussions with management, to understand the latest position with regard to the planned disposal and related dispute raised by the partner;</li> <li>• Holding discussions with the Company's external lawyer with regard to the dispute raised by the JV partner to understand the status of the claim and current proceedings;</li> <li>• <i>Independently considering indications that the carrying value of the related IFRS 5 assets may need to be written down to fair value; and</i></li> <li>• Considering the appropriateness of disclosures included in the financial statements.</li> </ul>

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the Group and Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## Matters on which we are required to report by exception

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

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

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

## Responsibilities of directors

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the Group and Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management. We also selected a specific audit team based on experience with auditing entities within this industry facing similar audit and business risks.
- We determined the principal laws and regulations relevant to the Group and Company in this regard to be those arising from:
  - AIM Rules;
  - QCA Corporate Governance Code;
  - UK Companies Act 2006;
  - UK-adopted international accounting standards;

- UK employment law;
- UK tax legislation;
- General Data Protection Regulations;
- Anti-Bribery Act;
- Anti-Money Laundering Regulations; and
- Local environmental and exploration regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - A review of Board minutes;
  - A review of legal and professional ledger accounts; and
  - A review of Regulatory News Service Announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. Other than the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias (Refer to the Key Audit Matter section); and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Our review of non-compliance with laws and regulations incorporated all Group entities. The risk of actual or suspected non-compliance was not sufficiently significant to our audit to result in our response being identified as a key audit matter.

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

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

## Use of our report

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

*Imogen Massey*

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

15 Westferry Circus  
 Canary Wharf  
 London E14 4HD

13 December 2024

# Financial Statements

## Consolidated Statement of Financial Position

as at 30 June 2024

	Notes	30 June 2024 £'000	30 June 2023 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Exploration & evaluation assets	21	7,713	2,014
Property, plant and equipment		8	1
Financial instruments - fair value through other comprehensive income (FVTOCI)	12	1	1
Other receivables	13	173	2,231
<b>Total non-current assets</b>		<b>7,895</b>	<b>4,247</b>
<b>Current assets</b>			
Cash and cash equivalents	18	268	257
Trade and other receivables	13	917	754
<b>Total current assets</b>		<b>1,185</b>	<b>1,011</b>
<b>Assets held for sale</b>	22	<b>2,975</b>	<b>1,575</b>
<b>Total assets</b>		<b>12,055</b>	<b>6,833</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the Parent			
Called up share capital	16	2,953	2,842
Share premium account	16	31,110	28,138
Other reserves		2,802	2,481
Retained earnings		(30,980)	(27,945)
<b>Total equity attributable to owners of the Parent</b>		<b>5,885</b>	<b>5,516</b>
<b>Total equity</b>		<b>5,885</b>	<b>5,516</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	4,840	715
Short-term borrowings	14	1,330	602
<b>Total current liabilities</b>		<b>6,170</b>	<b>1,317</b>
<b>Total equity and liabilities</b>		<b>12,055</b>	<b>6,833</b>

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

These Financial Statements, on pages 32 to 76, were approved by the Board of Directors and authorised for issue on 13 December 2024 and are signed on its behalf by:

*Scott R. Gilbert*

Scott Gilbert  
Executive Director

Registration number: 05227458

# Consolidated Income Statement

for the year ended 30 June 2024

	Notes	Year to 30 June 2024 £'000	Year to 30 June 2023 £'000
Gain on disposal of tenements	2	-	475
Gain on disposal of subsidiaries	2	-	287
Gain on disposal of JV's and associates	2	-	384
Project expenses		(144)	(114)
Impairment of investments in joint ventures and financial instruments held at fair value through profit and loss (FVTPL)	11	-	(337)
Impairment of E&E asset	21	(220)	-
Administrative expenses	4	(2,572)	(1,442)
Foreign currency gain/(loss)		14	(13)
Other income		43	25
Finance costs, net	5	(129)	(451)
Share of loss of associates and joint ventures	11,22	-	(76)
Loss for the year before taxation	3	(3,008)	(1,262)
Taxation	6	-	-
<b>Loss for the year for continuing operations</b>		<b>(3,008)</b>	<b>(1,262)</b>
<b>Loss for the year for discontinued operations</b>	22	<b>(27)</b>	<b>-</b>
<b>Loss per share attributable to:</b>			
Equity holders of the Parent		(3,035)	(1,262)
Non-controlling interest		-	-
		<b>(3,035)</b>	<b>(1,262)</b>
<b>Earnings per share attributable to owners of the Parent:</b>			
Basic and diluted	9	(0.2) pence	(0.2) pence
Basic and diluted (continued operations)	9	(0.2) pence	(0.2) pence
Basic and diluted (discontinued operations)	9	(0.0) pence	-

# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2024

	30 June 2024 £'000	30 June 2023 £'000
<b>Loss for the year (Continuing and discontinued operations)</b>	<b>(3,035)</b>	<b>(1,262)</b>
<b>Other comprehensive income</b>		
<b>Items that will be not be reclassified subsequently to profit or loss</b>		
Unrealised foreign currency (loss)/gain on translation of foreign operations	(17)	5
<b>Total other comprehensive income for the year</b>	<b>(17)</b>	<b>5</b>
<b>Total comprehensive loss for the year (Continuing and discontinued operations)</b>	<b>(3,052)</b>	<b>(1,257)</b>
<b>Total comprehensive loss attributable to:</b>		
Equity holders of the Parent	(3,052)	(1,257)
Non-controlling interest	-	-
	<b>(3,052)</b>	<b>(1,257)</b>

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

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

The movements in equity during the year were as follows:

	Share capital £'000	Share premium account £'000	Shares to be issued £'000	Retained earnings £'000	Other reserves £'000	Total Equity attributable to owners of the Parent £'000	Non-controlling interests £'000	Total Equity £'000
<b>As at 1 July 2022</b>	2,751	24,961	75	(26,758)	2,095	3,124	-	3,124
<b>Changes in equity for 2023</b>								
<b>Loss for the year</b>	-	-	-	(1,262)	-	(1,262)	-	(1,262)
<b>Other comprehensive income for the year</b>								
Unrealised foreign exchange loss arising on retranslation of foreign company operations	-	-	-	-	5	5	-	5
<b>Total comprehensive income for the year</b>	-	-	-	(1,262)	5	(1,257)	-	(1,257)
<b>Transactions with owners</b>								
Issue of shares, net of issue costs	91	3,177	-	-	-	3,268	-	3,268
Cancellation of shares to be issued	-	-	(75)	75	-	-	-	-
Options issued	-	-	-	-	53	53	-	53
Warrants issued	-	-	-	-	328	328	-	328
<b>Total transactions with owners</b>	91	3,177	(75)	75	381	3,649	-	3,649
<b>As at 30 June 2023 and 1 July 2023</b>	2,842	28,138	-	(27,945)	2,481	5,516	-	5,516
<b>Changes in equity for 2024</b>								
<b>Loss for the year</b>	-	-	-	(3,035)	-	(3,035)	-	(3,035)
<b>Other comprehensive income for the year</b>								
Unrealised foreign exchange loss arising on retranslation of foreign company operations	-	-	-	-	(17)	(17)	-	(17)
<b>Total comprehensive income for the year</b>	-	-	-	(3,035)	(17)	(3,052)	-	(3,052)
<b>Transactions with owners</b>								
Issue of shares, net of issue costs	111	2,972	-	-	-	3,083	-	3,083
Options issued	-	-	-	-	216	216	-	216
Warrants issued	-	-	-	-	122	122	-	122
<b>Total transactions with owners</b>	111	2,972	-	-	338	3,421	-	3,421
<b>As at 30 June 2024</b>	2,953	31,110	-	(30,980)	2,802	5,885	-	5,885

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

## Consolidated Statement of Changes in Equity

continued

Other reserves	FVTOCI financial asset reserve £'000	Share-based payment reserve £'000	Warrant reserve £'000	Foreign currency translation reserve £	Total other reserves £
<b>As at 1 July 2022</b>	<b>(2)</b>	<b>116</b>	<b>1,450</b>	<b>531</b>	<b>2,095</b>
Unrealised foreign exchange gain arising on retranslation of foreign company operations	-	-	-	5	5
Options granted during the year	-	53	-	-	53
Warrants granted during the year	-	-	328	-	328
<b>As at 1 July 2023</b>	<b>(2)</b>	<b>169</b>	<b>1,778</b>	<b>536</b>	<b>2,481</b>
Unrealised foreign exchange loss arising on retranslation of foreign company operations	-	-	-	(17)	(17)
Options granted during the year	-	216	-	-	216
Warrants granted during the year	-	-	122	-	122
<b>As at 30 June 2024</b>	<b>(2)</b>	<b>385</b>	<b>1,900</b>	<b>519</b>	<b>2,802</b>

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

# Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Year to 30 June 2024 £	Year to 30 June 2023 £
<b>Cash flows from operating activities (Continued and discontinued operations)</b>		
Loss before taxation	(3,035)	(1,262)
Impairment of investments in joint ventures and financial instruments held at fair value through profit and loss (FVTPL)	220	337
Gain on disposal of subsidiaries	-	(287)
Gain on disposal of mineral tenements	-	(475)
Gain on disposals of Joint Ventures and Associates	-	(384)
Depreciation	1	10
Finance cost, net (Note 5)	129	451
Share-based payments	294	53
Share of loss in associates and joint ventures	-	76
Equity settled expenses	12	201
Decrease/(Increase) in receivables	121	(139)
(Decrease) / increase in payables	(181)	94
Unrealised foreign exchange	(4)	-
<b>Net cash outflow from operations</b>	<b>(2,443)</b>	<b>(1,325)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(8)	—
Expenditure on exploration & evaluation assets (Note 21)	(1,601)	(386)
Proceeds from disposal of Joint Ventures and Associates	-	384
Proceeds from disposal of Subsidiaries	268	246
Proceeds from disposal of mineral tenements (Note 21)	-	535
Proceeds from the partial disposal of assets held for sale (Note 22)	116	-
<b>Net cash outflow from investing activities</b>	<b>(1,225)</b>	<b>779</b>
<b>Cash inflows from financing activities</b>		
Proceeds from issue of shares net of issue costs	1,823	1,738
Proceeds of new borrowings, as received net of associated fees (Note 20)	2,344	—
Repayment of borrowings (Note 20)	(471)	(954)
<b>Net cash inflow from financing activities</b>	<b>3,696</b>	<b>784</b>
<b>Net decrease in cash and cash equivalents</b>	<b>28</b>	<b>238</b>
Cash and cash equivalents at the beginning of year	257	25
Foreign exchange on translation of foreign currency	(17)	(6)
<b>Cash and cash equivalents at end of year</b>	<b>268</b>	<b>257</b>

Major non-cash transactions are disclosed in Note 20.

