

Registered number: 10545738

**CHESTERFIELD RESOURCES PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2023**

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## **CHESTERFIELD RESOURCES PLC**

### **CONTENTS**

|                                                          | <b>Page</b> |
|----------------------------------------------------------|-------------|
| <b>Company Information</b>                               | <b>1</b>    |
| <b>Chairman's Review</b>                                 | <b>2</b>    |
| <b>Group Strategic Report</b>                            | <b>3</b>    |
| <b>Directors' Report</b>                                 | <b>7</b>    |
| <b>Directors' Responsibilities Statement</b>             | <b>10</b>   |
| <b>Corporate Governance Report</b>                       | <b>11</b>   |
| <b>Directors' Remuneration Report</b>                    | <b>13</b>   |
| <b>Independent Auditor's Report</b>                      | <b>17</b>   |
| <b>Group Statement of Comprehensive Income</b>           | <b>22</b>   |
| <b>Group and Company Statement of Financial Position</b> | <b>23</b>   |
| <b>Group Statement of Changes in Equity</b>              | <b>24</b>   |
| <b>Company Statement of Changes in Equity</b>            | <b>25</b>   |
| <b>Group and Company Statement of Cash Flows</b>         | <b>26</b>   |
| <b>Notes to the Financial Statements</b>                 | <b>27</b>   |

## CHESTERFIELD RESOURCES PLC

### COMPANY INFORMATION

**Directors**

Ajay Kejriwal  
Paul Ensor  
David Cliff (resigned 16 March 2024)  
Evgeny Vrublevskiy (resigned 25 September 2023)  
Kashif Afzal (appointed 23 September 2023)

**Company Secretary**

Westend Corporate LLP

**Registered Office**

6 Heddon Street, London, W1B 4BT

**Auditors**

PKF Littlejohn LLP  
Statutory Auditor  
15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

**Brokers**

Peterhouse Capital Limited  
80 Cheapside  
London  
EC2V 6DZ

**Solicitors**

Hill Dickinson  
The Broadgate Tower  
20 Primrose Street  
London  
EC2A 2EW

**Bankers**

Barclays Bank plc  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

**Registrars and Transfer Office**

Neville Registrars Limited  
Neville House  
Steelpark Road  
Halesowen  
B62 8HD

**Website**

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

## **CHESTERFIELD RESOURCES PLC**

### **CHAIRMAN'S REVIEW**

Dear Shareholders,

During 2023, Chesterfield continued to streamline its operations whilst focusing extensively on cost control, all whilst positioning the company, both financially and operationally, to best be able to exploit new opportunities as they arise.

#### **Cyprus**

The retained licences, in the Westline Trend enjoy a history of positive drill results as previously announced. During 2023 Chesterfield has been evaluating the merits of both partnerships with third parties to explore the licences further and to independently continue a programme of exploration.

Whilst no acceptable partnership or joint venture agreement has been reached the company continues to focus on possible ways to work the licences whilst passing the capital risk to third parties. Due to the significant decrease in expenditure within the three retained areas in Cyprus, the Directors concluded that an impairment charge of £897,395 was necessary for the year ended 31 December 2023.

#### **Canada**

The Adeline project has been optioned to Sterling Metals (SAG.V) and they have the ability to exercise their option to fully acquire the Adeline Project by November 2024.

In the meantime, responsibility for exploring the licence area and to maintain them in good standing is borne by Sterling metals entirely at their cost.

During 2023, Sterling announced a highly successful private placement, continued work at Sail Pond, and the commencement of a 1,930-meter diamond drilling program at Adeline. In December 2023 the initial assay results of the drilling campaign were released and indicated the possibility of a big metal district at Adeline.

In 2024 Sterling, in whom Chesterfield is already a significant shareholder, announced its intention to acquire the Copper Road project in Ontario.

It is expected that during 2024 Sterling will acquire the Adeline project from Chesterfield in consideration for additional cash and shares in Sterling.

#### **Corporate Changes**

In recent months Chesterfield has appointed new brokers, Peterhouse Capital, and announced several changes to the Board. David Cliff has stepped down and I would like to thank him for his wonderful contribution to Chesterfield over the last several years.

Ajay Kejriwal and Paul Ensor have moved to Non-Executive roles and I have been appointed Executive Chairman.

Costs are at an absolute minimum whilst we preserve cash for business development and avoid shareholder dilution as much as possible.

#### **Financial Review**

The loss of the Group for the year ended 31 December 2023 amounted to £1,911,855 (year ended 31 December 2022: loss of £3,659,387).

The Group's cash position at 31 December 2023 was £278,675 (2022: £304,022).

#### **Outlook**

Chesterfield continues to seek new opportunities and is consistently evaluating many such possibilities. Whilst no transaction is imminent, I am of the belief that a shareholder accretive opportunity will be executed in due course and that is a key objective for me in 2024 and beyond.

I would like to thank shareholders and stakeholders for their continued support in 2023 and look forward to updating the market as developments occur.



Kashif Afzal  
Executive Chairman  
29 April 2024

## CHESTERFIELD RESOURCES PLC

### GROUP STRATEGIC REPORT

The Directors of the Company and its subsidiary undertakings (which together comprise the "Group") present their Strategic Report on the Group for the year ended 31 December 2023.

#### Strategic Approach

The Group's aim is to create value for shareholders through the discovery and development of economic mineral deposits. The Group's strategy is to evaluate its existing and new mineral resource opportunities.

#### Organisation Overview

The Group's business is directed by the Board and is managed on a day-to-day basis by the one Executive director being Kashif Afzal. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and periodic operational reviews.

The Corporate Head Office of the Group is located in London, UK, and provides corporate support services to the overseas operations. Overseas operations are managed in Cyprus and Canada.

As at 31 December 2023, the Board comprised of two Executive Directors and two Non-Executive Directors as detailed below:

##### *Ajay Kejriwal – Executive Director*

Mr Kejriwal has over 30 years of experience in finance and commerce, having worked for Morgan Stanley, Cazenove and Nomura, in London and Hong Kong. Mr Kejriwal is a Chartered Accountant, having qualified with PriceWaterhouseCoopers in 1994. He has considerable experience in the junior resource sector and is a specialist in structuring transactions.

##### *Paul Ensor – Executive Director*

Mr Ensor has 30 years' experience in institutional equity markets having worked for Baring Securities, CLSA and UBS in Hong Kong and South-East Asia. Since his return to London, Mr Ensor has advised on growth strategies for a number of junior companies, principally in the natural resources sector. He has notable experience in new business development and financing.

##### *David Cliff – Non-Executive Director*

Mr Cliff has over 50 years in exploration and mine geology. Previously he had over 26 years at Rio Tinto including five as Exploration Manager Europe. He has a BSc Hons in Geology and is a Chartered Engineer and Member of the Institute of Materials, Minerals and Mining.

##### *Kashif Afzal – Non-Executive Director*

Mr Afzal, is a British businessman based in the UAE, and a graduate of Oxford University and the professional programme at the Camborne School of Mines. In addition to Juniper International FZ LLC, Mr Afzal is an advisor to a number of institutional and family office investors and a Director of Blockbase Asia and RMH International.

As at 29 April 2024, the Board consisted of one Executive Director and two Non-Executive Directors.

During the year the Group had the following gender composition of employees and directors:

| Gender Composition           | Male | Female |
|------------------------------|------|--------|
| Directors <sup>(1) (2)</sup> | 5    | 0      |
| Employees                    | 0    | 0      |

(1) Evgeny Vrublevskiy resigned during the year.

(2) David Cliff resigned 19 March 2024.

In 2023, 0% of the board was made up of women. As the Company grows and develops it is eager to increase its gender diversity by appointing more women to its Board, adding new perspectives and contributions. However, at present the Board and Company remains fairly small.

One third of the Company's board is formed of individuals from ethnic minority backgrounds, as defined by the Listing Rules.

#### Review of Business

The Group has undertaken a review of its exploration portfolio. On 3 March 2023 company granted an option to acquire its Adeline Project to Sterling Metals (SAG.V) and has reduced the size of the licence holding in Cyprus in order to better focus on the most prospective licences. In 2022, there was an extensive reassessment of the portfolio in Cyprus, which resulted in a substantial relinquishment of licences. The three remaining licences are AE4664, AE4672 and AE4673.

#### Financial Performance Review

The loss of the Group for the year ended 31 December 2023 amounts to £1,911,855 (year ended 31 December 2022: loss of £3,659,387).

## CHESTERFIELD RESOURCES PLC

### GROUP STRATEGIC REPORT

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the year to 31 December 2024. The Group is committed to best practice in energy consumption, social, community and human rights issues however given the Groups size it does not separately disclose these matters in this report.

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

| KPI                                                     | 2023    | 2022    |
|---------------------------------------------------------|---------|---------|
| Cash and cash equivalents (£)                           | 278,675 | 304,022 |
| Administrative expenses as a percentage of total assets | 90%     | 30%     |
| Exploration costs capitalised during the period (£)     | 27,367  | 462,587 |

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statement of Cash Flows on page 26).

Administrative expenses are the expenses related to the Group's ability to run the corporate functions to ensure they can perform their operational commitments.

Exploration costs capitalised during the year consist of exploration expenditure on the Group's exploration licences, net of foreign exchange rate movements and excludes the fair value uplift of acquisitions. During the year exploration costs were capitalised however at 31 December 2023 the Group revaluated the carrying amount of the exploration costs and concluded that the carrying amount exceeded the recoverable amount resulting in a full impairment in accordance with IAS36.

#### Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

##### *Exploration risks*

The exploration and mining business are controlled by a number of global factors, principally supply and demand which in turn is a key driver of global mineral prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of exploration expenditure ensuring that funds are only applied to high priority targets.

The principal asset of the Group, comprising the mineral exploration licences, are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to legislation defined by the Cypriot and Canadian Governments; if this legislation is changed it could adversely affect the value of the Group's assets.

##### *Dependence on key personnel*

The Group and Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements at market rates with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

##### *Uninsured risk*

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond its control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupation and health hazards and weather conditions or other acts of God.

##### *Funding risk*

The only sources of funding currently available to the Group are through the issue of additional equity capital in the parent company in discrete tranches or through bringing in partners to fund exploration and development costs. The Company's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The Company may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the

## CHESTERFIELD RESOURCES PLC

### GROUP STRATEGIC REPORT

Group may be required to reduce the scope of its exploration activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

#### ***Political risk***

All of the Group's operations are located in a foreign jurisdiction. As a result, the Group is subject to political, economic and other uncertainties, including but not limited to, changes in policies or the personnel administering them, terrorism, appropriation of property without fair compensation, cancellation or modification of contractual rights, foreign exchange restrictions and currency fluctuations.

#### ***Financial Risks***

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

#### **Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole**

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company operates as a base metal's exploration business, which is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The pre-revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under LSE regulations.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during 2023:

- Continuing evaluation of existing license areas and assessment of targets
- Cost control measures including cuts in exploration and related staffing and other overhead cost. Management have been able to significantly reduce outgoings both to service providers and the Board;
- Consider the likely consequences of any decision in the long term;
- continued to carry out extensive work to examine a number of possible options for the Group to make an investment into new opportunities with the goal of finding new business activity that will generate significant shareholder value;
- Granted Sterling Metals the option to acquire its' Adeline Project;
- Foster the Company's relationships with suppliers, customers and others, and
- Keeping costs at an absolute minimum whilst preserving cash for business development.

As a mining exploration Company operating in Cyprus and Canada, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption & bribery. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work.

## **CHESTERFIELD RESOURCES PLC**

### **GROUP STRATEGIC REPORT**

Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact. The interests of our employees are a primary consideration for the Board. An inclusive share-option programme allows them to share in the future success of the Company, personal development opportunities are supported and a health and security support network is in place to assist with any issues that may arise on field expeditions.

The Group Strategic Report was approved by the Board on 29 April 2024.



Kashif Afzal  
Executive Chairman

## CHESTERFIELD RESOURCES PLC

### DIRECTORS' REPORT

The Directors present their annual report on the affairs of Chesterfield Resources plc together with the audited Financial Statements for the year ended 31 December 2023.

#### Dividends

The Directors do not recommend the payment of a dividend for the year (2022: nil).