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

# Company Statement of Financial Position

Corcel Plc (Registration Number: 05227458) as at 30 June 2024

	Notes	30 June 2024 £	30 June 2023 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	10	1,980	1,980
Investments in associates and joint ventures	11	-	-
Investments in mineral tenements	21	184	392
Loans to subsidiaries	13	3,882	286
Financial assets with fair value through other comprehensive income (FVTOCI)	12	1	1
Other receivables	13	-	1,517
<b>Total non-current assets</b>		<b>6,047</b>	<b>4,176</b>
<b>Current assets</b>			
Cash and cash equivalents	18	89	256
Trade and other receivables	13	265	453
<b>Total current assets</b>		<b>354</b>	<b>709</b>
<b>Assets held for sale</b>	22	<b>3,000</b>	<b>1,775</b>
<b>Total assets</b>		<b>9,401</b>	<b>6,660</b>
<b>EQUITY AND LIABILITIES</b>			
Called up share capital	16	2,953	2,842
Share premium account	16	31,110	28,138
Other reserves		2,283	1,945
Retained earnings		(30,459)	(27,332)
<b>Total equity</b>		<b>5,887</b>	<b>5,593</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	1,862	465
Loans from subsidiaries	14	322	-
Short-term borrowings	14	1,330	602
<b>Total current liabilities</b>		<b>3,514</b>	<b>1,067</b>
<b>Total equity and liabilities</b>		<b>9,401</b>	<b>6,660</b>

## Company Statement of Comprehensive Income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income. The Company's loss for the financial year was £3,127,247 (2023: loss of £1,494,325). The Company's Total comprehensive loss for the financial year was £3,127,247 (2023: loss £1,419,325).

These Financial Statements, on pages 32 to 76, were approved by the Board of Directors and authorised for issue on 13 December 2024 and are signed on its behalf by:

*Scott R. Gilbert*

Scott Gilbert  
Executive Director

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

## Company Statement of Changes in Equity

for the year ended 30 June 2024

The movements in reserves during the year were as follows:

	Share capital £'000	Share premium account £'000	Shares to be issued £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
<b>As at 30 June 2022</b>	<b>2,751</b>	<b>24,961</b>	<b>75</b>	<b>(25,913)</b>	<b>1,564</b>	<b>3,438</b>
<b>Changes in equity for 2023</b>						
Loss for the year	-	-	-	(1,494)	-	(1,494)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,494)</b>	<b>-</b>	<b>(1,494)</b>
<b>Transactions with owners</b>						
Issue of shares, net of issue costs	91	3,177	-	-	-	3,268
Cancellation of shares to be issued	-	-	(75)	75	-	-
Share options granted	-	-	-	-	53	53
Share warrants granted during the year	-	-	-	-	328	328
<b>Total transactions with owners</b>	<b>91</b>	<b>3,177</b>	<b>(75)</b>	<b>75</b>	<b>381</b>	<b>3,649</b>
<b>As at 30 June 2023 and 1 July 2023</b>	<b>2,842</b>	<b>28,138</b>	<b>-</b>	<b>(27,332)</b>	<b>1,945</b>	<b>5,593</b>
<b>Changes in equity for 2024</b>						
Loss for the year	-	-	-	(3,127)	-	(3,127)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,127)</b>	<b>-</b>	<b>(3,127)</b>
<b>Transactions with owners</b>						
Issue of shares, net of issue costs	111	2,972	-	-	-	3,083
Share options granted	-	-	-	-	216	216
Share warrants granted during the year	-	-	-	-	122	122
<b>Total transactions with owners</b>	<b>111</b>	<b>2,972</b>	<b>-</b>	<b>-</b>	<b>338</b>	<b>3,421</b>
<b>As at 30 June 2024</b>	<b>2,953</b>	<b>31,110</b>	<b>-</b>	<b>(30,459)</b>	<b>2,283</b>	<b>5,887</b>

## Company Statement of Changes in Equity

continued

Other reserves	FVTOCI financial asset reserve £'000	Share-based payment reserve £'000	Warrants reserve £'000	Total other reserves £'000
<b>As at 30 June 2022</b>	(2)	116	1,450	1,564
<b>Changes in equity for 2023</b>				
<b>Transactions with shareholders in the year</b>				
Share options granted during the year	-	53	-	53
Warrants issued during the year	-	-	328	328
<b>Total transactions with shareholders</b>	-	53	328	381
<b>As at 30 June 2023 and 1 July 2023</b>	(2)	169	1,778	1,945
<b>Changes in equity for 2024</b>				
<b>Transactions with shareholders in the year</b>				
Share options granted during the year	-	216	-	216
Warrants issued during the year	-	-	122	122
<b>Total transactions with shareholders</b>	-	216	122	338
<b>As at 30 June 2024</b>	(2)	385	1,900	2,283

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

# Company Statement of Cash Flows

for the year ended 30 June 2024

	Year to 30 June 2024 £'000	Year to 30 June 2023 £'000
<b>Cash flows from operating activities (Continued and discontinued operations)</b>		
Loss before taxation	(3,127)	(1,494)
Impairment of investments in joint ventures and financial instruments held at fair value through profit and loss (FVTPL)	-	337
Impairment of mineral tenements	220	-
Impairment of assets held for sale	175	-
Gain on disposal of tenements	-	(475)
Gain on disposal of subsidiaries	-	(247)
Gain on disposal of Joint Ventures and Associates	-	(384)
Finance costs (Note 5)	219	451
Share-based payments	294	53
Equity settled transactions	12	201
Decrease /(Increase) in receivables	110	(87)
Increase/(Decrease) in payables	204	(60)
Unrealised foreign exchange	7	-
<b>Net cash outflow from operations</b>	<b>(1,886)</b>	<b>(1,705)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of mineral tenements	-	535
Proceeds from disposal of Subsidiaries	-	246
Proceeds from disposal of Joint Ventures and Associates	-	384
Proceeds from the partial disposal of assets held for sale	116	-
Loans to subsidiaries (note 10)	(2,081)	(8)
Investments in mineral tenements	(12)	-
<b>Net cash outflows from investing activities</b>	<b>(1,977)</b>	<b>1,157</b>
<b>Cash inflows from financing activities</b>		
Proceeds from issue of shares, net of issue costs (note 16)	1,823	1,738
Proceeds of new borrowings (Note 20)	2,344	—
Repayments of borrowings (Note 20)	(471)	(954)
<b>Net cash inflow from financing activities</b>	<b>3,696</b>	<b>784</b>
<b>Decrease in cash and cash equivalents</b>	<b>(167)</b>	<b>236</b>
Cash and cash equivalents at the beginning of period	256	20
<b>Cash and cash equivalents at end of period</b>	<b>89</b>	<b>256</b>

Major non-cash transactions are disclosed in Note 20.

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

# Notes to Financial Statements

for the year ended 30 June 2024

## Notes to Financial Statements

### 1. Principal Accounting Policies

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

The Group Financial Statements of Corcel Plc (the "Company", "Corcel" or the "Parent Company"), for the year ended 30 June 2024, were authorised for issue by the Board on 13 December 2024 and signed on the Board's behalf by Scott Gilbert. Corcel Plc is a public limited company, incorporated and domiciled in England and Wales. The Group's ordinary shares are traded on AIM. The principal activity of The Group is the management of a portfolio of oil and gas projects in Africa and Brazil and battery metals exploration and development projects in Australia and PNG. The registered address of The Group is Salisbury House, Suite 425, London Wall, London EC2M 5PS.

#### 1.2 Basis of Preparation

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

The principal accounting policies adopted are set out below.

#### Going Concern

It is the prime responsibility and requirement of the Board to prepare the Group and the Company Financial Statements on a going concern basis, unless inappropriate to assume the Group will continue in business. At 30 June 2024, the Group had cash and cash equivalents of £0.3m (2023: £0.3m) and £1.3m of borrowings (2023: £0.6). The Group has nil revenues.

The Directors note the necessity, given the limited cash resources currently held by the Group, that additional funding be raised in the near term to meet the ongoing spending projections and working capital requirements of the business. This would most likely be through equity and/or debt issuances in Q1 2025 with, dependent on the quantum of near term funding raised, further resources required to be secured in the first quarter of 2025. Whilst the Directors remain confident that funding will be secured as and when required to continue to progress the Group's projects and meet its obligations, there can be no certainty that the Company will be able to secure the necessary funding when required. Consequently, there exists a material uncertainty over the application of the going concern principle. See note 1.2 to these financial statements for further details.

Having considered the prepared cashflow forecasts and the Group budget, expected operational costs and the continued support of the Company's suppliers and shareholders, the Directors consider that they will have access to adequate resources in the 12 months from the date of the signing of these Financial Statements. As a result, they consider it appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements.

Should the Group be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities, which might arise, and to classify non-current assets as current. The Financial Statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern. Notwithstanding the confidence and historical track record of the board and Company in raising funding as and when required, there can be no certainty that the Company will be successful in raising the additional funding necessary to continue to meet its obligations as and when they fall due. Consequently, a material uncertainty exists, which may cast significant doubt on the Group and the Company's ability to act as a going concern.

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

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

- Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective 1 January 2024)
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective 1 January 2024)

# Notes to Financial Statements

for the year ended 30 June 2024

- Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2023)
- Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates (effective 1 January 2023)
- Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (effective 1 January 2024)
- Amendments to IAS 12 International Tax Reform: Pillar Two Model Rules (effective 1 January 2023)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective 1 January 2024)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rate: Lack of Exchangeability (effective 1 January 2025)

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

## Standards Adopted Early by the Group

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

### 1.3 Basis of Consolidation

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

#### Subsidiaries

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

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

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

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

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

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

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

# Notes to Financial Statements

for the year ended 30 June 2024

## *Non-Controlling Interests*

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

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

## **1.4 Summary of Significant Accounting Policies**

### **1.4.1 Mineral Tenements and Exploration Property**

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

### **1.4.2 Investment in Associates**

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

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

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

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

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

### **1.4.3 Interests in Joint Ventures**

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

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

Financial Statements of the jointly controlled entity is prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Group and to reflect

# Notes to Financial Statements

for the year ended 30 June 2024

impairment losses where appropriate. Adjustments are also made in the Group's Financial Statements to eliminate the Group's share of unrealised gains and losses on transactions between the Group and its jointly controlled entity. The Group ceases to use the equity method on the date from which it no longer has joint control over, or significant influence in, the joint venture.

## 1.4.4 Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition, other than in a business combination, of other assets and liabilities in a transaction, which affects neither the taxable profit nor the accounting profit.

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

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

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

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

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

## 1.4.5 Property, Plant and Equipment

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

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

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

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

# Notes to Financial Statements

for the year ended 30 June 2024

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

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation. See Note 22 for further details.

## 1.4.7 Foreign Currencies

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

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

Transactions in currencies other than the functional currency of the relevant entity are initially recorded at the exchange rate prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date, when the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income, when the changes in fair value are recognised directly in other comprehensive income.

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

## 1.4.8 Exploration Assets and Mineral Tenements

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

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

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

## 1.4.9 Impairment of Non-Financial Assets

The carrying values of assets, other than those to which IAS 36 "Impairment of Assets" does not apply, are reviewed at the end of each reporting period for impairment, when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

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

When there is a change in the estimates, used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of

# Notes to Financial Statements

for the year ended 30 June 2024

the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 1.4.10 Share-Based Payments

### Share Options

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

The fair value of options and warrants granted to Directors and other parties, in respect of services provided, is recognised as an expense in the Income Statement with a corresponding increase in equity reserves – the share-based payment reserve. On exercise or lapse of share options, the proportion of the share-based payment reserve, relevant to those options is retained in the share-based payment reserve. On exercise, equity is also increased by the amount of the proceeds received.

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

Where issued for services, fair value of services is used for determining the value of options and if not determinable, a valuation model such as the Black-Scholes model is used, taking into account the terms and conditions upon which the options were granted. The exercise price is fixed at the date of grant.

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

Market conditions are performance conditions that relate to the market price of the entity's equity instruments. These conditions are included in the estimate of the fair value of a share-based payment. Where the vesting period is linked to a market performance condition, the Group estimates the expected vesting period. If the actual vesting period is shorter than estimated, the charge is accelerated in the period that the entity delivers the cash or equity instruments to the counterparty. When the vesting period is longer, the expense is recognised over the originally estimated vesting period.

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

### Share Incentive Plan

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

## 1.4.11 Pension

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

## 1.4.12 Finance Income/Expense

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

# Notes to Financial Statements

for the year ended 30 June 2024

## 1.4.13 Financial Instruments

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

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

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

### *Amortised Cost*

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

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

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

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

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

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

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

# Notes to Financial Statements

for the year ended 30 June 2024

## *Financial Liabilities*

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

### *Other Financial Liabilities*

Other financial liabilities include:

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

## **Fair Value Measurement**

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

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

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

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

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

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

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

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

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

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

More information is disclosed in Note 19.

### *1.4.14 Investments in the Company Accounts*

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

# Notes to Financial Statements

for the year ended 30 June 2024

For acquisitions of subsidiaries or associates achieved in stages and qualifying as a business acquisition under IFRS 3, the Company re-measures its previously held equity interests in the acquiree at its acquisition-date fair value and recognises the resulting gain or loss, if any, in profit or loss. Any gains or losses, previously recognised in other comprehensive income, are transferred to profit and loss. Any acquisitions undertaken of interests not qualifying as a business under IFRS 3 is treated as an asset acquisition and recognised at cost.

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

## 1.4.15 Share Capital

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

## 1.4.16 Convertible Debt

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

## 1.4.17 Warrants and Share Options

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

## 1.4.18 Segment Reporting

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

## 1.4.19 Leases

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

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

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

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

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

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

# Notes to Financial Statements

for the year ended 30 June 2024

and increased for:

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

## 1.4.20 Asset Acquisitions

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

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

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

## 1.5 Significant Accounting Judgements, Estimates and Assumptions

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

### Significant Judgements and Accounting Estimates

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

### Recognition of Non Controlling Interest in APEX

In June 2023 the Company acquired a 90% interest in the equity of APEX in Angola, which holds the KON 11,12 and 16 oil and gas licences. The commercial terms of at the acquisition are such that the remaining 10% shareholders of APEX are carried through all exploration, appraisal and development costs of the projects, essentially to the point of first oil. As a consequence of this arrangement, Corcel is responsible for meeting 100% of the funding requirements of APEX over this period.

The commercial intentions behind the above legal agreement was to achieve an effective royalty arrangement whereby the carried interest of the 10% partners is realised through production revenues or, in this case net revenues post production and corporate costs. However it was determined that this commercial end goal be achieved via a carried interest in equity rather than the granting of a royalty interest.

The Company therefore considers that whilst the legal structure of the agreement is one of a 90/10 equity split, which primarily facie would give rise to the recognition of NCI on consolidation of APEX, the commercial substance of the arrangement more closely represents a profit royalty arising out of net production revenues. Consequently, it has not proposed to recognise NCI on consolidation of the entity into the group accounts with the amount being immaterial.

### Recoverability of Carrying Value of Joint Ventures and Exploration and Evaluation Assets

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

The Company has assessed the viability of the Mambare nickel project, given current and expected nickel prices and the anticipated cost of a DSO operation, and believes the project can be successfully taken into production in the mid-term with a mining lease application already at a very advanced stage with the PNG mining authorities. The Board further believes that the likelihood of recovery of the receivable has remained firm over the past 12-24 months following agreement during the year of terms for the disposal of the investment. See below under heading 'Assets Held for Sale – Oro Nickel' for further details.

The Canegrass Lithium Project was purchased in April 2023 for £200,000 of new ordinary shares in Corcel. The Company is currently conducting initial exploration activities on the license and is currently considering its options as relates to the project. The Company, following discussions with the underlying tenement holders, Huntsman Exploration, have deemed

# Notes to Financial Statements

for the year ended 30 June 2024

it necessary to impair the Canegrass Project in full as Huntsman intends to drop the tenements and Corcel currently does not consider it possible to practically acquire them. See note 21 for further details.

The Group holds E&E assets of £7.7m at 30 June 2024. Exploration assets comprise exploration and evaluation costs, incurred on prospects at an exploratory stage. These costs include the cost of acquisition of rights to explore, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments. The most significant assumption for the Group is that exploration and evaluation work undertaken to develop its key projects will ultimately lead to successful recovery of these costs through production or sale. The group believes these costs are fully recoverable based on information available at this time.

The Company acquired the Mt. Weld Rare Earth Element project during the course of the second half of 2022, and immediately entered into a farm out agreement with Riversgold (ASX:RGL) ("RGL") for an immediate cash payment of AUD 30,000 and where RGL can earn a 50% interest through paying 100% of a work program with a required spend of AUD 500,000 over 12 months. Subsequently, as announced on 5 May 2023 the Company sold a 20% interest in Mt. Weld to Extraction SRL for AUD\$1,000,000, valuing the entirety at AUD\$5M and Corcel's 80% interest at AUD\$4M (£3.29M). During the year RGL notified the Company of a rationalisation of its portfolio of projects, resulting in its decision to discontinue work on the Mt Weld project. The Company consequently retains its 80% interest in the project and is current assessing its options to take the project forward in 2025.

## Recoverability of carrying value of investment in and loan to subsidiaries

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

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

## Determination of fair value of share-based payments

The Group measures the cost of equity-settled transactions with employees and the issuance of warrants to investors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options and warrants without market based vesting conditions is determined using the Black-Scholes model and the estimates used within this model are disclosed in Note 17. Where market conditions exist for the vesting of any options or warrants granted, alternative approaches such as a probability weighted barrier model or Monte Carlo probability distribution model is used.

## Consideration receivable on disposal of Niugini Nickel

During the prior year, the Group divested of its subsidiary Niugini Nickel Pty Ltd. Consideration for the disposal is receivable in three tranches, see note 22 for details. In arriving at determination of the fair value of the consideration receivable, the directors have had to make certain judgements as to the discount rate to use for the present valuing of future cashflows arising from this consideration and the application of a risk weighting to the determination of fair value for the tranche of consideration that remains conditional on the project entering into production and generating a certain level of profits. Management have assessed the recoverability of the receivable and no risks have been identified.