#### Directors & Directors' Interests

The Directors who served during the year ended 31 December 2023 are shown below and had, at that time, the following beneficial interests in the shares of the Company:

|                                   | 31 December 2023 |                    | 31 December 2022 |                    |
|-----------------------------------|------------------|--------------------|------------------|--------------------|
|                                   | Ordinary Shares  | Options & Warrants | Ordinary Shares  | Options & Warrants |
| Ajay Kejriwal                     | 150,000          | 1,100,000          | 150,000          | 1,100,000          |
| David Cliff <sup>(3)</sup>        | 450,000          | 785,000            | 450,000          | 1,950,000          |
| Paul Ensor                        | 172,841          | 750,000            | 172,841          | 750,000            |
| Evgeny Vrublevskiy <sup>(1)</sup> | -                | -                  | -                | -                  |
| Kashif Afzal <sup>(2)(4)</sup>    | 23,333,334       | -                  | -                | -                  |

(1) Evgeny Vrublevskiy resigned 25 September 2023

(2) Kashif Afzal was appointed 23 September 2023

(3) David Cliff resigned 19 March 2024

(4) Kashif Afzal's shares are held via Juniper International FZ LLC which he holds a 100% interest in.

Further details on options can be found in Note 21 to the Financial Statements.

#### Substantial Shareholders

The substantial shareholders with more than a 3% shareholding at 29 April 2023 are shown below:

|                                                | Holding    | Percentage |
|------------------------------------------------|------------|------------|
| Juniper International FZ LLC <sup>(1)(2)</sup> | 23,333,334 | 17.9%      |
| Altius Minerals                                | 10,089,199 | 7.7%       |

(1) Kashif Afzal is the Director and owner of Juniper International FZ LLC.

(2) The final completion of the sale of the shares from Polymetal International plc to Juniper International FZ LLC remains subject to certain regulatory considerations and it is expected that formal notification will be issued upon completion of the remaining formalities as announced on 25 September 2023.

#### Corporate Responsibility

##### Environmental

Chesterfield undertakes its exploration activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature. Chesterfield is a mineral explorer, not a mining company. Hence, the environmental impact associated with its activities is minimal. To ensure proper environmental stewardship on its projects, Chesterfield conducts certified baseline studies prior to all drill programmes and ensures that areas explored are properly maintained and conserved.

As an exploration stage business, the Group's operations are at a relatively small scale. As such, the Group's environmental impact is relatively small when compared with larger businesses in the sector. Nevertheless, the Board recognises its responsibility to protect the environment (particularly as the business scales up) and is fully committed to conserving natural resources and striving for environmental sustainability, by ensuring that its facilities are operated to optimise energy usage; minimise waste production; and protect nature and people.

Current UK based annual energy usage and associated annual GHG emissions are reported pursuant to the Companies and Limited Liability Partnerships Regulations 2018 that came into force 1 April 2019. Energy use and associated GHG emissions are reported as defined by the operational control approach. The minimum mandatory requirements set out in the 2018 Regulations requires reporting of UK based energy use and emissions. The Group has a small carbon footprint in the UK as most of the directors' work from home. As a result, the energy usage in the UK is below 40,000KWh (2022: below 40,000 KWh) and therefore, Greenhouse gas emissions, energy consumption and energy efficiency disclosures have not been provided in the Annual Report

## **CHESTERFIELD RESOURCES PLC**

### **DIRECTORS' REPORT**

As the Group's operations scale up, it will continue to monitor its energy use and its status as a low energy user. The Group will seek to collect, structure, and effectively disclose related performance data for the material, climate-related risks and opportunities identified where relevant.

#### ***Health and safety***

Chesterfield operates a comprehensive health and safety programme to ensure the wellness and security of its employees. The control and eventual elimination of all work-related hazards requires a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement is regarded as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

#### ***Internal Controls***

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the period. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

#### ***Corporate Governance***

The statement on corporate governance can be found in the Corporate Governance Report on page 11 of these Financial Statements. The Corporate Governance Report forms part of this directors' report and is incorporated into it by cross reference. The Group is committed to diversity of age, gender, educational and professional backgrounds however given the Groups size it does not have a specific policy in place.

#### ***Supplier payment policy***

The Group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

#### ***Going Concern***

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Whilst the Directors are of the view that the Group will have sufficient funds, taking into consideration Sterling Metals (SAG.V) ability to exercise their option to fully acquire the Adeline Project by November 2024 and ability to raise additional funds by the sale of the SAG.V shares. Notwithstanding, the current conditions do indicate the existence of a material uncertainty that may cast significant doubt regarding the applicability of the going concern assumption and the auditors have made reference to this in their audit report. The Directors are confident in the Company's ability to realise additional funds as required within the next 12 months. Thus, they continue to adopt the going concern basis of accounting preparing these financial statements.

Further details on their assumptions and their conclusion thereon are included in the statement on going concern included in Note 2.3 to the Financial Statements.

#### ***Directors' and Officers' Indemnity Insurance***

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and Officers. These were made during the period and remain in force at the date of this report.

#### ***Events after the reporting period***

Events after the reporting date are detailed in Note 24.

## **CHESTERFIELD RESOURCES PLC**

### **DIRECTORS' REPORT**

#### **Future Developments**

Management are evaluating plans to continue exploration work in the Company's remaining licences in Cyprus while at the same seeking partners to assist in this work for the coming summer drilling season. The Board will update the market as these plans take shape.

#### **Financial instruments**

Details of the Group's financial instruments are disclosed in Note 19 to these Financial Statements.

#### **Provision of Information to Auditor**

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Auditor**

PKF Littlejohn LLP has signified its willingness to continue in office as auditor. A resolution to reappoint PKF Littlejohn LLP as auditor will be proposed at the Annual General Meeting.

This report was approved by the Board on 29 April 2024 and signed on its behalf.



Kashif Afzal  
Executive Chairman

## CHESTERFIELD RESOURCES PLC

### DIRECTORS RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK-adopted international accounting standards. 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 Company, and of the profit or loss of the Group and Company for that period. In preparing these Financial Statements, the Directors are required to:

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

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

They are also responsible to make a statement that they consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Group and Company's position and performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

#### **Directors Responsibility pursuant to DTR4**

Each of the Directors whose names and functions are listed on page 3 confirm that, to the best of their knowledge and belief:

- The Financial Statements prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group and Company; and
- the Annual Report and Financial Statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board



Kashif Afzal  
Executive Chairman  
29 April 2024

## CHESTERFIELD RESOURCES PLC

### CORPORATE GOVERNANCE REPORT

#### **Principles of corporate governance**

The Group is not required to comply with the UK Code of Corporate Governance and has not voluntarily adopted it. However, the Directors recognise the importance of sound corporate governance and the Board intends, to the extent it considers appropriate in light of the Group's size, stage of development and resources, to implement certain corporate governance recommendations.

The Directors have responsibility for the overall corporate governance of the Group and recognise the need for the highest standards of behaviour and accountability. The Board has a wide range of experience directly related to the Group and its activities and its structure ensures that no one individual or group dominates the decision-making process.

#### **Board structure**

As at 31 December 2023, the Board comprised two executive and two non-executive Directors. Their details appear on page 1. Evgeny Vrublevsky resigned on 25 September and Kashif Afzal was appointed on 23 September 2023. At the date of the release of these financials, the Board comprised one executive and two non-executive Directors following the resignation of David Cliff.

The Board is responsible to shareholders for the proper management of the Group. The Directors' responsibilities statement in respect of the Financial Statements is set out on page 10. The non-executive Directors have a particular responsibility to ensure that the strategies proposed by the executive Directors are fully considered. To enable the Board to discharge its duties, all directors have full and timely access to all relevant information and there is a procedure for all Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the expense of the Group.

The Board is responsible for overall Group strategy, approval of major capital expenditure projects and consideration of significant financing matters. The following Board committees, which have written terms of reference, deal with specific aspects of the Group's affairs:

#### **Nomination Committee**

In light of the size of the Board, the Directors do not consider it necessary to establish a Nomination Committee. However, this will be kept under regular review.

#### **Audit Committee**

During 2023, the Audit Committee comprised of David Cliff, Ajay Kejriwal and Paul Ensor. At the date of signing, the Audit Committee will comprise of Ajay Kejriwal and Paul Ensor, following the resignation of David Cliff.

The Audit Committee review the Group's annual and interim Financial Statements before submission to the Board for approval. The Committee also reviews regular reports from management and the external auditor on accounting and internal control matters. Where appropriate, the Committee monitors the progress of action taken in relation to such matters. The Committee also recommends the appointment, and reviews the fees, of the external auditor. The Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditor. A formal statement of independence is received from the external auditor each year.

#### **Remuneration Committee**

During the year, following the resignation of Evgeny Vrublevskiy and appointment of Kashif Afzal, Kashif Afzal replaced Paul Ensor in the Remuneration Committee. Following the board restructure and resignation of David Cliff, at the date of the release of these financials, the Remuneration Committee, comprises of Paul Ensor and Ajay Kejriwal.

The remuneration committee are responsible for reviewing the performance of the Board and for setting the scale and structure of remuneration, determining the payment of bonuses, considering the grant of options under any share option scheme and, in particular, the price per share and the application of performance standards which may apply to any such grant, paying due regard to the interests of shareholders as a whole and the performance of the Group.

## CHESTERFIELD RESOURCES PLC

### CORPORATE GOVERNANCE REPORT

#### Board Meetings

The Board meets on an informal basis regularly throughout the year. The Board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance. The formal board meetings held during the year are detailed below, however this excludes any informal board calls and meetings held during the same period.

| Date             | Type          | Present                                                    |
|------------------|---------------|------------------------------------------------------------|
| 13 January 2023  | Board Meeting | Paul Ensor, David Cliff, Evgeny Vrublevskiy, Ajay Kejriwal |
| 13 February 2023 | Board Meeting | Paul Ensor, David Cliff, Ajay Kejriwal                     |
| 1 March 2023     | Board Meeting | Paul Ensor, David Cliff, Ajay Kejriwal                     |
| 9 October 2023   | Board Meeting | Paul Ensor, David Cliff, Ajay Kejriwal, Kashif Afzal       |
| 4 December 2023  | Board Meeting | Paul Ensor, David Cliff, Ajay Kejriwal, Kashif Afzal       |

#### Internal Controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the increased activity and further development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective. The key elements of the control system in operation are:

- the Board meets regularly with a formal schedule of matters reserved to it for decision;
- there are established procedures for planning, approval and monitoring of capital expenditure and information systems for monitoring the Group's financial performance against approved budgets and forecasts;
- UK financial operations are closely monitored by members of the Board to enable them to assess risk and address the adequacy of measures in place for its monitoring and control. The Cyprus and Canadian operations are closely supervised by the UK based executives through daily, weekly and monthly reports from the directors' key management in Cyprus and Canadian.

#### Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. Project milestones and timelines are regularly reviewed.

#### The Bribery Act 2010

The Board is committed to acting ethically, fairly and with integrity in all its endeavours and compliance of the code is closely monitored.

#### Securities Trading

The Group has adopted a share dealing code for dealings in shares by Directors and senior employees which is appropriate for a quoted company. The Directors will take all reasonable steps to ensure compliance by the Group's applicable employees.

#### Relations with Shareholders

The Board is committed to providing effective communication with the Shareholders of the Group. Significant developments are disseminated through stock exchange announcements and regular updates of the Group's website. The Board views the AGM as a forum for communication between the Group and its shareholders and encourages their participation in its agenda.

On behalf of the Board



Kashif Afzal  
Executive Chairman  
29 April 2024

## CHESTERFIELD RESOURCES PLC

### DIRECTORS' REMUNERATION REPORT

The Company has an established Remuneration Committee. The Committee reviews the scale and structure of the Directors' fees, taking into account the interests of shareholders and the performance of the Group and Directors.

The Company's auditors, PKF Littlejohn LLP are required by law to audit certain disclosures and where disclosures have been audited, they are indicated as such.

#### Statement of Chesterfield Resources Plc's policy on Directors' remuneration by the Chairman of the Remuneration Committee

As Chairman of the Remuneration Committee I am pleased to introduce our Directors' Remuneration Report. One of the Remuneration Committee's aims is to provide clear, transparent remuneration reporting for our shareholders which adheres to the best practice corporate governance principles that are required for listed organisations.

The Directors' Remuneration Policy, is set out on page 13 of this report. A key focus of the Directors' Remuneration Policy is to align the interests of the Directors to the long-term interests of the shareholders and aims to support a high-performance culture with appropriate reward for superior performance, without creating incentives that will encourage excessive risk taking or unsustainable company performance. This is underpinned through the implementation and operation of incentive plans.

#### Key Activities of the Remuneration Committee

The key activities of the Remuneration Committee are:

- to determine and agree with the Board the framework or broad policy for the remuneration of the Company's chairman, chief executive, the executive directors, the company secretary and such other members of the executive management as it is designated to consider;
- in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- recommend and monitor the level and structure of remuneration for senior management;
- when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company, and review the on-going appropriateness and relevance of the remuneration policy;
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
- approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used;
- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- oversee any major changes in employee benefits structures throughout the Company.

#### Members

As at 31 December 2023, the Remuneration Committee comprises the following independent Non-Executive Directors:

| Name         | Position | Date of appointment |
|--------------|----------|---------------------|
| David Cliff  | Chairman | 3 July 2018         |
| Kashif Afzal | Member   | 23 September 2023   |

## CHESTERFIELD RESOURCES PLC

### DIRECTORS' REMUNERATION REPORT

As at date of signing, the Remuneration Committee comprises the following independent Non-Executive Directors:

| Name          | Position | Date of appointment |
|---------------|----------|---------------------|
| Paul Ensor    | Chairman | 19 March 2024       |
| Ajay Kejriwal | Member   | 19 March 2024       |

#### Remuneration Components

The Company remunerates directors in line with best market practice in the industry in which it operates. The components of Director remuneration that are considered by the Board for the remuneration of directors in future years are likely to consist of:

- Base salaries
- Pension and other benefits
- Annual bonus
- Share Incentive arrangements

Given the early stage of development of the Company, the Remuneration Committee also do not consider it necessary to have maximum amounts of each remuneration component.

The Executive Directors have entered into service agreements with the Company and the Non-Executive Directors have entered into letters of appointment with the Company.

All such contracts impose certain restrictions as regards the use of confidential information and intellectual property and the Executive Director's service contracts impose restrictive covenants which apply following the termination of the agreement.

#### Other matters

The Company has established a workplace pension scheme and pays the statutory required pension amounts in relation to Directors' remuneration where applicable. The Company has not paid out any excess retirement benefits to any Directors or past Directors. The Company has not paid any compensation to past Directors. The Company has also issued options to Directors as part of a long-term incentive scheme.

#### Recruitment Policy

Base salary levels will take into account market data for the relevant role, internal relativities, their individual experience and their current base salary.

For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

#### Payment for loss of Office

The Committee will honour the Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There is no agreement between the Company and its Executive Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Directors' office or employment.

#### Service Agreements and letters of appointment

The Executive Director's service agreement are not for a fixed term and may be terminated by the Company or the Executive Director by giving 6 months' notice.

| Name                        | Date of service agreement | Notice period by Company (months) | Notice period by Director (months) |
|-----------------------------|---------------------------|-----------------------------------|------------------------------------|
| Kashif Afzal <sup>(1)</sup> | 19 March 2024             | 6 months                          | 6 months                           |

## CHESTERFIELD RESOURCES PLC

### DIRECTORS' REMUNERATION REPORT

The terms of all Directors' appointments are subject to their re-election by the Company's shareholders at any Annual General Meeting at which all the Directors stand for re-election.

The Non-Executive Directors of the Company do not have service contracts but are appointed by letters of appointment. Each Non-Executive Director's term of office runs for an initial period of three years unless terminated earlier upon written notice or upon their resignation.

The details of each Non-Executive Director's current term are set out below:

| Name                         | Date of service agreement | Current term (years) | Notice period by Company (months) | Notice period by Director (months) |
|------------------------------|---------------------------|----------------------|-----------------------------------|------------------------------------|
| Ajay Kejriwal <sup>(2)</sup> | 19 March 2024             | 1 years              | 6 months                          | 6 months                           |
| Paul Ensor <sup>(2)</sup>    | 19 March 2024             | 1 years              | 6 months                          | 6 months                           |

(1) Kashif Afzal was appointed 23 September 2023 as Non-executive Director of the Company before being assigned to Executive Director on 19 March 2024.

(2) Ajay Kejriwal and Paul Ensor were Executive Directors of the Company during the period and was assigned to Non-Executive Director's on 19 March 2024.

#### Executive Directors' remuneration - Audited

The table below sets out the remuneration received by the Executive Directors for the year ended 31 December 2023 and 31 December 2022:

|                              | Short term benefits 2023<br>£ | Notice period fees 2023<br>£ | Accruals 2023<br>£ | Total 2023<br>£ | Short term benefits 2022<br>£ | Notice period fees 2022<br>£ | Accruals 2022<br>£ | Total 2022<br>£ |
|------------------------------|-------------------------------|------------------------------|--------------------|-----------------|-------------------------------|------------------------------|--------------------|-----------------|
| Martin French <sup>(1)</sup> | -                             | -                            | -                  | -               | 70,870                        | 65,538                       | -                  | 136,408         |
| Ajay Kejriwal                | 18,353                        | -                            | -                  | 18,353          | 62,000                        | -                            | 25,000             | 87,000          |
| Paul Ensor <sup>(2)</sup>    | 18,353                        | -                            | -                  | 18,353          | 36,000                        | -                            | -                  | 36,000          |
| <b>Total</b>                 | <b>36,706</b>                 | <b>-</b>                     | <b>-</b>           | <b>36,706</b>   | <b>132,870</b>                | <b>65,538</b>                | <b>25,000</b>      | <b>223,408</b>  |

(1) Martin French resigned 4 August 2022.

(2) Paul Ensor was appointed as an Executive Director on 4 August 2022

Ajay Kejriwal's remuneration of £87,000 for the year ended 31 December 2022 includes a £25,000 accrual (Note 7). The £25,000 accrued salary remains outstanding at 31 December 2023.

#### Non-Executive Directors' remuneration – Audited

The table below sets out the remuneration received by each Non-Executive Director during the years ended 31 December 2023 and 31 December 2022:

|                                   | Short term benefits 2023<br>£ | Total 2023<br>£ | Short term benefits 2022<br>£ | Total 2022<br>£ |
|-----------------------------------|-------------------------------|-----------------|-------------------------------|-----------------|
| David Cliff                       | 9,000                         | 9,000           | 24,000                        | 24,000          |
| Peter Damouni <sup>(1)</sup>      | -                             | -               | 2,500                         | 2,500           |
| Evgeny Vrublevskiy <sup>(2)</sup> | -                             | -               | -                             | -               |
| Kashif Afzal <sup>(3)</sup>       | -                             | -               | -                             | -               |
| <b>Total</b>                      | <b>9,000</b>                  | <b>9,000</b>    | <b>62,500</b>                 | <b>62,500</b>   |

(1) Peter Damouni resigned 7 February 2022

(2) Evgeny Vrublevskiy was remunerated through significant shareholder and resigned 25 September 2023

(3) Kashif Afzal was appointed as an Non-Executive Director on 23 September 2023

## CHESTERFIELD RESOURCES PLC

### DIRECTORS' REMUNERATION REPORT

#### Relative importance of spend on pay

The table below illustrates the year-on-year change in total remuneration compared to distributions to shareholders and loss before tax for the financial periods ended 31 December 2023 and 2022:

|                             | Distributions to<br>shareholders<br>£ | Total directors and<br>employee pay<br>£ | Operational cash<br>outflow<br>£ |
|-----------------------------|---------------------------------------|------------------------------------------|----------------------------------|
| Year ended 31 December 2023 | nil                                   | 45,706                                   | 237,043                          |
| Year ended 31 December 2022 | nil                                   | 225,194                                  | 681,739                          |

Total employee pay includes wages and salaries, social security costs and pension cost for employees in continuing operations. Further details on Employee remuneration are provided in note 6 and 7.

Operational cash outflow has been shown in the table above as cash flow monitoring and forecasting is an important consideration for the Remuneration Committee and Board of Directors when determining cash-based remuneration for directors and employees.

#### Historical Share Price Performance Comparison

The table below compares the share price performance (based on a notional investment of £100) of Chesterfield Resources plc against the FTSE SmallCap for the period August 2017 to December 2023 calculated on a month end spot basis. The FTSE SmallCap has been chosen to provide a wider market comparator constituting companies of an appropriate size:

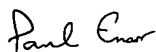
|                  | FTSE Small Cap<br>£ | Chesterfield Resources plc<br>£ |
|------------------|---------------------|---------------------------------|
| 31 December 2023 | 129.45              | 15.32                           |
| 31 December 2022 | 143.20              | 33.48                           |
| 31 December 2021 | 126.60              | 162.72                          |
| 31 December 2020 | 109.53              | 254.45                          |
| 31 December 2019 | 104.87              | 56.36                           |
| 31 December 2018 | 90.97               | 84.09                           |
| 11 August 2017   | 100.00              | 100.00                          |

Chesterfield Resources plc was listed in August 2017 and therefore no historical share price data exists prior to this period, there was also no data between 2 November 2017 and 3 July 2018 pending completion of a transaction.

#### Consideration of shareholder views

The Board considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Approved on behalf of the Board of Directors.



Paul Ensor  
Director & Remuneration Committee Chairman  
29 April 2024

## CHESTERFIELD RESOURCES PLC

### INDEPENDENT AUDITOR'S REPORT

#### Opinion

We have audited the financial statements of Chesterfield Resources plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group 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 parent 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 parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent 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 parent 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 public interest 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 2.3 in the financial statements, which indicates that the group's and parent company's ability to continue as a going concern is based on their ability to realise its available-for-sale investment in Sterling Metals at an acceptable price or to raise additional funds during the going concern period to fund exploration expenditure and working capital requirements. As stated in note 2.3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent 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 parent company's ability to continue to adopt the going concern basis of accounting included a review of the group's budget and cash flow forecasts for the period of at least twelve months from the date of approval of the financial statements, being 30 April 2025. This included checking the mathematical accuracy of the forecasts, assessing forecast cost reductions against historic costs and obtaining corroborative evidence for these reductions, and reviewing and discussing with management the key inputs and assumptions used in developing these budget and cash flow forecasts. We have also reviewed the latest available post year end management accounts, bank statements, regulatory news service announcements and board meeting minutes to assess the existence and potential impact of subsequent events which may impact the group's and the parent company's ability to continue as a going concern.

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

#### Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The overall materiality applied to the group financial statements was £43,000 (2022: £122,000), based on 2% (2022: 2%) of gross assets before audit adjustments. Upon commencing our audit we believed gross assets to be the main driver of the business as the group is in the exploration stage and no revenues are currently being generated. We re-visited our materiality upon the completion of our audit and believe that the level of materiality used remained appropriate and more coverage than would have been the case with the alternative benchmarks that would have been likely to be used if looking at the financial affairs of the group subsequent to audit adjustments. The group performance materiality at 70% (2022: 70%) of overall materiality was determined to be £30,100 (2022: £85,400) based upon our assessment of risk and the group's control environment. We consider the performance materiality set ensure significant classes of transactions, account balances and disclosures were adequately covered.

## CHESTERFIELD RESOURCES PLC

### INDEPENDENT AUDITOR'S REPORT

The materiality applied to the parent company financial statements was £35,000 (2022: £33,000), based on 1.3% (2022: 0.5%) of the net assets before adjustments. The performance materiality at 70% (2022: 70%) of overall materiality was determined to be £24,500 (2022: 23,100). Component materiality applied to the subsidiary undertakings in Cyprus and Canada was £25,000 (2022: £65,000) and £25,000 (2022: £14,000), respectively. The performance materiality for the components at 70% (2022: 60%) was determined to be £17,500 (2022: £39,000) and £17,500 (2022: £8,400) respectively.

We agreed with the audit committee that we would report to the committee all audit differences identified during the course of our audit in excess of £2,150 (2022: £6,100) for the group and £1,750 (2022: 1,650) for the parent company together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

#### Our approach to the audit

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

Whilst Chesterfield Resources plc is a company listed on the Standard market of the London Stock Exchange, the group's operations principally comprise exploration projects located in Cyprus and Canada. We assessed the significant components of the group to be the subsidiaries in Cyprus and Canada and the parent company.

We conducted a full scope audit of the parent company and the Canadian component for the purposes of the group audit. The Cyprus component was audited by a component auditor who is part of the PKF network.