## Recoverability of Assets held for sale – Oro Nickel

During the prior year, the Group had entered into various discussions for the divestment of its interest in the Oro Nickel joint venture. On 16 October 2023 the Group announced the agreement of a deal to sell its share of the project to Integrated Battery Metals, the purchasers of the Niugini Nickel project during the course of the year. As the consideration proceeds agreed with the purchaser exceed the carrying value of the investment in the joint venture, which is held for sale, the directors have determined that no impairment of this balance is necessary in these consolidated financial statements (with an impairment of £175k being recognised in the company only financial statements as a result of the discounting of the present value of the consideration). On 23 October 2023 the initial consideration proceeds of US1.6M, in the form of a loan for the divestment were received following the execution of the transaction agreements. Management have assessed the recoverability of the receivable and no risks have been identified.

The Company is assessing various spurious claims made by its Joint Venture partner as regards to the project, including their purported rights to pre-empt the transaction under an earlier version of the sale of the project as originally announced on 14 April 2023 and terminated in October 2023.

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for the year ended 30 June 2024

Currently, the Company is working with Australian legal counsel on determining the best manner in which to enforce its rights to complete this transaction as announced on 16 October 2023. The completion of the sale of this asset requires Joint Venture partner's administrative actions and processing in order to effect the transfer of shares in the holding company of the project.

Final determination of both the timing of any disposal and of the ultimate sale proceeds realized by the Company thus remain yet to be definitively determined.

Refer to Note 24 for further information on how the criteria within IFRS 5 have been met to classify the investment as held for sale at the year end.

## 2. Segmental Analysis

In 2023 the focus of the Group changed from the development of battery metals projects and flexible storage solutions to oil & gas exploration and production. As a consequence, the nature of the operating segments for disclosure has changed in the current year to include Oil & Gas activities and exclude flexible grid solutions, to reflect this operational tilt toward the former and away from the latter.

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

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

Year to 30 June 2024	Battery Metals £'000	Oil and Gas £'000	Corporate and unallocated £'000	Total £'000
Management services	-	-	42	42
Other income	-	1	1	2
Project expenses	(19)	(126)	-	(145)
Administrative expenses	(9)	(42)	(2,520)	(2,571)
Currency (loss)/gain	(9)	-	23	14
Impairment of Joint venture projects	(221)	-	-	(221)
Finance cost – net	90	-	(219)	(129)
<b>Net loss before tax from continuing operations</b>	<b>(168)</b>	<b>(167)</b>	<b>(2,454)</b>	<b>(3,008)</b>

Year to 30 June 2023	Battery Metals £'000	Flexible Grid Solutions (UK) £'000	Corporate and unallocated £'000	Total £'000
Management services	-	-	8	8
Other income	-	-	17	17
Project expenses	(114)	-	-	(114)
Administrative expenses	(55)	(28)	(1,360)	(1,443)
Currency (loss)/gain	(7)	-	(5)	(12)
Share of profits in joint ventures	(76)	-	-	(76)
Gain on sale of tenements	475	-	-	475
Gain on sale of Joint venture projects and associates	384	-	-	384

# Notes to Financial Statements

for the year ended 30 June 2024

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

## Information by Geographical Area

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

	UK £'000	Australia £'000	Papua New Guinea £'000	Africa £'000	Total £'000
<b>Year to 30 June 2024</b>					
Revenue	42	-	-	-	42
<b>Total segment revenue and other gains</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>
<b>Non-current assets</b>					
Property, plant and equipment	-	-	-	8	8
Exploration & evaluation assets	-	184	-	7,529	7,713
Receivable from sale of subsidiary	-	173	-	-	173
FVTOCI financial instruments	1	-	-	-	1
<b>Total segment non-current assets</b>	<b>1</b>	<b>357</b>	<b>-</b>	<b>7,537</b>	<b>7,895</b>

	UK £'000	Australia £'000	Papua New Guinea £'000	Africa £'000	Total £'000
<b>Year to 30 June 2023</b>					
Revenue	8	-	-	-	8
<b>Total segment revenue and other gains</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>
<b>Non-current assets</b>					
Property, plant and equipment	1	-	-	-	1
Exploration & evaluation assets	-	392	-	1,622	2,014
Receivable from a joint venture	-	-	1,517	-	1,517
Receivable from sale of subsidiary	-	-	714	-	714
FVTOCI financial instruments	1	-	-	-	1
<b>Total segment non-current assets</b>	<b>2</b>	<b>392</b>	<b>2,231</b>	<b>1,622</b>	<b>4,247</b>

### 3. Loss on Ordinary Activities Before Taxation

Group	2024 £'000	2023 £'000
Loss on ordinary activities before taxation is stated after charging:		
Auditor's remuneration:		
– fees payable to the Company's auditor for the audit of consolidated and Company Financial Statements	46	42

# Notes to Financial Statements

for the year ended 30 June 2024

Directors' emoluments (Note 8)	448	632
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## 4. Administrative Expenses

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
<b>Staff costs</b>				
Payroll	816	498	807	498
Pension	24	27	23	27
Share-based payments	227	63	227	63
Staff Welfare	3	3	3	3
Employers NI	79	86	79	86
<b>Professional services</b>				
Accounting	109	106	106	87
Legal	25	65	25	54
Business development	105	12	105	12
Marketing & Investor relations	81	32	81	32
Funding costs	347	94	347	94
Other	113	83	113	44
<b>Regulatory compliance</b>	145	125	145	125
<b>Travel</b>	283	60	283	60
<b>Office and Admin</b>				
General	90	43	84	35
IT costs	8	8	9	8
Rent	33	29	32	29
Insurance	84	108	84	106
<b>Total administrative expenses</b>	<b>2,572</b>	<b>1,442</b>	<b>2,553</b>	<b>1,363</b>

## 5. Finance Costs, Net

Group	2024 £'000	2023 £'000
Interest expense	(7)	(123)
Share based payments – investors	(122)	(328)
	<b>(129)</b>	<b>(451)</b>

## 6. Taxation

	2024 £'000	2023 £'000
<b>Current period transaction of the Group</b>		
Corporation tax at blended rate of 20.00% (2022: 19.00%) on profits for the period	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
Deferred tax assets derecognised	-	-
<b>Tax (credit)</b>	-	-
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(3,008)	(1,262)
Loss on ordinary activities at the average blended rate of 20% (2022: 19.00%)	(602)	(240)
Effect of non-deductible expense	120	75

# Notes to Financial Statements

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Effect of tax benefit of losses carried forward	482	164
Tax losses brought forward	-	-
<b>Current tax (credit)</b>	<b>-</b>	<b>-</b>

Deferred tax amounting to £nil (2023: £nil), relating to the Group's investments was recognised in the Statement of Comprehensive Income. No deferred tax charge has been recognised due to uncertainty as to the timing of future profitability of the Group. Unutilised trading and capital losses are estimated at circa £4,309 thousand (2023: £3,827).

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

## 7. Staff Costs

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

	2024 £'000	2023 £'000
Wages and salaries	807	534
Pension	24	27
Social security costs, net of allowances	80	87
Medical costs	3	3
Employee share-based payment charge	227	63
<b>Total staff costs</b>	<b>1,141</b>	<b>714</b>

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

	2024 Number	2023 Number
Directors	4	3
Executives	2	2
Administration	2	1
	<b>8</b>	<b>6</b>

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

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

## 8. Directors' Emoluments

2024	Directors' fees £'000	Bonus £'000	Share Incentive Plan £'000	Pension contributions £'000	Short term benefits £'000	Total £'000
<b>Executive Directors</b>						
J Parsons*	191	-	-	10	-	201
G Geraldo	31	-	-	3	-	34
S Gilbert	22	-	-	-	-	22
A Karam	80	-	-	-	-	80

# Notes to Financial Statements

for the year ended 30 June 2024

## Non-executive Directors

E Ainsworth	29	-	-	-	-	29
A Fairclough	21	-	-	-	-	21
Y Zhao	40	-	-	-	-	40
P Kabra	21	-	-	-	-	21
	435	-	-	13	-	448

2023	Directors' fees £'000	Bonus £'000	Share Incentive Plan £'000	Pension contributions £'000	Short term benefits £'000	Total £'000
<b>Executive Directors</b>						
J Parsons*	253	30	-	19	-	302
S Kaintz	182	35	2	17	-	236
A Karam	4	-	-	-	-	4
<b>Non-executive Directors</b>						
E Ainsworth	42	-	-	-	-	42
H Bellingham	37	10	-	-	-	47
Y Zhao	2	-	-	-	-	2
	520	75	2	36	-	633

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

The number of Directors who exercised share options in year, was nil (2023: nil).

During the year, the Company contributed to a Share Incentive Plan, more fully described in the Directors' Report on page 20, where shares were issued to employees making a total of 3,556,362 (2023: 3,506,490) partnership and matching shares. Those shares were issued in relation to services provided by those employees during the reporting year.

The Company also operates a contributory pension scheme, more fully described in the Directors' Report in the section Directors' Remuneration on page 23.

188,943,480 options were granted to directors in the current year. No options were granted in the prior year.

2024	Number of Options	Exercise price (pence)	Grant date	Expiry date
<b>Executive Directors</b>				
A Karam	125,962,320	0.1p	11 January 2024	12 January 2029
G Geraldo	31,490,580	0.1p	11 January 2024	12 January 2029
<b>Non-executive Directors</b>				
P Kabra	31,490,580	0.1p	11 January 2024	12 January 2029

## 9. Earnings per Share

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

# Notes to Financial Statements

for the year ended 30 June 2024

	2024	2023
<b>Loss attributable to equity holders of the Parent Company, £'000</b>	<b>(3,035)</b>	<b>(1,262)</b>
<b>Weighted average number of ordinary shares of £0.0001 in issue, used for basic EPS</b>	<b>1,711,966,625</b>	<b>714,863,518</b>
<b>Earnings per share – basic, pence</b>	<b>(0.2)</b>	<b>(0.2)</b>
<b>Earnings per share – fully diluted, pence</b>	<b>(0.2)</b>	<b>(0.2)</b>

At 30 June 2024 and at 30 June 2023, the effect of all the instruments in issue is anti-dilutive as it would lead to a further reduction of loss per share, therefore, they were not included into the diluted loss per share calculation.