#### 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 of 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                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Carrying value and assessment of impairment of non current intangible exploration and evaluation assets (refer to Notes 2.6, 2.9, 4 and 11)</b>                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                       |
| As at 31 December 2023, the total intangible assets reported in the Group Statement of Financial Position was £nil.                                                                                                                                                                                                                   | Our work in this area included:                                                                                                                                                                                                                                                                                                                                                                                       |
| The carrying value of these intangible assets are tested annually for impairment. There is a risk that the carrying amount of these assets exceeds the recoverable amount and a further risk that the capitalised amounts do not meet the recognition criteria of IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> . | <ul style="list-style-type: none"><li>• Testing the Group's exploration licences to confirm good title and standing, and assessing the likelihood of renewal on future expiry of licences;</li><li>• Critically reviewing and assessing the carrying value of intangible assets held by the group, including the determination of whether any impairment indicators exist in accordance with IFRS 6;</li></ul>        |
| Given that the estimated recoverable amount is subjective due to the inherent uncertainty involved in the assessment of early-stage exploration projects, we considered the carrying value of exploration assets to be a key audit matter.                                                                                            | <ul style="list-style-type: none"><li>• Reviewing the working papers prepared by the component auditor in respect of the capitalised additions in the Cypriot subsidiary in the year for eligibility in accordance with IFRS 6;</li><li>• Reviewing the work performed by the component auditor in respect of assessing compliance with the terms and conditions contained in the exploration licenses; and</li></ul> |

## CHESTERFIELD RESOURCES PLC

### INDEPENDENT AUDITOR'S REPORT

- Confirming with the Mines Service within the Republic of Cyprus good title to the Prospecting Permits held by the subsidiary undertaking, including the deposit held as financial guarantee against potential future liabilities.

The intangible assets are fully impaired as at year end.

#### **Valuation of investments in subsidiaries - parent company (refer to Notes 2.7, 2.10 and 13)**

As at 31 December 2023, the investments in subsidiaries reported in the Company Statement of Financial Position was £291,810.

The carrying value of the investments in subsidiaries, comprising of the investment value and the loans granted to these subsidiaries, is ultimately dependent on the value of the underlying assets held by those subsidiaries. Many of the underlying assets relate to exploration projects which are at an early stage of exploration. Estimating the recoverable amounts of these underlying assets is subjective due to the inherent uncertainty and there is the risk that these amounts are impaired.

Given that the estimated recoverable amount is subjective due to the inherent uncertainty involved in the assessment of early-stage exploration projects in the subsidiaries, we considered the valuation of the investments in subsidiaries to be a key audit matter.

Our work in this area included

- Comparing the carrying value of investments in subsidiaries against the value of the underlying assets as well as assessing whether exploration expenditure were capitalised in accordance with IFRS 6.
- Obtaining evidence of ownership for all investments in subsidiaries held within the group.
- Reviewing the carrying value of subsidiary investment and loan values and assessing this against relevant information available such as the net asset value of the subsidiaries. Where appropriate, we challenged the key inputs and assumptions, and obtained corroborating evidence.

Based on the procedures performed, we did not identify any further impairment to the year-end carrying values in addition to the impairment recognised during the audit.

#### **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 parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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.

## CHESTERFIELD RESOURCES PLC

### INDEPENDENT AUDITOR'S REPORT

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

In the light of the knowledge and understanding of the group and the parent 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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 directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (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 parent 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, industry research, and application of cumulative audit knowledge and experience of the resource exploration and evaluation sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, the Financial Conduct Authority rules, Task Force on Climate-related Financial Disclosure reporting requirements and local laws and regulations in Cyprus and Canada including terms within the exploration licenses.
- We designed our audit procedures to ensure that the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to discussing laws and regulations with management, reviewing minutes of meetings of those charged with governance and reviewing regulatory news. Corresponding instructions were issued to the component auditor in Cyprus to assess compliance by the component with applicable laws and regulations.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the carrying value and assessment of the impairment of non current intangible exploration and evaluation assets and valuation of investments in subsidiaries represented areas of highest risk of management bias. Please refer to the key audit matters section of our report above. We addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates.
- 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, judgements and assumptions for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business or where the business rationale is not clear.

## CHESTERFIELD RESOURCES PLC

### INDEPENDENT AUDITOR'S REPORT

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.

#### Other matters which we are required to address

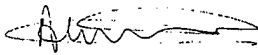
We were appointed by the Board of Directors on 22 November 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial years. Our total uninterrupted period of engagement is 6 years, covering the periods ending 31 December 2018 to 31 December 2023. It is noted that during the appointment period of audit for the year ended 31 December 2023, the senior statutory auditor has changed due to auditor rotation requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

#### 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.



**Alistair Roberts (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

29 April 2024

**CHESTERFIELD RESOURCES PLC**

**GROUP STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2023**

|                                                                                                                 |      | Group               |                     |
|-----------------------------------------------------------------------------------------------------------------|------|---------------------|---------------------|
|                                                                                                                 |      | 31 December<br>2023 | 31 December<br>2022 |
|                                                                                                                 | Note | £                   | £                   |
| <b>Continuing operations</b>                                                                                    |      |                     |                     |
| Administrative expenses                                                                                         | 6    | (375,596)           | (855,899)           |
| <b>Operating Loss</b>                                                                                           |      | <b>(375,596)</b>    | <b>(855,899)</b>    |
| Impairment                                                                                                      | 11   | (897,395)           | (3,195,730)         |
| Finance Income                                                                                                  |      | (609)               | (35)                |
| Other income                                                                                                    |      | -                   | 45,132              |
| Impairment loss on asset held for sale                                                                          | 14   | (368,736)           | -                   |
| Unrealised fair value loss on available for sale investments                                                    | 12   | (269,519)           | -                   |
| <b>Loss before taxation</b>                                                                                     |      | <b>(1,911,855)</b>  | <b>(4,006,532)</b>  |
| Deferred tax credit                                                                                             | 17   | 33,138              | 347,145             |
| <b>Loss for the Period attributable to owners of the parent</b>                                                 |      | <b>(1,878,717)</b>  | <b>(3,659,387)</b>  |
| <b>Basic and Diluted Earnings Per Share attributable to owners of the parent (expressed in pence per share)</b> | 9    | <b>(1.442)</b>      | <b>(2.831)</b>      |
|                                                                                                                 |      |                     |                     |
|                                                                                                                 |      | 31 December<br>2023 | 31 December<br>2022 |
|                                                                                                                 |      | £                   | £                   |
| Loss for the period                                                                                             |      | (1,878,717)         | (3,659,387)         |
| <b>Other Comprehensive Income:</b>                                                                              |      |                     |                     |
| <b>Items that may be subsequently reclassified to profit or loss</b>                                            |      |                     |                     |
| Currency translation differences                                                                                |      | (9,831)             | 97,040              |
| <b>Other comprehensive income for the period, net of tax</b>                                                    |      | <b>(1,888,548)</b>  | <b>(3,562,347)</b>  |
| <b>Total Comprehensive Income attributable to owners of the parent</b>                                          |      | <b>(1,888,548)</b>  | <b>(3,562,347)</b>  |

The Notes on pages 27 to 48 form part of these Financial Statements.

**CHESTERFIELD RESOURCES PLC**

**STATEMENTS OF FINANCIAL POSITION**  
**As at 31 December 2023**

**Company number: 10545738**

|                                                    | Note | Group            |                  | Company          |                  |
|----------------------------------------------------|------|------------------|------------------|------------------|------------------|
|                                                    |      | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
|                                                    |      | £                | £                | £                | £                |
| <b>Non-Current Assets</b>                          |      |                  |                  |                  |                  |
| Property, plant and equipment                      | 10   | -                | 8,941            | -                | -                |
| Intangible assets                                  | 11   | -                | 880,837          | -                | -                |
| Available for sale investments                     | 12   | 133,425          | -                | 133,425          | -                |
| Investments in subsidiaries                        | 13   | -                | -                | 291,810          | 2,453,764        |
|                                                    |      | <b>133,425</b>   | <b>889,778</b>   | <b>425,235</b>   | <b>2,453,764</b> |
| <b>Current Assets</b>                              |      |                  |                  |                  |                  |
| Trade and other receivables                        | 15   | 128,275          | 162,435          | 91,514           | 579,007          |
| Cash and cash equivalents                          | 16   | 278,675          | 304,022          | 251,434          | 275,813          |
|                                                    |      | <b>406,950</b>   | <b>466,457</b>   | <b>342,948</b>   | <b>854,820</b>   |
| Asset held for sale                                | 14   | 370,407          | 1,478,287        | -                | -                |
| <b>Total Assets</b>                                |      | <b>910,782</b>   | <b>2,834,522</b> | <b>768,183</b>   | <b>3,308,584</b> |
| <b>Non-Current Liabilities</b>                     |      |                  |                  |                  |                  |
| Deferred tax liabilities                           | 17   | -                | (33,138)         | -                | -                |
|                                                    |      | -                | (33,138)         | -                | -                |
| <b>Current Liabilities</b>                         |      |                  |                  |                  |                  |
| Trade and other payables                           | 18   | (101,479)        | (103,533)        | (77,640)         | (109,403)        |
|                                                    |      | <b>(101,479)</b> | <b>(103,533)</b> | <b>(77,640)</b>  | <b>(109,403)</b> |
| <b>Total Liabilities</b>                           |      | <b>(101,479)</b> | <b>(136,671)</b> | <b>(77,640)</b>  | <b>(109,403)</b> |
| <b>Net Assets</b>                                  |      | <b>809,303</b>   | <b>2,697,851</b> | <b>690,543</b>   | <b>3,199,181</b> |
| <b>Equity attributable to owners of the Parent</b> |      |                  |                  |                  |                  |
| Share capital                                      | 20   | 228,328          | 228,328          | 228,328          | 228,328          |
| Share premium                                      | 20   | 8,919,654        | 8,919,654        | 8,919,654        | 8,919,654        |
| Other reserves                                     |      | 100,915          | 257,838          | 121,829          | 268,921          |
| Retained losses                                    |      | (8,439,594)      | (6,707,969)      | (8,579,268)      | (6,217,722)      |
| <b>Total Equity</b>                                |      | <b>809,303</b>   | <b>2,697,851</b> | <b>690,543</b>   | <b>3,199,181</b> |

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company Statement of Comprehensive Income. The loss for the Parent Company for the year was £2,508,638 (2022: loss of £3,568,978).

The Financial Statements were approved and authorised for issue by the Board on 29 April 2024 and were signed on its behalf by:

  
Kashif Afzal  
Executive Director

The Notes on pages 27 to 48 form part of these Financial Statements.

# CHESTERFIELD RESOURCES PLC

## GROUP STATEMENT OF CHANGES IN EQUITY As at 31 December 2023

Company number: 10545738

| Note                                                          | Attributable to owners of the Parent |                    |                     |                      |             |
|---------------------------------------------------------------|--------------------------------------|--------------------|---------------------|----------------------|-------------|
|                                                               | Share capital<br>£                   | Share premium<br>£ | Other reserves<br>£ | Retained losses<br>£ | Total<br>£  |
| Balance as at 1 January 2022                                  | 218,328                              | 8,253,634          | 160,798             | (3,050,682)          | 5,582,078   |
| Loss for the year                                             | -                                    | -                  | -                   | (3,659,387)          | (3,659,387) |
| Other comprehensive income for the year                       |                                      |                    |                     |                      |             |
| Items that may be subsequently reclassified to profit or loss |                                      |                    |                     |                      |             |
| Currency translation differences                              | -                                    | -                  | 97,040              | -                    | 97,040      |
| Total comprehensive income for the year                       | -                                    | -                  | 97,040              | (3,659,387)          | (3,562,347) |
| Shares issued                                                 | 20                                   | 10,000             | 690,000             | -                    | 700,000     |
| Cost of capital                                               | 20                                   | -                  | (23,980)            | -                    | (23,980)    |
| Options expired during year                                   | 21                                   | -                  | (2,100)             | 2,100                | -           |
| Options granted during year                                   | 21                                   | -                  | 2,100               | -                    | 2,100       |
| Total transactions with owners, recognised directly in equity | 10,000                               | 666,020            | -                   | 2,100                | 678,120     |
| Balance as at 31 December 2022                                | 228,328                              | 8,919,654          | 257,838             | (6,707,969)          | 2,697,851   |
| Balance as at 1 January 2023                                  | 228,328                              | 8,919,654          | 257,838             | (6,707,969)          | 2,697,851   |
| Loss for the year                                             | -                                    | -                  | -                   | (1,878,717)          | (1,878,717) |
| Other comprehensive income for the year                       |                                      |                    |                     |                      |             |
| Items that may be subsequently reclassified to profit or loss |                                      |                    |                     |                      |             |
| Currency translation differences                              | -                                    | -                  | (9,831)             | -                    | (9,831)     |
| Total comprehensive income for the year                       | -                                    | -                  | (9,831)             | (1,878,717)          | (1,888,548) |
| Options expired during year                                   | 21                                   | -                  | (53,006)            | 53,006               | -           |
| Options cancelled during year                                 | 21                                   | -                  | (94,086)            | 94,086               | -           |
| Total transactions with owners, recognised directly in equity | -                                    | -                  | (147,092)           | 147,092              | -           |
| Balance as at 31 December 2023                                | 228,328                              | 8,919,654          | 100,915             | (8,429,594)          | 809,303     |

Share capital represents the nominal value of ordinary and deferred shares issued.