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

	2024	2023
i) Share options granted to employees – total, of them	<b>333,720,567</b>	<b>26,687,412</b>
• Vested at the end of reporting period	6,081,134	-
• Not vested at the end of the reporting period	327,639,433	26,687,412
j) Number of warrants in issue	<b>461,552,900</b>	<b>511,942,464</b>
<b>Total number of contingently issuable shares that could potentially dilute basic earnings per share in future and anti-dilutive potential ordinary shares that were not included into the fully diluted EPS calculation</b>	<b>795,273,467</b>	<b>538,629,876</b>

There were no ordinary share transactions after 30 June 2024, that that could have changed the EPS calculations significantly if those transactions had occurred before the end of the reporting period.

## 10. Investments in Subsidiaries and Goodwill

Company	Investments in subsidiaries 2024 £	Investments in subsidiaries 2023 £	Goodwill 2024 £'000	Goodwill 2023 £'000
<b>Cost</b>				
<b>At 1 July</b>	<b>1,980</b>	<b>1,014</b>	<b>-</b>	<b>131</b>
Additions (Note 23)	-	<b>966</b>	-	-
<b>At 30 June 2024 and 30 June 2023</b>	<b>1,980</b>	<b>1,980</b>	<b>-</b>	<b>131</b>
<b>Impairment</b>				
<b>At 30 June 2024 and 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(131)</b>
<b>Net book amount at 30 June 2024</b>	<b>1,980</b>	<b>1,980</b>	<b>-</b>	<b>-</b>
<b>Net book amount at 30 June 2023</b>	<b>1,980</b>	<b>1,980</b>	<b>-</b>	<b>-</b>

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

# Notes to Financial Statements

for the year ended 30 June 2024

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

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

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

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

Atlas Petroleum Exploration Worldwide Limited registered office is Simmonds Building, Wickam's Cay 1, P.O Box 961, Road Town, Tortola, BVI.

Atlas Petroleum Exploration Worldwide, - Sucursal Em Angola with registered office at Escritório 72, 7 Andar Edifício Galáxia, Rua Amílcar Cabral, Município das Ingombotas, Luanda, Angola

## **Niugini Nickel Pty Ltd**

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

## 11. Investments in Associates and Joint Ventures

	Group £'000	Company £'000
<b>Carrying balance</b>		
At 1 July 2022	1,988	2,112
Additions	-	-
Share of loss in joint venture	(76)	-
Impairment of investment in associate	(337)	(337)
Transfer to assets held for sale (Note 24)*	(1,575)	(1,775)
<b>Net book amount at 30 June 2023 and 30 June 2024</b>	<b>-</b>	<b>-</b>

\*During the prior year the Group undertook the decision to dispose of its JV interests in Oro Nickel. Consequently it has been reclassified as assets held for sale in the prior year and remains held as assets held for sale at the end of the current year, pending finalisation of the disposal process. See note 24 for further details.

At 30 June 2024, the Parent Company of the Group had a significant influence by virtue other than a shareholding of over 20% or had joint control through a joint venture contractual arrangement in the following companies:

Company Name	Country of registration	Class	Proportion held by	Proportion held by	Status at	Accounting year end
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# Notes to Financial Statements

for the year ended 30 June 2024

Group at 30 June 2023    Group at 30 June 2022    30 June 2023

## Direct

Oro Nickel Ltd (Held indirectly through Oro Nickel Vanuatu) (Joint Venture)	Papua New Guinea	Ordinary	41%	41%	Active	30 June 2024
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Oro Nickel Ltd registered office is c/o Sinton Spence Chartered Accountants, 2<sup>nd</sup> Floor, Brian Bell Plaza, Turumu Street, Boroko, National Capital District, Papua New Guinea.

Summarised financial information for the Company's associates and joint ventures, where available, is given below for the year as at 30 June 2024:

Company	Revenue £'000	Loss £'000	Assets £'000	Liabilities £'000	Net Assets £'000
Oro Nickel Ltd	—	(184)	4,683	(4,219)	464

Carrying balance	Oro Nickel £'000	DVY196 £'000	Total Group £'000
At 30 June 2023 and 2024	-	-	-

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

	30 June 2024 Group £'000	30 June 2023 Group £'000	30 June 2024 Company £'000	30 June 2023 Company £'000
<b>FVTOCI financial instruments at the beginning of the period</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Transferred from Available-for-sale category	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations and impairment	-	-	-	-
<b>FVTOCI financial assets at the end of the period</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

### Market Value of Investments

The market value as at 30 June 2024 of the investments, available for sale listed and unlisted investments, was as follows:

	30 June 2024 Group £'000	30 June 2023 Group £'000	30 June 2024 Company £'000	30 June 2023 Company £'000
Quoted on other foreign stock exchanges	1	1	1	1
<b>At 30 June</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

## 13. Trade and Other Receivables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £

### Non-current

# Notes to Financial Statements

for the year ended 30 June 2024

Amounts owed by Group undertakings	-	-	3,882	286
Purchased debt	-	-	-	-
Amounts owed by related parties				
– due from associates and joint ventures	-	1,517	-	1,517
– due from sale of subsidiary	173	714	-	-
<b>Total non-current</b>	<b>173</b>	<b>2,231</b>	<b>3,882</b>	<b>1,803</b>
<b>Current</b>				
Sundry debtors	203	371	187	64
Prepaid directors fees – J Parsons	-	79	-	79
Prepayments	78	168	78	174
Debt from issue of shares	-	136	-	136
Amounts owed by related parties				
– due from sale of subsidiary	636	-	-	-
<b>Total current</b>	<b>917</b>	<b>754</b>	<b>265</b>	<b>453</b>

## 14. Trade and Other Payables

	Group		Company	
	2024 £	2023 £	2024 £	2023 £
Trade and other payables	4,786	177	1,808	213
Accruals	54	538	54	252
Trade and other payables	4,840	715	1,862	465
Loans from subsidiaries	-	-	322	-
Borrowings (note 20)	1,330	602	1,330	602
<b>Total</b>	<b>6,170</b>	<b>1,317</b>	<b>3,514</b>	<b>1,067</b>

The increase in trade and other payables in the year arise from the undertaking of drilling activity on the KON 11 and KON 12 licences in Angola. Consolidated trade payables includes all costs incurred but not settled in support of this activity whereas Company only trade and other payables includes only those costs which have been recognised by the parent company on behalf of the subsidiary Atlas Petroleum.

Borrowings in the year take the form of a loan from Integrated Battery Metals (IBM). The loan is interest free and repayable out of the proceeds from completion of the proposed sale of the Mambare JV to IBM or in cash by 14 October 2025 (being the earlier of the two events).

### Short Term Borrowings Maturity

	2024 £'000	2023 £'000
14 October 2025 (see above re IBM loan)	1,265	-
31 January 2025	65	-
30 September 2024	-	547
Due by 31 January 2024	-	55
<b>Total long-term borrowings</b>	<b>1,330</b>	<b>602</b>

# Notes to Financial Statements

for the year ended 30 June 2024

## YA PN II – Riverfort

In the current year, £390,749 of the principle was repaid by the Company in cash and £200,000 of the principal was converted into ordinary shares of the Company, fully retiring all outstanding obligations.

## CLN – Extraction SRL

During the year, Extraction SRL provided funding of £1,000,000 which included interest of £47,836 in the year all of which was repaid via converted shares in the Company.

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

## 15. Reserves

### Share Premium

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

### Foreign Currency Translation Reserve

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

### Retained Earnings

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

### FVTOCI Revaluation Reserve

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

### Share-Based Payment Reserve

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

### Warrant Reserve

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

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

The share capital of the Company is as follows:

	2024	2023
	£'000	£'000
<b>Authorised, issued and fully paid</b>		
2,458,300,515 ordinary shares of £0.0001 each (2023: 1,344,381,984)	246	135
1,788,918,926 deferred shares of £0.0009 each	1,610	1,610
2,497,434,980 A deferred shares of £0.000095 each	237	237
8,687,335,200 B Deferred shares of £0.000099 each	860	860
<b>As at 30 June</b>	<b>2,953</b>	<b>2,842</b>

Movement in ordinary shares	Number	Nominal, £ Share Premium, £	
<b>As at 30 June 2022 – ordinary shares of £0.0100 each</b>	<b>440,878,296</b>	<b>44,089</b>	<b>24,961,184</b>
Issued on 27 July 2022 at £0.004 per share (cash placing)	84,000,000	8,400	302,234
Issued on 22 August 2022 at £0.004 (cash placing)	5,330,000	533	20,787
Issued on 31 October 2022 at £0.004 per share (cash placing)	50,000,000	5,000	195,000
Issued on 23 December 2022 at £0.004 per share (non-cash acquisition of asset)	50,000,000	5,000	195,000

# Notes to Financial Statements

for the year ended 30 June 2024

Issued on 4 January 2023 at £0.004 per share (cash placing)	116,500,000	11,650	454,350
Issued on 5 January 2023 at £0.004 per share (non-cash creditor settlement)	5,000,000	500	19,500
Issued on 5 January 2023 at £0.00210003 per share (non-cash creditor settlement)	37,028,094	3,703	74,057
Issued on 3 February 2023 at £0.0026 per share (non- cash salary settlement)	16,910,618	1,691	42,277
Issued on 20 April 2023 at £0.0035 per share (cash placing)	85,714,185	8,572	291,429
Issued on 9 May 2023 at £0.004 per share (non-cash acquisition of asset)	50,000,000	5,000	195,000
Issued on 5 June 2023 at £0.00385 per share (non- cash SIP)	1,870,128	187	7,013
Issued on 5 June 2023 at £0.0033 per share (non- cash SIP)	1,636,362	164	5,236
Issued on 6 June 2023 at £0.004 per share (non-cash acquisition of asset)	28,240,839	2,824	110,139
Issued on 6 June at £0.0033 per share (non-cash acquisition of asset)	200,000,000	20,000	640,000
Issued on 6 June at £0.004 per share (non-cash acquisition of asset)	70,685,250	7069	275,672
Issued on 9 June 2023 at £0.0035 per share (cash placing)	85,714,285	8,571	291,429
Issued on 20 June 2023 at £0.004 per share (non- cash salary settlement)	14,873,828	1,487	58,008
<b>As at 30 June 2023 – ordinary shares of £0.0100 each</b>	<b>1,344,381,885</b>	<b>134,440</b>	<b>28,138,315</b>
Issued on 6 July 2023 at £0.0035 per share (cash placing)	130,147,004	13,015	442,500
Issued on 18 September 2023 at £0.004 per share (non-cash creditor settlement)	25,000,000	2,500	97,500
Issued on 27 September 2023 at £0.004 per share (non-cash creditor settlement)	25,000,000	2,500	97,500
Issued on 27 September 2023 at £0.0021 per share (cash placing)	75,000,000	7,500	150,000
Issued on 28 December 2023 at £0.0021 per share (cash placing)	39,285,714	3,928	78,571
Issued on 1 January 2024 at £0.008 per share (non-cash creditor settlement)	32,061,643	3,206	253,287
Issued on 8 January 2024 at £0.0035 per share (cash placing)	5,000,000	500	17,000
Issued on 29 February 2024 at £0.008 per share (non- cash creditor settlement)	98,917,808	9,892	781,451
Issued on 5 March 2024 at £0.0021 per share (cash placing)	100,000,000	10,000	200,000
Issued on 8 April 2024 at £0.005 per share (cash placing)	79,950,000	7,995	391,755
Issued on 24 May 2024 at £0.00375 per share (non- cash SIP)	1,920,000	192	7,008
Issued on 24 May 2024 at £0.0033 per share (non- cash SIP)	1,636,362	164	5,236
Issued on 14 June 2024 at £0.001 per share (cash placing)	350,000,000	35,000	315,000
Issued on 14 June 2024 at £0.001 per share (cash placing)	150,000,000	15,000	135,000
<b>As at 30 June 2024 – ordinary shares of £0.0100 each</b>	<b>2,458,300,416</b>	<b>245,832</b>	<b>31,110,123</b>

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

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

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

## Warrants

At 30 June 2024, the Company had 461,552,900 warrants in issue (2023: 511,942,464) with exercise prices ranging £0.004-£0.25 (2023: £0.004-£0.25). The weighted average remaining life of the warrants at 30 June 2024 was 437 days (2023: 482 days).

Details related to valuation of all warrants are disclosed below.

# Notes to Financial Statements

for the year ended 30 June 2024

Group and Company	2024 number of warrants	2023 number of warrants
Outstanding at the beginning of the period	511,942,464	171,999,329
Granted during the period	291,052,900	444,582,214
Exercised during the period	(219,285,714)	-
Lapsed during the period	(122,156,750)	(104,639,079)
<b>Outstanding at the end of the period</b>	<b>461,552,900</b>	<b>511,942,464</b>

At 30 June 2024, the Company had the following warrants to subscribe for shares in issue:

Grant date	Expiry date	Warrant exercise price	Number of post consolidation warrants
17 July 2019	1 July 2024	£0.25	200,000
14 Dec 2021	13 December 2024	£0.015	3,800,000
17 Oct 2022	16 Oct 2025	£0.004	50,000,000
20 Dec 2022	20 Dec 2025	£0.004	116,500,000
1 Jan 2024	25 April 2025	£0.008	211,102,900
8 April 2024	8 April 2026	£0.010	39,975,000
9 April 2024	9 April 2026	£0.010	39,975,000
<b>Total warrants in issue at 30 June 2024</b>			<b>461,552,900</b>

The aggregate fair value recognised in warrants reserve in relation to the share warrants granted during the reporting period was £122,294 (2022: £327,660) and has been recognised in finance costs during the year.

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

Grant date	Expiry date	Number of warrants	Warrant life, years	Warrant exercise price, £	Share price at the grant date, (p)	UK risk-free rate at the date of grant, %	Volatility, %	FV of 1 warrant, £	FV of all warrants, £
1 Jan 24	25 April 25	211,102,900	2	0.008	0.335	3.7510	58.79	0.0004	74,968
8 April 24	8 April 25	39,975,000	2	0.010	0.425	4.2260	64.55	0.0006	23,789
9 April 24	9 April 25	39,975,000	2	0.010	0.425	4.1920	64.29	0.0006	23,537
<b>Total at 30 June 2024</b>		<b>291,052,900</b>							<b>122,294</b>

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

# Notes to Financial Statements

for the year ended 30 June 2024

## Capital Management

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

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

## 17. Share-Based Payments

### Employee Share Options

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

At 30 June 2024, the Company had outstanding options to subscribe for post-consolidation Ordinary shares as follows:

	Options issued 5 December 2019, exercisable at £0.0275 per share, expiring on 5 December 2024	Options issued 31 January 2020 exercisable at £0.0285 per share, expiring on 31 January 2025	Options issued 28 February 2022 exercisable at £0.017 per share, expiring on 27 February 2027	Options issued 11 January 2024 exercisable at £0.001 per share, expiring on 12 January 2029	Total Number
S Gilbert	-	-	-	31,490,580	31,490,580
G Geraldo	-	-	-	31,490,580	31,490,580
P Kabra	-	-	-	31,490,580	31,490,580
A Karam	-	-	-	125,962,320	125,962,320
E Ainsworth	-	-	2,805,942	-	2,805,942
Employees	3,040,567	3,040,567	17,800,336	86,599,095	110,480,565
<b>Total</b>	<b>3,040,567</b>	<b>3,040,567</b>	<b>20,606,278</b>	<b>307,033,155</b>	<b>333,720,567</b>

	2024		2023	
	Number of options Number	Weighted average exercise price £	Number of options Number	Weighted average exercise price Pence
<b>Company and Group</b>				
Outstanding at the beginning of the period	26,687,412	0.0195	26,783,412	0.022
Granted during the year	307,033,155	0.0001	-	-
Lapsed during the period	-	-	(96,000)	0.008
<b>Outstanding at the end of the period</b>	<b>333,720,567</b>	<b>0.0017</b>	<b>26,687,412</b>	<b>0.0195</b>

The exercise price of options outstanding at 30 June 2024 and 30 June 2023, ranged between £0.0001 and £0.80. Their weighted average contractual life was 4.35 years (2023: 4.176 years).

As the vesting conditions for the options granted in the year were based on market conditions, the Monte-Carlo valuation model has been used to determine the vesting period and probability of the vesting conditions to provide a fair value based off the results calculated by the model. The probabilities are 53%, 27% and 15% for T1, T2 and T3 respectively and the vesting periods are 1.72 years, 3.3 years and 4.45 years for T1, T2 and T3 respectively.

# Notes to Financial Statements

for the year ended 30 June 2024

Of the total number of options outstanding at 30 June 2024, 6,081,134 (2023: nil) had vested and were exercisable. The weighted average share price (at the date of exercise) of options, exercised during the year, was nil (2023: nil) as no options were exercised during the reporting year (2023: nil).

Share-based remuneration expense, related to the share options granted during the reporting period, is included in the Administrative expenses line in the Consolidated Income Statement in the amount of £217,000 (2023: £52,167).

## Share Incentive Plan

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

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

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

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

During the financial year, a total of 3,556,362 free, matching and partnership shares were awarded (2023: 3,506,490), resulting in a share-based payment charge of £10,800 (2023: £10,800), included into administrative expenses line in the Consolidated Income Statement.