Share premium represents the amounts subscribed for share capital in excess of the nominal value of the shares issued, net of cost of issue.

Other reserves represent the share option reserve and the foreign currency translation reserve. The share option reserve represents the fair value of the share options outstanding, and the foreign currency translation reserve represents the accumulated foreign currency translation differences upon converting the Group's results into the presentational currency.

Retained losses comprise the Group's accumulative losses recognised in the statement of comprehensive income.

The Notes on pages 27 to 48 form part of these Financial Statements.

# CHESTERFIELD RESOURCES PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2023

|                                                                      | Note | Attributable to equity shareholders |                       |                        |                         | Total equity<br>£  |
|----------------------------------------------------------------------|------|-------------------------------------|-----------------------|------------------------|-------------------------|--------------------|
|                                                                      |      | Share<br>capital<br>£               | Share<br>premium<br>£ | Other<br>reserves<br>£ | Retained<br>losses<br>£ |                    |
| <b>Balance as at 1 January 2022</b>                                  |      | <b>218,328</b>                      | <b>8,253,634</b>      | <b>268,921</b>         | <b>(2,650,844)</b>      | <b>6,090,039</b>   |
| Loss for the year                                                    |      | -                                   | -                     | -                      | (3,568,978)             | (3,568,978)        |
| <b>Total comprehensive income for the year</b>                       |      | <b>-</b>                            | <b>-</b>              | <b>-</b>               | <b>(3,568,978)</b>      | <b>(3,568,978)</b> |
| Shares issued                                                        | 20   | 10,000                              | 690,000               | -                      | -                       | 700,000            |
| Cost of capital                                                      | 20   | -                                   | (23,980)              | -                      | -                       | (23,980)           |
| Options expired during year                                          | 21   | -                                   | -                     | (2,100)                | 2,100                   | -                  |
| Options granted during year                                          | 21   | -                                   | -                     | 2,100                  | -                       | 2,100              |
| <b>Total transactions with owners, recognised directly in equity</b> |      | <b>10,000</b>                       | <b>666,020</b>        | <b>-</b>               | <b>2,100</b>            | <b>678,120</b>     |
| <b>Balance as at 31 December 2022</b>                                |      | <b>228,328</b>                      | <b>8,919,654</b>      | <b>268,921</b>         | <b>(6,217,722)</b>      | <b>3,199,181</b>   |
| <b>Balance as at 1 January 2023</b>                                  |      | <b>228,328</b>                      | <b>8,919,654</b>      | <b>268,921</b>         | <b>(6,217,722)</b>      | <b>3,199,181</b>   |
| Loss for the year                                                    |      | -                                   | -                     | -                      | (2,508,638)             | (2,508,638)        |
| <b>Total comprehensive income for the year</b>                       |      | <b>-</b>                            | <b>-</b>              | <b>-</b>               | <b>(2,508,638)</b>      | <b>(2,508,638)</b> |
| Options expired during year                                          | 21   | -                                   | -                     | (53,006)               | 53,006                  | -                  |
| Options cancelled during year                                        | 21   | -                                   | -                     | (94,086)               | 94,086                  | -                  |
| <b>Total transactions with owners, recognised directly in equity</b> |      | <b>-</b>                            | <b>-</b>              | <b>(147,092)</b>       | <b>147,092</b>          | <b>-</b>           |
| <b>Balance as at 31 December 2023</b>                                |      | <b>228,328</b>                      | <b>8,919,654</b>      | <b>121,829</b>         | <b>(8,579,268)</b>      | <b>690,543</b>     |

The Notes on pages 27 to 48 form part of these Financial Statements.

# CHESTERFIELD RESOURCES PLC

## STATEMENTS OF CASH FLOWS For the year ended 31 December 2023

|                                                              | Note | Group                                  |                                        | Company                                |                                           |
|--------------------------------------------------------------|------|----------------------------------------|----------------------------------------|----------------------------------------|-------------------------------------------|
|                                                              |      | Year ended<br>31 December<br>2023<br>£ | Year ended<br>31 December<br>2022<br>£ | Year ended 31<br>December<br>2023<br>£ | Year ended<br>31<br>December<br>2022<br>£ |
| <b>Cash flows from operating activities</b>                  |      |                                        |                                        |                                        |                                           |
| Loss before income tax                                       |      | (1,911,855)                            | (4,006,532)                            | (2,508,638)                            | (3,568,978)                               |
| Adjustments for:                                             |      |                                        |                                        |                                        |                                           |
| Depreciation                                                 | 10   | -                                      | 4,132                                  | -                                      | -                                         |
| Loss on sale of property plant and equipment                 |      | 9,613                                  | 2,056                                  | -                                      | -                                         |
| Impairment loss on asset held for sale                       | 14   | 368,736                                | -                                      | -                                      | -                                         |
| Unrealised fair value loss on available for sale investments | 12   | 269,519                                | -                                      | 269,519                                | -                                         |
| Impairment of Exploration & Evaluation assets                | 11   | 897,395                                | 3,195,730                              | 2,066,983                              | 3,387,286                                 |
| Share options expense                                        | 21   | -                                      | 2,100                                  | -                                      | 2,100                                     |
| Foreign exchange losses/(gains)                              |      | 90,507                                 | 12,057                                 | 82,966                                 | (213,221)                                 |
| Other gains                                                  |      | -                                      | -                                      | (32,407)                               | -                                         |
| Interest receivable                                          |      | -                                      | -                                      | (68,751)                               | -                                         |
| Decrease/(Increase) in trade and receivables                 |      | 34,162                                 | 159,568                                | 254,689                                | (448,471)                                 |
| (Decrease)/Increase in trade and payables                    |      | (2,057)                                | (50,850)                               | 643                                    | (21,532)                                  |
| <b>Net cash used in operating activities</b>                 |      | <b>(243,980)</b>                       | <b>(681,739)</b>                       | <b>65,004</b>                          | <b>(862,816)</b>                          |
| <b>Cash flows from investing activities</b>                  |      |                                        |                                        |                                        |                                           |
| Interest received                                            |      | -                                      | -                                      | -                                      | (55,017)                                  |
| Sale of property plant and equipment                         | 10   | -                                      | 9,357                                  | -                                      | -                                         |
| Sale of Exploration asset                                    | 11   | 246,000                                | -                                      | -                                      | -                                         |
| Loans granted to subsidiary undertakings                     |      | -                                      | -                                      | (89,383)                               | (242,352)                                 |
| Exploration and evaluation activities                        | 11   | (27,367)                               | (462,587)                              | -                                      | -                                         |
| <b>Net cash used in investing activities</b>                 |      | <b>218,633</b>                         | <b>(453,230)</b>                       | <b>(89,383)</b>                        | <b>(297,369)</b>                          |
| <b>Cash flows from financing activities</b>                  |      |                                        |                                        |                                        |                                           |
| Proceeds from issue of share capital                         | 20   | -                                      | 700,000                                | -                                      | 700,000                                   |
| Transaction costs of share issue                             | 20   | -                                      | (23,980)                               | -                                      | (23,980)                                  |
| <b>Net cash generated from financing activities</b>          |      | <b>-</b>                               | <b>676,020</b>                         | <b>-</b>                               | <b>676,020</b>                            |
| <b>Net decrease in cash and cash equivalents</b>             |      | <b>(25,347)</b>                        | <b>(458,949)</b>                       | <b>(24,379)</b>                        | <b>(484,165)</b>                          |
| <b>Cash and cash equivalents at beginning of period</b>      |      | <b>304,022</b>                         | <b>762,971</b>                         | <b>275,813</b>                         | <b>759,978</b>                            |
| <b>Cash and cash equivalents at end of period</b>            | 15   | <b>278,675</b>                         | <b>304,022</b>                         | <b>251,434</b>                         | <b>275,813</b>                            |
| <b>Non-cash investing and financing activities</b>           |      |                                        |                                        |                                        |                                           |
| Receipt of shares in relation to the disposal of subsidiary  | 12   | 402,944                                | -                                      | 402,944                                | -                                         |

The Notes on pages 27 to 48 form part of these Financial Statements.

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

#### 1. General information

The principal activity of Chesterfield Resources plc (the 'Company') and its subsidiaries (together the 'Group') is the exploration and development of precious and base metals. The Company is a public limited Company whose shares were admitted to the Standard listing segment of the Main market of the London Stock Exchange on 29 August 2017. The Company is incorporated and domiciled in England.

The address of its registered office is 6 Heddon Street, London, W1B 4BT.

#### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Information are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

##### 2.1. Basis of preparation of Financial Statements

The Group and Company Financial Statements have been prepared in accordance with UK-adopted international accounting standards, IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the United Kingdom applicable to companies under IFRS, and the Companies Act 2006. The Group and Company Financial Statements have also been prepared under the historical cost convention, except as modified for assets and liabilities recognised at fair value on an asset acquisition.

The Financial Statements are presented in Pound Sterling rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group and Company Financial Statements are disclosed in Note 4.

##### a) Changes in accounting policies and disclosures

###### i) *New and amended standards adopted by the Group and Company*

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions applicable for the period ended 31 December 2023 did not result in any material changes to the financial statements of the Group or Company.

Of the other IFRS and IFRIC amendments, none are expected to have a material effect on future Group or Company Financial Statements.

###### ii) *New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted*

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

| Standard             | Impact on initial application                              | Effective date |
|----------------------|------------------------------------------------------------|----------------|
| IFRS 16 (Amendments) | Property, plant, and equipment                             | 1 January 2024 |
| IAS 1 (Amendments)   | Classification of Liabilities as Current or Non-Current.   | 1 January 2024 |
| IFRS S1*             | Disclosure of Sustainability-related Financial Information | 1 January 2024 |
| IFRS S2*             | Climate-related Disclosures                                | 1 January 2024 |

None are expected to have a material effect on the Group or Company Financial Statements.

##### 2.2. Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of the Company and its subsidiaries made up to 31 December 2023. Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Group Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investments in subsidiaries are accounted for at cost less impairment within the Company Financial Statements. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

#### 2.3. Going concern

The Group's business activities together with the factors likely to affect its future development, performance and position are set out in the Chairman's Report on page 2. In addition, Note 3 to the Group Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to market, credit and liquidity risk.

The Group and Company Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that the Group will have sufficient funds, taking into consideration Sterling Metals (SAG.V) ability to exercise their option to fully acquire the Adeline Project by November 2024 for additional proceeds.

The above in combination with the consideration received during the period from the disposal of the Canadian project will allow the Group and Company to undertake its operating activities over the next 12 months to April 2025. The Group will need to raise additional funds during the going concern period to April 2025 by the sale of the SAG.V shares. An uncertainty around the ability to release the SAG.V shares at an appropriate price is present however, confidence is provided given the Group's ability to sell 308,000 shares for a cash consideration of £13,000 (7c CAD per share) prior to reporting date. Therefore, the Directors consider that there will be sufficient resources to fund the Group's committed expenditure and to maintain good title to the exploration licences.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Group and Company Financial Statements.

#### 2.4. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 2.5. Foreign currencies

##### (a) Functional and presentation currency

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK parent entity is Pound Sterling. The functional currency of the Cyprian subsidiary is Euros and Canadian subsidiary is Canadian Dollars. The Financial Statements are presented in Pounds Sterling which is the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

##### (c) Group companies

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each period end date presented are translated at the period-end closing rate;
- income and expenses for each Income Statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Statement of Comprehensive Income as part of the gain or loss on sale.

#### 2.6. Intangible assets

##### *Exploration and evaluation assets*

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

##### *Exploration and evaluation assets are recorded and held at cost*

Exploration and evaluation assets are not subject to amortisation but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ("CGU's"), which are based on specific projects or geographical areas. The CGU's are then assessed for impairment using a variety of methods including those specified in IFRS 6.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Statement of Comprehensive Income.

##### *Exploration and evaluation assets recorded at fair-value on acquisition*

Exploration assets which are acquired are recognised at fair value. When an acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

#### 2.7. Investment in subsidiaries

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

#### 2.8. Property, plant and equipment

Property, Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Office Equipment – 10% straight line

Vehicles – 20% straight line

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains' in the Statement of Comprehensive Income.

#### 2.9. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

#### 2.10. Financial assets

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### *Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group and Company. The Group and Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables (not subject to provisional pricing) and other receivables.

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

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. The Group holds equity instruments that are classified as FVTPL as these were acquired principally for the purpose of selling.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined by using market observable inputs and data as far as possible. Inputs

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- *Level 1*: Quoted prices in active markets for identical items (unadjusted)
- *Level 2*: Observable direct or indirect inputs other than Level 1 inputs
- *Level 3*: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures its available for sale investment using the quoted market price.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### **2.11. Financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. IFRS 9.4.2.1(a) Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

#### *Loans and borrowings and trade and other payables*

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

#### *Derecognition*

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

#### **2.12. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

#### **2.13. Share capital and share premium**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available.

#### **2.14. Share based payments**

The Group operates a number of equity-settled, share-based schemes, under which the Group receives services from employees or third-party suppliers as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Statement of Comprehensive Income or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Statement of Comprehensive Income and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

## **CHESTERFIELD RESOURCES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2023**

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

#### **2.15. Taxation**

No current tax is yet payable in view of the losses to date.

Deferred tax is recognised for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the Group Financial Statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in 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 assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

#### **2.16. Asset held for sale**

Assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

#### **2.17. Available for sale investments**

Available for sale financial assets comprise of level 1 financial assets which are measured at fair value with fair value gains and losses recognised in other comprehensive income.

### **3. Financial risk management**

#### **3.1. Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

Risk management is carried out by the London based management team under policies approved by the Board of Directors.

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

#### 3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to enable the Group to continue its exploration and evaluation activities, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

At 31 December 2023 the Group had borrowings of nil (2022: £nil) and defines capital based on the total equity of the Group. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

Given the Group's level of debt versus its cash at bank and cash equivalents, the gearing ratio is immaterial.

#### 4. Critical accounting estimates and judgements

The preparation of the Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the period. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Items subject to such estimates and assumptions, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years, include but are not limited to:

##### *Impairment of intangible assets – exploration and evaluation costs*

Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the period warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside a decision will be made to discontinue exploration; an impairment charge will then be recognised in the Statement of Comprehensive Income. When impairment indicators exist, the Company is required to make a formal estimate of the recoverable amount of its intangible assets. Exploration and evaluation costs have a carrying value at 31 December 2023 of £nil (2022: £880,837) following management assessment due to significant decrease in planned expenditure. Such assets have an indefinite useful life as the Group has a right to renew exploration licences and the asset is only amortised once extraction of the resource commences. Management tests for impairment annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.6.

##### *Share based payment transactions*

The Group has made awards of options and warrants over its unissued share capital to certain Directors as part of their remuneration package. The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 21.

##### *Revaluation of Available for sale investment – unrealised loss*

Under IAS 39, available for sale financial assets are measured at fair value with fair value gains or losses recognised, this is identified in more detail in Note 12. An unrealised loss at 31 December 2023 of £269,519 was recognised which was determined by the Sterling Metals Corp (SAG.V) market price at the period end of £0.05 compared to £0.15 upon purchase.

#### 5. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the period the Group had interests in three geographical segments; the United Kingdom,

# CHESTERFIELD RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

Canada and Cyprus. Activities in the UK are mainly administrative in nature whilst the activities in Canada and Cyprus relate to exploration and evaluation work.

| <b>2023</b>                                                  | <b>Canada<br/>£</b> | <b>Cyprus<br/>£</b> | <b>UK<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------------------------------------------|---------------------|---------------------|-----------------|--------------------|
| Administrative expenses                                      | (17,815)            | (23,580)            | (334,201)       | <b>(375,596)</b>   |
| Impairments                                                  | -                   | (897,395)           | -               | <b>(897,395)</b>   |
| Impairment loss on asset held for sale                       | (368,736)           | -                   | -               | <b>(368,736)</b>   |
| Unrealised fair value loss on available for sale investments | -                   | -                   | (269,519)       | <b>(269,519)</b>   |
| Finance Income                                               | -                   | -                   | (609)           | <b>(609)</b>       |
| Loss before tax per reportable segment                       | (386,551)           | (920,975)           | (604,329)       | <b>(1,911,855)</b> |
| Reportable segment assets                                    | 386,652             | 126,354             | 397,776         | <b>910,782</b>     |
| Reportable segment liabilities                               | (135)               | (23,704)            | (77,640)        | <b>(101,479)</b>   |

| <b>2022</b>                              | <b>Canada<br/>£</b> | <b>Cyprus<br/>£</b> | <b>UK<br/>£</b> | <b>Total<br/>£</b> |
|------------------------------------------|---------------------|---------------------|-----------------|--------------------|
| Administrative expenses                  | (287,458)           | (168,855)           | (399,586)       | <b>(855,899)</b>   |
| Impairments                              | (488,286)           | (2,707,444)         | -               | <b>(3,195,730)</b> |
| Other income                             | -                   | -                   | 45,132          | <b>45,132</b>      |
| Finance Income                           | -                   | -                   | (35)            | <b>(35)</b>        |
| Loss before tax per reportable segment   | (775,744)           | (2,876,299)         | (354,489)       | <b>(4,006,532)</b> |
| Additions/(disposal) to PP&E             | -                   | (23,816)            | -               | <b>(23,816)</b>    |
| Additions/(disposal) to intangible asset | 279,898             | 182,689             | -               | <b>462,587</b>     |
| Reportable segment assets                | 1,483,253           | 1,061,681           | 289,588         | <b>2,834,522</b>   |
| Reportable segment liabilities           | (12,693)            | (14,574)            | (109,404)       | <b>(136,671)</b>   |

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

#### 6. Expenses by nature

|                                                                   | Group               |                     |
|-------------------------------------------------------------------|---------------------|---------------------|
|                                                                   | 31 December<br>2023 | 31 December<br>2022 |
|                                                                   | £                   | £                   |
| Directors' fees                                                   | 51,246              | 211,835             |
| Employee salaries & related expenses                              | 3,975               | 12,568              |
| Stock exchange related costs                                      | 35,350              | 93,300              |
| Cost related to Project disposals                                 | 64,031              | 155,681             |
| Office related expenses including printing, postage and telephone | 9,281               | 33,824              |
| Accountancy fees                                                  | 10,156              | 257                 |
| Auditor remuneration                                              | 49,327              | 37,214              |
| Travel & subsistence                                              | 1,585               | 44,761              |
| Professional & consultancy fees                                   | 84,075              | 172,944             |
| Insurance                                                         | 16,731              | 20,460              |
| Depreciation                                                      | -                   | 4,132               |
| Share Option expense                                              | -                   | 2,100               |
| Other expenses                                                    | 49,839              | 66,823              |
| <b>Total administrative expenses</b>                              | <b>375,596</b>      | <b>855,899</b>      |

Directors Fees of £nil (2022: £85,118) and Employee salaries of £nil (2022: £101,199) have been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the period. As at 31 December 2023, an additional £6,246 (2022: 11,046) of the Director fees related to the Subsidiary.

#### Services provided by the Company's auditor and its associates

During the period, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

|                                                                                                                      | Group               |                     |
|----------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                                                      | 31 December<br>2023 | 31 December<br>2022 |
|                                                                                                                      | £                   | £                   |
| Fees payable to the Company's auditor and its associates for the audit of the Company and Group Financial Statements | 42,500              | 30,000              |
| Fees payable to the auditor of CRC Chesterfield Resources (Cyprus) Limited                                           | 6,827               | 7,214               |

**CHESTERFIELD RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

**7. Directors' remuneration**

|                                   | 31 December 2023    |                    |          |        |
|-----------------------------------|---------------------|--------------------|----------|--------|
|                                   | Short-term benefits | Notice period fees | Accruals | Total  |
|                                   | £                   | £                  | £        | £      |
| <b>Executive Director</b>         |                     |                    |          |        |
| Ajay Kejriwal                     | 18,353              | -                  | -        | 18,353 |
| Paul Ensor                        | 18,353              | -                  | -        | 18,353 |
| <b>Non-executive Directors</b>    |                     |                    |          |        |
| David Cliff                       | 9,000               | -                  | -        | 9,000  |
| Evengy Vrublevskiy <sup>(1)</sup> | -                   | -                  | -        | -      |
| Kashif Afzal <sup>(2)</sup>       | -                   | -                  | -        | -      |
|                                   | 45,706              | -                  | -        | 45,706 |

(1) Evengy Vrublevskiy resigned 25 September 2023

(2) Kashif Afzal was appointed 23 September 2023

Share options with a fair value of £nil were awarded to Directors during the year (2022: £nil).

Of the above Group Directors Remuneration, £nil (2022: £85,118) has been capitalised in accordance with IFRS 6 as exploratory related costs and are shown as an intangible addition in the period.

|                                | 31 December 2022    |                    |          |         |
|--------------------------------|---------------------|--------------------|----------|---------|
|                                | Short-term benefits | Notice period fees | Accruals | Total   |
|                                | £                   | £                  | £        | £       |
| <b>Executive Director</b>      |                     |                    |          |         |
| Ajay Kejriwal                  | 62,000              | -                  | 25,000   | 87,000  |
| Martin French <sup>(1)</sup>   | 70,870              | 65,538             | -        | 136,408 |
| Paul Ensor <sup>(2)</sup>      | 36,000              | -                  | -        | 36,000  |
| <b>Non-executive Directors</b> |                     |                    |          |         |
| David Cliff                    | 24,000              | -                  | -        | 24,000  |
| Evengy Vrublevskiy             | -                   | -                  | -        | -       |
| Peter Damouni <sup>(3)</sup>   | 2,500               | -                  | -        | 2,500   |
|                                | 195,370             | 65,538             | 25,000   | 285,908 |

(1) Martin French resigned 4 August 2022

(2) Paul Ensor was appointed as an Executive Director on 4 August 2022

(3) Peter Damouni resigned 7 February 2022

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

#### 8. Income tax

No charge to taxation arises due to the losses incurred.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

|                                                                     | Group               |                     |
|---------------------------------------------------------------------|---------------------|---------------------|
|                                                                     | 31 December<br>2023 | 31 December<br>2022 |
|                                                                     | £                   | £                   |
| Loss before tax                                                     | (1,911,855)         | (4,006,532)         |
| Tax at the applicable rate of 18.8% (2022: 16.8%)                   | (383,222)           | (672,996)           |
| Effects of:                                                         |                     |                     |
| Expenditure not deductible for tax purposes                         | 279,040             | 265,565             |
| Depreciation in excess of/(less than) capital allowances            | -                   | -                   |
| Losses carried forward on which no deferred tax asset is recognised | 104,182             | 407,431             |
| Tax                                                                 | -                   | -                   |

The weighted average applicable tax rate of 20.04% (2022: 16.8%) used is a combination of the 23.52% standard rate of corporation tax in the UK, 12.5% Cypriot corporation tax and 28% Canadian tax rate.

The Group has a potential deferred income tax asset of approximately £1,068,000 (2022: £960,000) due to tax losses available to carry forward against future taxable profits. The Company has tax losses of approximately £2,213,000 (2022: £2,042,000) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

A deferred tax liability arises on the acquisition of 87986 Newfoundland and Labrador Inc. and HKP Explorations Limited. Refer to Note 17.

#### 9. Earnings per share

The calculation of the total basic loss per share of (1.442) pence (2022: (2.831)) pence is based on the loss attributable to equity holders of the Company of £1,878,717 (2022: £3,659,387) and on the weighted average number of ordinary shares of 130,328,311 (2022: 129,259,818) in issue during the period.

In accordance with IAS 33, basic and diluted earnings per share are identical for the Group as the effect of the exercise of share options would be to decrease the earnings per share. Details of share options that could potentially dilute earnings per share in future periods are set out in Note 21.