## 18. Cash and Cash Equivalents

Group	30 June 2024 £'000	30 June 2023 £'000
Cash in hand and at bank	268	257

Company	30 June 2024 £'000	30 June 2023 £'000
Cash in hand and at bank	89	256

### Credit Risk

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

### Credit Risk Concentration Profile

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

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

# Notes to Financial Statements

for the year ended 30 June 2024

## 19. Financial Instruments

### 19.1 Categories of Financial Instruments

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

Group 30 June	2024 £'000	2023 £'000
<b>Financial assets</b>		
<i>Fair value through other comprehensive income financial assets</i>		
Quoted equity shares (Note 12)	1	1
<b>Total financial assets carried at fair value, valued at observable market price</b>	<b>1</b>	<b>1</b>
<b>Cash and cash equivalents</b>	<b>268</b>	<b>257</b>
<b>Loans and receivables</b>		
Receivable from JVs	-	1,517
Receivable from sale of subsidiary	809	714
Other receivables	281	754
<b>Total financial assets held at amortised cost</b>	<b>1,090</b>	<b>2,985</b>
<b>Total financial assets</b>	<b>1,358</b>	<b>3,243</b>
<b>Total current</b>	<b>1,185</b>	<b>1,011</b>
<b>Total non-current</b>	<b>173</b>	<b>2,232</b>
<b>Company 30 June</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
<b>Financial assets</b>		
<i>Fair value through other comprehensive income financial assets</i>		
Quoted equity shares	1	1
<b>Total FVTOCI financial assets</b>	<b>1</b>	<b>1</b>
<i>Fair value through profit and loss financial assets</i>		
Investments in a project of a private entity	-	-
<b>Total financial assets carried at fair value, valued using valuation techniques</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents</b>	<b>89</b>	<b>256</b>
<b>Loans and receivables</b>		
Receivable from JVs	-	1,517
Receivable from subsidiaries	3,882	287
Other receivables	265	453
<b>Total financial assets held at amortised cost</b>	<b>4,147</b>	<b>2,257</b>
<b>Total financial assets</b>	<b>4,236</b>	<b>2,514</b>
<b>Total current</b>	<b>354</b>	<b>709</b>
<b>Total non-current</b>	<b>3,882</b>	<b>1,805</b>

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

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

	2024 £'000	2023 £'000

# Notes to Financial Statements

for the year ended 30 June 2024

Group  
30 June

## Financial liabilities at amortised cost

### Loans and borrowings

Trade and other payables	4,840	715
Borrowings	1,330	602
<b>Total financial liabilities</b>	<b>6,170</b>	<b>1,317</b>

Company  
30 June

2024  
£'000

2023  
£'000

## Financial liabilities at amortised cost

### Loans and borrowings

Trade and other payables	2,184	715
Borrowings	1,330	602
<b>Total financial liabilities</b>	<b>3,514</b>	<b>1,317</b>

### Trade Receivables and Trade Payables

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

### Borrowings

The carrying value of interest-bearing loans and borrowings is determined by calculating the principal owing and accrued interest as at the reporting date. The loans are due in January 2025 and October 2025 and impact of discounting the present value of future cashflows is immaterial and, therefore, not included into the valuation. See note 14 for further detail.

## 19.2 Fair Values

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

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

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

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

Group and Company	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>30 June 2024</b>				
Financial assets at fair value through other comprehensive income				
– Quoted equity shares	1	-	-	1

# Notes to Financial Statements

for the year ended 30 June 2024

Financial assets at fair value through profit and loss - - - -

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

## 19.3 Financial Risk Management Policies

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

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

### Specific Financial Risk Exposures and Management

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

#### Credit Risk

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

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

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

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

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

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

#### Liquidity Risk

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

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

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

# Notes to Financial Statements

for the year ended 30 June 2024

## Market Risk

### Interest Rate Risk

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

### Equity Price Risk

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

### Foreign Exchange Risk

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

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

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

<b>Group</b> <b>30 June 2024</b>	<b>GBP</b> <b>£'000</b>	<b>AUD</b> <b>£'000</b>	<b>USD</b> <b>£'000</b>	<b>CAD</b> <b>£'000</b>	<b>AOA</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Cash and cash equivalents	89	1	-	-	178	268
Amortised cost financial assets - Other receivables	265	-	636	-	16	917
FVTOCI financial assets	-	-	-	1	-	1
Amortised costs financial assets - Non-current receivables	-	-	173	-	-	173
Trade and other payables, excluding accruals	407	-	4,379	-	-	4,786
Short-term borrowings	-	-	1,330	-	-	1,330

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

<b>Company</b> <b>30 June 2024</b>	<b>GBP</b> <b>£'000</b>	<b>AUD</b> <b>£'000</b>	<b>USD</b> <b>£'000</b>	<b>CAD</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Cash and cash equivalents	89	-	-	-	89
Amortised cost financial assets - Other receivables	265	-	-	-	265
FVTOCI financial assets	-	-	-	1	1
Trade and other payables, excluding accruals	443	-	1,365	-	1,808
Loans from subsidiaries	322	-	-	-	322
Short-term borrowings	-	-	1,330	-	1,330

# Notes to Financial Statements

for the year ended 30 June 2024

<u>Company</u> <u>30 June 2023</u>	<u>GBP</u> <u>£'000</u>	<u>AUD</u> <u>£'000</u>	<u>USD</u> <u>£'000</u>	<u>CAD</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Cash and cash equivalents	256	-	-	-	256
Amortised cost financial assets - Other receivables	453	-	-	-	453
FVTOCI financial assets	-	-	-	1	1
Amortised costs financial assets - Non-current receivables	1,517	-	-	-	1,517
Trade and other payables, excluding accruals	465	-	-	-	465
Short-term borrowings	602	-	-	-	602

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

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

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

	<u>30</u> <u>June</u> <u>2023</u> <u>£'000</u>	<u>Cash</u> <u>flows</u> <u>Loans</u> <u>received</u> <u>£'000</u>	<u>Non-</u> <u>cash</u> <u>flow</u> <u>Restruct</u> <u>ured</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Conversio</u> <u>n</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Forex</u> <u>movement</u> <u>£'000</u>	<u>Non-cash</u> <u>flow</u> <u>Interest</u> <u>and</u> <u>arrangement</u> <u>fees</u> <u>accreted</u> <u>£'000</u>	<u>Cash</u> <u>flows</u> <u>Principal</u> <u>repaid</u> <u>£'000</u>	<u>Cash</u> <u>flows</u> <u>Interest</u> <u>repaid</u> <u>£'000</u>	<u>30</u> <u>June</u> <u>2024</u> <u>£'000</u>
IBM loan	-	1,257	-	-	8	-	-	-	1,265
CLN Extraction SRL	-	1,000	-	(1,048)	-	48	-	-	-
C4 / Riverfort Capital and YA II PN Ltd loan	547	-	-	(200)	-	44	(391)	-	-
Premium Credit Finance	55	87	-	-	-	3	(80)	-	65
<b>Total</b>	<b>602</b>	<b>2,344</b>	<b>-</b>	<b>(1,248)</b>	<b>8</b>	<b>95</b>	<b>(471)</b>	<b>-</b>	<b>1,330</b>

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

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

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

- Payment for services (share-based payments in the form of options and warrants), in the amount of £10,800 (2023: £10,800), disclosed in Notes 16 and 17;
- Prepayment of £79,000 of salary to James Parsons through the issuance of ordinary shares of the same value in the prior year, which have been expensed in the current year within Administrative expenses;
- Share settled transactions to settle loan balances £1,247,836 (2022: £97,760).
- Extraction SRL converted £1,047,836 at a price of £0.008 for 130,979,451 Ordinary shares. A related party transaction as a result of having a common director.

# Notes to Financial Statements

for the year ended 30 June 2024

## 21 Exploration & Evaluation Assets and Mineral Tenements

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

<u>Group</u> <u>30 June 2024</u>	<u>Wowo Gap</u> <u>GBP</u> <u>£'000</u>	<u>Mt Weld</u> <u>GBP</u> <u>£'000</u>	<u>Canegrass</u> <u>GBP</u> <u>£'000</u>	<u>APEX</u> <u>GBP</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
<b>B/f</b>	-	172	220	1,622	2,014
Impairment of mineral rights assets	-	-	(220)	-	(220)
Additions in the year	-	12	-	5,907	5,919
<b>c/f</b>	-	184	-	7,529	7,713

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

<u>Company</u> <u>30 June 2024</u>	<u>Mt Weld</u> <u>GBP</u> <u>£'000</u>	<u>Canegrass</u> <u>GBP</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
<b>B/f</b>	172	220	392
Impairment of mineral rights assets	-	(220)	(220)
Additions in the year	12	-	12
<b>c/f</b>	184	-	184

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

# Notes to Financial Statements

for the year ended 30 June 2024

The total value of mineral tenements at the year-end for the Group and Company was £184,000 (2023: £392,000) and the total value of Exploration and evaluation assets at the year end for the Group was £7,529,000 (2023: £2,014,000) and for the Company was £nil (2023: £nil).

## 22 Discontinued Operations

On 16 October 2023, the Group announced an agreement with Integrated Battery Metals (the Purchaser) for the disposal of its 41% interest in the Mambare nickel/cobalt project held via its interest in Oro Nickel Ltd, following extensive discussions with the Purchaser over the course of the financial year ended 30 June 2023. The Group then notified its partner in the joint venture of the receipt of a bonafide offer for its interest, which started a 45-day period in which the partner was able to legally pre-empt the transaction. This pre-emption period subsequently expired with no notification of pre-emption from the joint venture partner. The Company further requested and received shareholder approval for the sale in December of 2023 at a General Meeting of the Company.

Following the pre-emption period, the Company has taken legal advice and has been advised to attempt to complete the sale of its interest to Integrated Battery Metals, a process which requires multiple inputs and actions from the joint venture partner, which to date have not been forthcoming. The Company is currently exploring its options as to how best to complete the transaction as previously announced.

Under IFRS 5, the interest in Oro Nickel Ltd is classified as an Asset Held for Sale, as the directors had made a definitive determination to dispose of the asset prior to the reporting date of these financial statements. As such, the carrying value of the investment £1,459,000 (2023: £1,575,000) was reclassified as held for sale in the prior year. In the prior year the loan receivable from the JV of £1,516,000 was considered recoverable separately from the proposed sale of the JV equity interest and so was retained as a loan receivable in the prior year financial statements. In October 2023, a revised proposal for the sale of the JV interest was agreed with the purchaser, giving rise to the assessment that the loan receivable from the JV would now be recovered via the sale of the JV equity interests to the purchaser under these new deal terms. As a consequence, the loan receivable from the JV of £1,516,000 (2023: £1,516,000) has also been reclassified in the current year as forming part of the asset held for sale, giving rise to a total carrying value of assets held for sale of £2,975,000 (2023: £1,575,000). The same reclassification of the investment in JV in the prior year and loans to the JV in the current year has been undertaken in the Company only financial statements, with the year end carrying value of assets held for sale consequently being £3,000,000 (2023: £1,775,000).