**CHESTERFIELD RESOURCES PLC**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2023

**10. Property, plant and equipment**

Group

|                                              | Vehicles<br>£ | Office<br>equipment<br>£ | Software<br>£ | Total<br>£    |
|----------------------------------------------|---------------|--------------------------|---------------|---------------|
| <b>Cost</b>                                  |               |                          |               |               |
| <b>As at 1 January 2022</b>                  | <b>10,076</b> | <b>28,156</b>            | <b>11,631</b> | <b>49,863</b> |
| Additions                                    | -             | 5,225                    | -             | 5,225         |
| Disposal                                     | (10,630)      | (18,411)                 | -             | (29,041)      |
| Foreign exchange                             | 554           | 1,548                    | -             | 2,102         |
| <b>As at 31 December 2022</b>                | <b>-</b>      | <b>16,518</b>            | <b>11,631</b> | <b>28,149</b> |
| <b>As at 1 January 2023</b>                  | <b>-</b>      | <b>16,518</b>            | <b>11,631</b> | <b>28,149</b> |
| Additions                                    | -             | -                        | -             | -             |
| Disposal                                     | -             | (16,518)                 | (11,631)      | (28,149)      |
| <b>As at 31 December 2023</b>                | <b>-</b>      | <b>-</b>                 | <b>-</b>      | <b>-</b>      |
| <b>Depreciation</b>                          |               |                          |               |               |
| <b>As at 1 January 2022</b>                  | <b>8,061</b>  | <b>6,962</b>             | <b>11,631</b> | <b>26,654</b> |
| Disposal                                     | (9,567)       | (2,837)                  | -             | (12,404)      |
| Charge for the year                          | 1,063         | 3,069                    | -             | 4,132         |
| Foreign exchange                             | 443           | 383                      | -             | 826           |
| <b>As at 31 December 2022</b>                | <b>-</b>      | <b>7,577</b>             | <b>11,631</b> | <b>19,208</b> |
| <b>As at 1 January 2023</b>                  | <b>-</b>      | <b>7,577</b>             | <b>11,631</b> | <b>19,208</b> |
| Disposal                                     | -             | (7,577)                  | (11,631)      | (19,208)      |
| <b>As at 31 December 2023</b>                | <b>-</b>      | <b>-</b>                 | <b>-</b>      | <b>-</b>      |
| <b>Net book value as at 31 December 2022</b> | <b>-</b>      | <b>8,941</b>             | <b>-</b>      | <b>8,941</b>  |
| <b>Net book value as at 31 December 2023</b> | <b>-</b>      | <b>-</b>                 | <b>-</b>      | <b>-</b>      |

# CHESTERFIELD RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

Company

|                                              | Software<br>£ | Total<br>£    |
|----------------------------------------------|---------------|---------------|
| <b>Cost</b>                                  |               |               |
| As at 1 January 2022                         | 11,631        | 11,631        |
| Additions                                    | -             | -             |
| <b>As at 31 December 2022</b>                | <b>11,631</b> | <b>11,631</b> |
| As at 1 January 2023                         | 11,631        | 11,631        |
| Additions                                    | -             | -             |
| <b>As at 31 December 2023</b>                | <b>11,631</b> | <b>11,631</b> |
| <b>Depreciation</b>                          |               |               |
| As at 1 January 2022                         | 11,631        | 11,631        |
| Charge for the period                        | -             | -             |
| <b>As at 31 December 2022</b>                | <b>11,631</b> | <b>11,631</b> |
| As at 1 January 2023                         | 11,631        | 11,631        |
| Charge for the period                        | -             | -             |
| <b>As at 31 December 2023</b>                | <b>11,631</b> | <b>11,631</b> |
| <b>Net book value as at 31 December 2022</b> | <b>-</b>      | <b>-</b>      |
| <b>Net book value as at 31 December 2023</b> | <b>-</b>      | <b>-</b>      |

### 11. Intangible Assets

Intangible assets comprise exploration and evaluation costs. Exploration and evaluation assets are all internally generated except for those acquired at fair value.

|                                                           | Group     |                |
|-----------------------------------------------------------|-----------|----------------|
|                                                           | 2023      | 2022           |
| Exploration & Evaluation Assets - Cost and Net Book Value | £         | £              |
| Opening balance                                           | 880,837   | 5,008,562      |
| Additions                                                 | 27,367    | 462,587        |
| Impairment of Chesterfield (Canada) Inc asset             | -         | (488,286)      |
| Impairment of Chesterfield Resources (Cyprus) Ltd asset   | (897,395) | (2,707,444)    |
| Reclassify to Asset Held for Sale (note 14)               | -         | (1,478,287)    |
| Foreign exchange                                          | (10,809)  | 83,705         |
| <b>As at end of period</b>                                | <b>-</b>  | <b>880,837</b> |

Exploration projects in Cyprus and Canada are at an early stage of development and there are no JORC (Joint Ore Reserves Committee) or non-JORC compliant resource estimates available to enable value in use calculations to be prepared. The Directors therefore undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that an impairment charge of £897,395 was necessary for the year ended 31 December 2023 (2022: £3,195,730) due to the significant decrease in planned expenditure within the three retained areas in Cyprus.

#### 12. Available for Sale Investment

|                                                  | Group & Company<br>2023<br>£ |
|--------------------------------------------------|------------------------------|
| At beginning of period                           | -                            |
| Acquisition of Sterling Metals Corp. shares      | 402,944                      |
| Unrealised loss on available for sale investment | (269,519)                    |
| <b>At end of period</b>                          | <b>133,425</b>               |

Available for sale financial assets are measured at fair value with fair value gains and losses recognised through profit and loss. All investments are held at level 1 as they are held in entities that meet the definition of a quoted company.

On 21 April 2023, the Company was issued 4,500,000 common shares in Sterling Metals Corporation in relation to the disposal of subsidiary. The shares have been valued at fair value upon issue (CAD\$ 0.15) totalling CAD\$675,000 (£402,944).

On 31 December 2023, an unrealised loss of £269,519 was recognised following a revaluation of the shares in line with the current share price (CAD\$ 0.05) to total CAD\$225,000 (£133,425).

#### 13. Investments in Subsidiary Undertakings

|                                                                 | Company        |                  |
|-----------------------------------------------------------------|----------------|------------------|
|                                                                 | 2023<br>£      | 2022<br>£        |
| <b>Shares in Group Undertakings</b>                             |                |                  |
| At beginning of period                                          | 1,270,272      | 1,511,332        |
| Investment in Chesterfield (Canada) Inc.                        | -              | -                |
| Impairment of Investment in Chesterfield (Canada) Inc.          | (478,462)      | (241,060)        |
| Investment in Chesterfield Resources (Cyprus) Ltd               | -              | -                |
| Impairment of Investment in Chesterfield Resources (Cyprus) Ltd | (500,000)      | -                |
| <b>At end of period</b>                                         | <b>291,810</b> | <b>1,270,272</b> |
| <b>Loans to Group undertakings</b>                              |                |                  |
| At beginning of period                                          | 1,183,492      | 3,819,127        |
| Loans granted                                                   | 89,383         | 242,352          |
| Foreign Exchange                                                | (82,965)       | 213,221          |
| Interest receivable                                             | 68,751         | 55,017           |
| Impairment of Loan to Chesterfield Resources (Cyprus) Ltd       | (536,778)      | (3,146,225)      |
| Impairment of Loan to Chesterfield (Canada) Inc.                | (318,939)      | -                |
| Proceeds from Sale of Exploration asset                         | (402,944)      | -                |
| <b>At end of period</b>                                         | <b>-</b>       | <b>1,183,492</b> |
| <b>Total</b>                                                    | <b>291,810</b> | <b>2,453,764</b> |

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

#### Subsidiaries

| Name of subsidiary                          | Registered office address                         | Country of incorporation and place of business | Proportion of ordinary shares held by parent (%) | Proportion of ordinary shares held by the Group (%) | Nature of business |
|---------------------------------------------|---------------------------------------------------|------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|--------------------|
| CRC Chesterfield Resources (Cyprus) Limited | Illoupoleos 1, Germasogela, 4046 Limassol, Cyprus | Cyprus                                         | 100%                                             | 100%                                                | Exploration        |
| Chesterfield (Canada) Inc                   | PO Box 5038, St John's, Canada                    | Canada                                         | 100%                                             | 100%                                                | Exploration        |

#### 14. Asset Held for Sale

On 6th March 2023, the Company announced that they had signed an agreement with Sterling Metals, a TSX-V and OTCQB listed exploration company, with regard to Chesterfield's Adeline project in Labrador. Under the agreement Sterling Metals will purchase an option to acquire full ownership and rights over the project in exchange for a series of payments of cash and shares for a total consideration of CAD\$800,000 and 9,000,000 shares in Sterling Metals. Therefore, the Directors determined that the Adeline licences be classified as an asset held for sale as at 31 December 2022.

Under the terms of the option Sterling will pay the total cash consideration in three separate tranches: CAD\$100,000 upon signing of the agreement, CAD\$300,000 following TSX approval of the deal, and a final CAD\$400,000 to be paid on or before 30 November 2024. Further non cash consideration of 9,000,000 shares in Sterling Metals will be issued to Chesterfield in two equal lots of 4,500,000 shares. The first tranche following and subject to receipt of permission from the TSX-V authorities to complete the deal, and the second tranche to be issued on or before 30 November 2024. Chesterfield's ability to sell its shares in Sterling is restricted according to certain terms detailed in the agreement.

In the year ended 31 December 2022 the Directors undertook an impairment assessment of the disposal group's assets in accordance with IFS 5 and concluded that the asset's carrying value was in excess of their fair value less costs to sell. As such, an impairment of £241,060 was recognised which reflected the 31 December 2023 value of the remaining shares that could be received under the agreement.

At 31 December 2023, a final amount CAD£400,000 (£236,982) remains outstanding to be paid to the Company as well as, 4,500,000 shares in Sterling Metals at a consideration of CAD\$225,000 (£133,425). This amount is not certain and contingent on Sterling Metals exercising their remaining option and remains a judgement by management. An unrealised loss consisting of £368,736 relates to the derecognition of the Asset held for sale.

#### 15. Trade and other receivables

|                                     | Group            |                  | Company          |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|
|                                     | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
|                                     | £                | £                | £                | £                |
| <b>Current</b>                      |                  |                  |                  |                  |
| Prepayments                         | 10,732           | 13,231           | 8,851            | 9,406            |
| Other receivables                   | 3,255            | 32,601           | -                | -                |
| Amounts due from group undertakings | -                | -                | 78,597           | 565,227          |
| VAT receivable                      | 114,288          | 116,603          | 4,066            | 4,374            |
| <b>Total</b>                        | <b>128,275</b>   | <b>162,435</b>   | <b>91,514</b>    | <b>579,007</b>   |

Trade and other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above.

# CHESTERFIELD RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

### 16. Cash and cash equivalents

|                          | Group                    |                          | Company                  |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                          | 31 December<br>2023<br>£ | 31 December<br>2022<br>£ | 31 December<br>2023<br>£ | 31 December<br>2022<br>£ |
| Cash at bank and in hand | 278,675                  | 304,022                  | 251,434                  | 275,813                  |

Cash at bank comprises balances held by the Company in current bank accounts. The carrying value of these approximates to their fair value.

### 17. Deferred Tax

The movement in the deferred tax liabilities account is as follows:

|                                                          | Group     |           |
|----------------------------------------------------------|-----------|-----------|
|                                                          | 2023<br>£ | 2022<br>£ |
| <b>Deferred tax liabilities</b>                          |           |           |
| Acquisition of subsidiary                                | 33,138    | 380,283   |
| Derecognised on impairment of Intangible Asset in Canada | -         | (252,832) |
| Derecognised on impairment of Intangible Asset in Cyprus | (33,138)  | (94,313)  |
|                                                          | -         | 33,138    |

During the year ended 31 December 2021, a deferred tax liability arose upon the acquisition of 87986 Newfoundland and Labrador Inc for £252,833 and £127,450 relates to Cyprus.

During the year ended 31 December 2022, the deferred tax liability was reduced upon the impairment of the intangible asset in both the Cyprus and Canadian entities.

During the year ended 31 December 2023, the deferred tax liability was fully reduced upon the impairment of the intangible asset in Cyprus entity.

### 18. Trade and other payables

|                | Group                    |                          | Company                  |                          |
|----------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                | 31 December<br>2023<br>£ | 31 December<br>2022<br>£ | 31 December<br>2023<br>£ | 31 December<br>2022<br>£ |
| Trade payables | 27,788                   | 9,493                    | 10,115                   | 21,963                   |
| Accruals       | 73,666                   | 61,600                   | 67,500                   | 55,000                   |
| Other payables | 25                       | 32,440                   | 25                       | 32,440                   |
|                | 101,479                  | 103,533                  | 77,640                   | 109,403                  |

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value.

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

#### 19. Financial Instruments by Category

| Group                                                          | 31 December 2023    |         | 31 December 2022    |         |
|----------------------------------------------------------------|---------------------|---------|---------------------|---------|
|                                                                | Loans & receivables | Total   | Loans & receivables | Total   |
| Assets per Statement of Financial Performance (Amortised cost) | £                   | £       | £                   | £       |
| Trade and other receivables (excluding prepayments and VAT)    | 3,255               | 3,255   | 32,601              | 32,601  |
| Cash and cash equivalents                                      | 278,675             | 278,675 | 304,022             | 304,022 |
|                                                                | 281,930             | 281,930 | 336,623             | 336,623 |

| Liabilities per Statement of Financial Performance (Amortised cost) | 31 December 2023  |        | 31 December 2022  |        |
|---------------------------------------------------------------------|-------------------|--------|-------------------|--------|
|                                                                     | At amortised cost | Total  | At amortised cost | Total  |
|                                                                     | £                 | £      | £                 | £      |
| Trade and other payables (excluding non-financial liabilities)      | 27,788            | 27,788 | 41,933            | 41,067 |
|                                                                     | 27,788            | 27,788 | 41,933            | 41,067 |

| Company                                                        | 31 December 2023    |         | 31 December 2022    |         |
|----------------------------------------------------------------|---------------------|---------|---------------------|---------|
|                                                                | Loans & receivables | Total   | Loans & receivables | Total   |
| Assets per Statement of Financial Performance (Amortised cost) | £                   | £       | £                   | £       |
| Trade and other receivables (excluding prepayments and VAT)    | 78,597              | 78,597  | 565,227             | 565,227 |
| Cash and cash equivalents                                      | 251,434             | 251,434 | 275,813             | 275,813 |
|                                                                | 330,031             | 330,031 | 841,040             | 841,040 |

| Liabilities per Statement of Financial Performance (Amortised cost) | 31 December 2023  |        | 31 December 2022  |        |
|---------------------------------------------------------------------|-------------------|--------|-------------------|--------|
|                                                                     | At amortised cost | Total  | At amortised cost | Total  |
|                                                                     | £                 | £      | £                 | £      |
| Trade and other payables (excluding non-financial liabilities)      | 10,140            | 10,140 | 54,403            | 54,403 |
|                                                                     | 10,140            | 10,140 | 54,403            | 54,403 |

#### Fair value of financial assets and liabilities

Financial assets and liabilities are carried in the Statement of Financial Position at either their fair value (financial investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash at bank).

The fair values are 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.

#### 20. Share capital

##### Group and Company

|                                                | Number of shares authorised, issued and fully paid | Share Capital<br>£ | Share premium<br>£ | Total<br>£ |
|------------------------------------------------|----------------------------------------------------|--------------------|--------------------|------------|
| As at 1 January 2022                           | 120,328,311                                        | 218,328            | 8,253,634          | 8,471,962  |
| 2 February 2022 – shares issued <sup>(1)</sup> | 10,000,000                                         | 10,000             | 666,020            | 676,020    |
| As at 31 December 2022                         | 130,328,311                                        | 228,328            | 8,919,654          | 9,147,982  |

# CHESTERFIELD RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

|                        |             |         |           |           |
|------------------------|-------------|---------|-----------|-----------|
| As at 1 January 2023   | 130,328,311 | 228,328 | 8,919,654 | 9,147,982 |
| As at 31 December 2023 | 130,328,311 | 228,328 | 8,919,654 | 9,147,982 |

Each ordinary share has a par value of 0.1p and carries the right to one vote, to receive dividends and to participate on a return of capital.

### 21. Share based payments

#### Share options

Share options and warrants outstanding and exercisable at the end of the period have the following expiry dates and exercise prices:

| Options & Warrants |                   |                               |                   |                   |
|--------------------|-------------------|-------------------------------|-------------------|-------------------|
| Grant Date         | Expiry Date       | Exercise price in £ per share | 31 December 2023  | 31 December 2022  |
| 28 June 2018       | 2 July 2023       | 0.75                          | -                 | 1,805,000         |
| 17 December 2019   | 1 January 2025    | 0.05                          | 350,000           | 1,800,000         |
| 27 July 2020       | 3 July 2023       | 0.0525                        | -                 | 2,565,000         |
| 27 July 2020       | 27 July 2025      | 0.0525                        | 1,175,000         | 2,175,000         |
| 27 July 2020       | 16 July 2025      | 0.10                          | 619,333           | 619,333           |
| 26 November 2020   | 26 November 2025  | 0.09                          | -                 | 1,000,000         |
| 11 December 2020   | 11 December 2025  | 0.09                          | 55,556            | 55,556            |
| 5 January 2021     | 5 January 2026    | 0.14                          | 1,000,000         | 1,400,000         |
| 5 February 2021    | 5 February 2026   | 0.125                         | 250,000           | 250,000           |
| 2 July 2021        | 2 July 2026       | 0.12                          | 2,000,000         | 2,400,000         |
| 2 July 2021        | 2 July 2024       | 0.20                          | 11,100,000        | 11,100,000        |
| 30 September 2021  | 30 September 2026 | 0.11                          | 1,200,000         | 2,200,000         |
| 16 February 2022   | 16 February 2024  | 0.12                          | 5,029,000         | 5,029,000         |
|                    |                   |                               | <b>22,778,889</b> | <b>32,398,889</b> |

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

|                                  | 2020 Options | 2020 Options | 2019 Options | 2018 Options |
|----------------------------------|--------------|--------------|--------------|--------------|
| Granted on:                      | 27/07/2020   | 27/07/2020   | 17/12/2019   | 28/06/2018   |
| Life (years)                     | 5 years      | 3 years      | 5 years      | 4.5 years    |
| Exercise price (pence per share) | 5.25p        | 5.25p        | 5p           | 7.5p         |
| Risk free rate                   | 0.08%        | 0.08%        | 0.4%         | 0.5%         |
| Expected volatility              | 43.70%       | 43.70%       | 12.96%       | 14.33%       |
| Expected dividend yield          | -            | -            | -            | -            |
| Marketability discount           | 20%          | 20%          | 20%          | 20%          |
| Total fair value (£000)          | 69           | 63           | 0.378        | 11           |

# CHESTERFIELD RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

|                                  | 2021 Options | 2020 Options | 2020 Options | 2020 Options |
|----------------------------------|--------------|--------------|--------------|--------------|
| Granted on:                      | 05/01/2021   | 11/12/2020   | 26/11/2020   | 27/07/2020   |
| Life (years)                     | 5 years      | 5 years      | 5 years      | 5 years      |
| Exercise price (pence per share) | 14p          | 9p           | 9p           | 10p          |
| Risk free rate                   | 0.08%        | 0.08%        | 0.08%        | 0.08%        |
| Expected volatility              | 35.43%       | 27.23%       | 27.23%       | 43.70%       |
| Expected dividend yield          | -            | -            | -            | -            |
| Marketability discount           | 20%          | 20%          | 20%          | 20%          |
| Total fair value (£000)          | 50           | 3            | 27           | 10           |

|                                  | 2021 Options | 2021 Options | 2021 Options | 2021 Options |
|----------------------------------|--------------|--------------|--------------|--------------|
| Granted on:                      | 02/07/2021   | 02/07/2021   | 02/07/2021   | 05/02/2021   |
| Life (years)                     | 3 years      | 1 years      | 5 years      | 5 years      |
| Exercise price (pence per share) | 20p          | 5p           | 12p          | 12.5p        |
| Risk free rate                   | 1.10%        | 1.02%        | 1.10%        | 0.08%        |
| Expected volatility              | 13.79%       | 13.79%       | 13.79%       | 35.43%       |
| Expected dividend yield          | -            | -            | -            | -            |
| Marketability discount           | 20%          | 20%          | 20%          | 20%          |
| Total fair value (£000)          | 2.5          | 41           | 32.5         | 8            |

|                                  | 2021 Options | 2022 Options | 2022 Options |
|----------------------------------|--------------|--------------|--------------|
| Granted on:                      | 30/09/2021   | 03/01/2022   | 16/02/2022   |
| Life (years)                     | 5 years      | 4 years      | 2 years      |
| Exercise price (pence per share) | 11p          | 7p           | 12p          |
| Risk free rate                   | 1.10%        | 1.95%        | 2.12%        |
| Expected volatility              | 12.29%       | 14.63%       | 12.92%       |
| Expected dividend yield          | -            | -            | -            |
| Marketability discount           | 20%          | 20%          | 20%          |
| Total fair value (£000)          | 3.5          | 2.0          | -            |

The expected volatility of the 2022, 2021, 2020, 2019 and 2018 options has been calculated based on volatility for the six months of trading after admission. The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life. A reconciliation of options and warrants granted over the year to 31 December 2023 is shown below:

|                                           | 2023              |                                     | 2022              |                                     |
|-------------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|
|                                           | Number            | Weighted average exercise price (£) | Number            | Weighted average exercise price (£) |
| <b>Outstanding at beginning of period</b> | <b>32,398,889</b> | <b>0.13</b>                         | <b>32,369,889</b> | <b>0.11</b>                         |
| Granted                                   | -                 | -                                   | 5,129,000         | 0.12                                |
| Expired/cancelled                         | (9,620,000)       | 0.13                                | (5,100,000)       | 0.11                                |
| <b>Outstanding as at period end</b>       | <b>22,778,889</b> | <b>0.15</b>                         | <b>32,398,889</b> | <b>0.13</b>                         |
| <b>Exercisable at period end</b>          | <b>22,778,889</b> | <b>0.15</b>                         | <b>32,398,889</b> | <b>0.13</b>                         |

## CHESTERFIELD RESOURCES PLC

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

| Range of exercise prices (£) | 2023                                |                  |                                                  |                                                    | 2022                                |                  |                                                  |                                                    |
|------------------------------|-------------------------------------|------------------|--------------------------------------------------|----------------------------------------------------|-------------------------------------|------------------|--------------------------------------------------|----------------------------------------------------|
|                              | Weighted average exercise price (£) | Number of shares | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) | Weighted average exercise price (£) | Number of shares | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) |
| 0 – 0.05                     | 0.05                                | 350,000          | 1.01                                             | 1.01                                               | 0.05                                | 1,800,000        | 2.01                                             | 2.01                                               |
| 0.06 – 0.15                  | 0.07                                | 6,878,889        | 3.57                                             | 3.57                                               | 0.09                                | 13,248,889       | 1.39                                             | 1.42                                               |
| 0.16 – 0.30                  | 0.16                                | 15,550,000       | 1.05                                             | 1.05                                               | 0.17                                | 17,350,000       | 2.07                                             | 2.07                                               |

During the period there was a net charge of £nil (2022: ££2,100) in respect of share options to the profit and loss. In 2021 a further charge of £2,412 was incurred as part of the acquisition of 87986 Newfoundland and Labrador Inc.

## 22. Related party transactions

### Loans to Group undertakings

Amounts receivable as a result of loans granted to subsidiary undertakings are as follows:

|                                             | Company          |                  |
|---------------------------------------------|------------------|------------------|
|                                             | 31 December 2023 | 31 December 2022 |
|                                             | £                | £                |
| CRC Chesterfield Resources (Cyprus) Limited | -                | 475,476          |
| Chesterfield (Canada) Inc.                  | -                | 708,016          |
| <b>At 31 December</b>                       | <b>-</b>         | <b>1,183,492</b> |

These amounts are unsecured, incur interest, and repayable in Euros and Canadian Dollars when sufficient cash resources are available in the subsidiaries.

On 31 December 2023, the loan with Chesterfield (Canada) Inc was impaired by £318,939 bringing the overall balance to £nil.

On 31 December 2023, the loan with CRC Chesterfield Resources (Cyprus) Limited was impaired by £536,778 bringing the overall balance to £nil.

All intra Group transactions are eliminated on consolidation.

### Other related party transactions

During the year ended 31 December 2023 there was no related party transactions.

There were no members of key personnel management other than Directors, whose remuneration is disclosed in note 7.

## 23. Commitments

### License commitments

As at 31 December 2023, Chesterfield owned 3 mineral exploration licenses in Cyprus and 12 mineral exploration licenses in Canada. In Cyprus, there are no ongoing commitments to pay annual licence fees or minimum spend requirements. The minimum spend requirement for Canada is £2,800 (not later than one year) and £329,325 (later than one year and no later than 5 years).

## **CHESTERFIELD RESOURCES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS** **For the year ended 31 December 2023**

#### **24. Events after the balance sheet date**

On 19 March 2024, the Company underwent a board restructure where Kashif Afzal became Executive Chairman, replacing Paul Ensor in this role who will become Non-Executive Director of the Company. Ajay Kejriwal also ceased to hold an Executive position but will remain on the Board as Non-Executive Director and will continue as a Non-Executive CFO. David Cliff has resigned from his position as Non-Executive Director with immediate effect.

On 19 March 2024, option-based incentives of 2,000,000 options were issued to both Ajay Kejriwal and Paul Ensor, with 5-year vesting period and 2p exercise price.

#### **25. Ultimate controlling party**

The Directors believe there is no ultimate controlling party.