In the Company only financial statements, an impairment of £175,000 has been recognised in regard to the carrying value of the asset held for sale in the to align the carrying value to the present value of the expected transaction proceeds. The total carrying value of the asset held for sale in the Company only financial statements is £2,999,846 (2023: £1,775,000) The Group's loss for the year for discontinued operations is £26,746 (2023: £nil) and the Company's loss for the year for discontinued operations is £201,530 (2023: £nil).

Cashflows arising from discontinued operations in the year amount to £16,000 of legal fees paid in support of the transaction settlement process (2023: £nil).

## 23 Significant Agreements and Transactions

### Financing

- On 11 October 2023 the Company entered into a subscription agreement with Extraction SRL for up to £10,000,000 Convertible Bonds resulting in the initial drawdown of £1,000,000 in convertible loan notes on the agreement date. Subsequent to this, in the year, the full amount plus interest was converted at a price of £0.008 per share for a total of 130,979,451 Ordinary shares. On 15 April 2024 the Company announced the termination of the remaining facility, with all amounts having been fully settled via conversions in the year.
- On 19 September 2023 the Company announced the conversion of £100,000 of outstanding convertible loan notes into 25 million ordinary shares.
- On 15 April 2024 the Company announced the placing of 259.95m new ordinary shares at £0.005 per share to raise approx. £1.3m in gross funding proceeds. Settlement of the placing took place in two tranches, with Tranche 1 (£800,000) taking place on 13 May 2024 and Tranche 2 (£500,000) taking place following the Company AGM. On 17

# Notes to Financial Statements

for the year ended 30 June 2024

June 2024 the Company announced that the Tranche 2 fundraising would be re-placed to alternative investors at a price of £0.001 per share, raising £500,000 in gross funds via the allotment of 500m new ordinary shares

## Battery Metals Joint Venture

- On 16 October 2023, the Company announced it had received a revised offer from Integrated Battery Metals (“IBM”) for the purchase of Corcel’s 41% interest in the Mambare Nickel project, held via its interest in Oro Nickel Limited, the Joint Venture vehicle. The key terms of the revised offer were:
  - \$1.6m in cash payable on completion of the sale of Corcel’s 41% interest in the JV vehicle;
  - \$1.4m in cash or fully paid ordinary shares in IBM (at the election of Corcel) payable on completion of the sale of Corcel’s 41% interest in the JV vehicle;
  - \$1.0m in cash or fully paid ordinary shares in IBM (at the election of Corcel) payable 24 months after completion of the sale of Corcel’s 41% interest in the JV vehicle;
  - \$148,000 payable immediately to Corcel for the sale of its gross smelter royalty interest in the Mambare project (held as a separate interest to the Company’s 41% equity interest in the project).
- As part of the terms of the above disposal, IBM further agreed to provide the Company with a \$1.6m loan (interest free) to be settled on completion of the above transaction, following the waiving of the pre-emption rights held by Corcel’s JV partner, Battery Metals Australia (“BMA”). In the event that BMA elected to exercise its pre-emption rights then the loan is to be settled on completion of the sale of the Company’s interests in the JV to BMA.
- Completion of the above disposal agreement with IBM remains pending completion of discussions regarding BMA’s pre-emption rights under the JV agreement.

## Mt. Weld Rare Earth Element Project

- On 4 January 2023, the Company announced that had agreed a farm-out with Riversgold Ltd (ASX:RGL) covering its rare earth element project at Mt. Weld. The transaction consisted of a AUD 30,000 immediate payment to Corcel, with RGL agreeing to fund a AUD 500,000 work programme over the next year in exchange for a 50% interest in the project. CRCL further had the right but not the obligation to allow the farm-in of a further 20% for an additional AUD 1,000,000 in a subsequent period.
- On 5 May 2023 the Company announced that it had sold a 20% interest in the Mt. Weld Rare Earth Element Project to Extraction SRL, a private Italian company, controlled by Mr. Antoine Karam, for cash consideration of AUD 1,000,000 payable by 31 May 2023. Extraction SRL is a shareholder of Corcel, having held 9.61% and Mr. Karam was expected to join the Board of Corcel following perfunctory regulatory checks. Riversgold agreed to waive its pre-emption rights over the sale of this interest and Extraction SRL would then become a party to original joint venture agreement. The 20% interest in Mt. Weld being sold was held in the Company’s interim accounts balance sheet at £43,000, leaving a net profit after costs on disposal of approximately £475,472.
- On 28 March 2024 the Company announced that Riversgold, following a review of its project portfolio to determine strategic fit with its corporate objectives, had elected to withdraw from the earn-in agreement, with Corcel’s interest in the project reverting to 80% following this election. The Company has determined that the strategic nature of the decision to withdraw from the project, which involved a focusing of the Riversgold business on lithium assets, does not give rise to an indication of impairment of the asset. The Company is assessing its options for further development of the project.

## Canegrass Lithium Project

- On 18 March 2024 the Company announced the results of initial exploration/evaluation work on its 100% owned Canegrass project, noting the presence of Lithium, Vanadium and Nickel bearing structures. Following discussions with Huntsman Exploration, the Company has been informed that Huntsman intends to drop the underlying tenements, and that it is currently not economically sensible for Corcel to acquire them. As such, the project has been fully impaired as at 30 June 2024.

## APEX Angola

- During the year, Drilling activity was undertaken by Sonangol, the Angolan state oil company and operator of the KON-11 block in which the Company holds a 20% interest. The Company paid approx. US\$1.6m in cash calls to Sonangol over the period (and a payment plan for the balance of 2024 and all of 2025 agreed budgets for both KON-11 and KON-12 was agreed with Sonangol in October 2024). The results of the drilling activity were inconclusive following substantial drilling challenges, with Sonangol noting its intention to fully analyse the data extracted from the wells and determine the optimal means for continued development of the wells and the block as a whole. The Company has determined that the challenges encountered in these wells were of an engineering/execution nature and so do not

# Notes to Financial Statements

for the year ended 30 June 2024

reflect the underlying prospectivity of the assets and, as such, do not give rise to an indication of impairment of these prospects.

## 24 Commitments

As at 30 June 2024, the Company had entered into the following commitments:

- Exploration commitments: On-going exploration expenditure is required to maintain title to the Group mineral exploration permits. No provision has been made in the Financial Statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group and did not give rise to a legal or constructive obligation as at the date of report.
- On 1 March 2024, the Company extended its existing lease at We Work, Aldwych House, through to 31 March 2025. Total lease rentals payable to March 2025 are £21,467.

## 25 Related Party Transactions

- Related party receivables and payables between Group companies are disclosed in Notes 13 and 14, respectively.
- The key management personnel are the Directors and their remuneration is disclosed within Note 8.
- During the year, the following directors participated in Funding activity undertaken by the Company:
  - Extraction Srl, in which Antoine Karam holds a 45% interest, provided £1,000,000 in convertible loan funding in the year, which was fully converted by the reporting date into a total of 130,979,451 Ordinary shares. During the year interest totalling £47,835 was accrued on this loan and was converted along with the principal;
  - Geraldine Geraldo subscribed for 39.975m new ordinary shares at a price of £0.005 per share.
  - Integrated Battery Metals (IBM), a company of which Yan Zhao is a director, agreed to the purchase of the Company's interests in the Mambare Joint Venture in the year for total consideration of USD4.1m in staged tranches, see note 23 for further details. During the year IBM also provided the Company with a loan of USD1.6m which is interest free and repayable out of the first tranche of consideration payable of the purchase of the Mambare JV.

## 26 Events After the Reporting Period

- On 10 July 2024 the Company announced it had entered into a collaboration agreement with Conterp Serviços Técnicos Ltda ("Conterp"), a Brazilian energy services company, for the purposes of identifying onshore oil & gas production opportunities in Brazil.
- On 12 July 2024 the Company announced the resignation of Antoine Karam as Chairman of the board (noting he remains a non executive director of the Company), the appointment of Andrew Fairclough as acting Non-Executive Chairman and the appointment of Scott Gilbert as Chief Executive Officer of the Company.
- On 10 September 2024 the Company announced the completion of the data acquisition phase of its KON-16 program (over which the company holds a 35% interest and operatorship). The Company is now engaging in processing and interpretation work over the data to further refine the prospectivity of the block ahead of further exploration work.
- On 24 September 2024 the Company announced the acquisition of a further 20% interest in its operated KON-16 block in Angola, bringing the total interest of the Company to 55% gross (49.5% net to Corcel considering its 90% interest in APEX Angola). The acquisition was undertaken for no consideration following the exit of one of the JV partners from the block.
- On 24 September 2024, the Company announced the raising of £1.22m in gross funding through the placement of 1.22bn new ordinary shares to a group of strategic investors, at a price of £0.001 per share.
- On 4 November 2024, the Company announced that Antoine Karam had resigned from the Board with immediate effect.
- On 18 November 2024, the Company announced that it had agreed an option to acquire a 20% interest in the IRAI gas field, onshore Brazil, as well as a right of first refusal over the remaining 80% and a separate right of first refusal over 100% of the adjacent TUC-T-172 exploration block. The Company agreed to provide a loan of USD550k to Petroborn to conduct the first two workovers in the field, after which the Company would have the choice whether to exercise the option. Further tranches of USD0.850m and USD2.1m would be payable to fund operations in 2025 and 2026 following execution of the option. The Company would receive an additional 10% of future cash flows to accelerate repayment of its investments in the field.

# Notes to Financial Statements

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for the year ended 30 June 2024

- On 19 November 2024 the Company announced that existing Non-Executive Director, Pradeep Kabra, would take over the role of Non-Executive Chairman, and Andrew Fairclough, the current Non-Executive Chairman, would step down and remain on the board as an independent Non-Executive Director.

## **27 Control**

There is considered to be no controlling party.