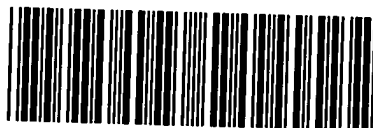


POWER METAL RESOURCES PLC

Annual Report and Financial Statements

For the period ended 31 December 2024

TUESDAY



AE6CGDN4

A9

08/07/2025

#199

COMPANIES HOUSE

POWER METAL RESOURCES PLC

CONTENTS

	Page
Company Information	1
Chief Executive Officer's Review	
Introduction	2
Operational Activity	2
Corporate Activity	3
Financial Review	6
Events Subsequent to the Period End	6
Corporate Social Responsibility	6
Outlook	7
Strategic Report	8
The Board of Directors	13
Directors' Report	14
Chairman's Corporate Governance Statement	17
Independent Auditor's Report to the Members of Power Metal Resources Plc	22
Consolidated Statement of Comprehensive Income	28
Consolidated Statement of Financial Position	29
Consolidated Statement of Changes in Equity - 30 September 2023	30
Consolidated Statement of Changes in Equity - 31 December 2024	32
Consolidated Statement of Cash Flows	34
Company Statement of Financial Position	36
Company Statement of Changes in Equity - 30 September 2023	37
Company Statement of Changes in Equity - 31 December 2024	38
Company Statement of Cash Flows	39
Notes to the Financial Statements	41

POWER METAL RESOURCES PLC

**COMPANY INFORMATION
FOR THE PERIOD ENDED 31 DECEMBER 2024**

Directors:	S Wade	<i>Chief Executive Officer</i>
	S Richardson Brown	<i>Non-Executive Chairman</i>
	E Shaw	<i>Non-Executive Director</i>
	D W Brodie Good	<i>Non-Executive Director</i>
Company secretary:	D&A Secretarial Services Limited	
Company number:	07800337	
Registered office:	Salisbury House London Wall London EC2M 5PS	
Independent Auditor:	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD	
Nominated Adviser and broker:	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP	
Joint brokers:	Tamesis Partners LLP 125 Old Broad Street EC2N 1AR London	
Solicitor:	Haynes and Boone CDG LLP 1 New Fetter Lane London, EC4A 1AN	

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

INTRODUCTION

Despite the numerous headwinds facing the mineral resource sector in the period under review, ended 31 December 2024 (the "Period"), our corporate and operational achievements have continued to demonstrate the strengths and versatility of our project incubator model, with exposure to multiple commodities and jurisdictions enabling crystallisation events and value realisation opportunities across the breadth of our portfolio.

With a more positive sentiment around the industry beginning to emerge, we remain confident that the underlying project value we've generated during this period will further yield positive outcomes for the Company.

I'm delighted to share with you our progress over the 15 months ended 31 December 2024.

OPERATIONAL ACTIVITY

North America

Power Metal Resources Plc ("Power Metal" or the "Company"), before and after the successful completion of its Joint Venture with UCAM Ltd for the Company's entire uranium portfolio, undertook an extensive exploration programme across its licences.

These workstreams included helium, hydrogen, radon and soil geochemistry sampling, as well as magnetic and radiometric airborne surveys. At Perch River, this work culminated in the definition of a new target area, named the 'Rapids Target', which consists of multiple overlapping geochemical and radon anomalies located within a geological and geophysical setting that is highly prospective for unconformity-hosted uranium mineralisation. Similarly prospective targets have been identified at other licences from systematic fieldwork during the Period, with work ongoing to further establish the targets for drilling programmes across the portfolio. Post Period end, a drilling permit was received for a seven to eight-hole diamond drill programme at Perch River, due to commence in Q3 2025.

Arabian Shield

The 15 months under review saw the commencement and advancement of Power Metal's activities in the Arabian Shield. Through its majority-owned subsidiary, Power Arabia Limited ("Power Arabia"), the Company has brought its proven and successful project incubator model to major exploration opportunities in the Kingdom of Saudi Arabia ("Saudi Arabia" or the "Kingdom") and Oman.

Following the signing of a mutually binding earn-in agreement with RIWAQ Al-Mawarid for Mining ("RIWAQ"), an initial field exploration programme on the Balthaga Lithium Project, Saudi Arabia, was successfully completed. The team on the ground covered the 13 licences that comprise the Balthaga Project area, and visited nearly every defined target, providing us with a much better understanding of the geology. The majority of the identified targets proved fruitful, with some new targets also discovered.

On Block 8 in Oman, the exploration work undertaken by the Power Arabia technical team to date was conducted during October, November and December 2024, including two phases of stream sediment sampling; geological outcrop mapping and rock sampling; an ionic leach soil geochemical sampling orientation study; trenching on the Al Mansur target; and the planning of a proposed gravimetric geophysics survey and sourcing of a geophysical contractor. Positive assay and gravimetry results were received and reported post Period end.

GSA (Environmental) Limited ("GSAe"), in which Power Metal acquired a 75% stake in the first half of 2024, advanced a number of projects during the Period. Working with a state-owned company in Saudi Arabia, GSAe progressed an initial study to process fly ash, primarily for the extraction of vanadium and nickel. This work involved detailed bench scale analysis, combined with initial process flow and plant design drawings, and preliminary financial calculations for plant construction and operations. As part of this commission, GSAe also tested samples from historic fly ash landfill sites to provide initial solutions for the processing and extraction of critical metals, and resultant cleaning of such sites. GSAe has successfully carried out numerous other studies and analyses in collaboration with respected firms in the UK, Europe and Saudi Arabia.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

Africa

Power Metal has a 100% interest in three prospecting licences which form the 91.14km² Tati Project, where the Company is targeting gold and nickel discoveries. During the Period, Power Metal announced geochemical soil sampling assay results, which confirmed the presence of three significant gold-in-soil geochemical anomalies, proving further continuity within the 8km-long gold trend at Tati. Each stage of work at Tati has delivered extremely positive findings, and we are confident that the project holds significant value for the Company.

In October 2023, Power Metal announced the identification of the highest priority drill target to date at its 87.70% held Molopo Farms Complex Project in Botswana. Accordingly, the Company confirmed that it had advanced plans to drill test this significant target, which was achieved in the first half of 2024. The drill hole, which was completed to a final depth of 832.6 metres, successfully intersected the steeply dipping geophysical superconductor – the primary objective of the programme.

The definition and proof of this difficult target, alongside the significant exploration data gathered to date, offers an indication of Molopo Farms' potential to host a district-scale deposit. The Company is continuing its efforts to seek a joint venture partner for the project.

Australia

During the Period, First Development Resources Plc ("FDR"), in which Power Metal holds a 58.60% interest, received the findings of a high-level geophysical and geographical information system-based desktop study on the Selta Project's mineral exploration potential and prospectivity.

The findings enabled a significant expansion of the existing rare-earth element and lithium exploration target area, and generation of new target areas building on previous ground-based exploration and desk-based data reviews carried out by FDR. Following the detailed compilation of historical drilling and surface geochemical data into comprehensive datasets, specific mineral exploration target areas were established for orogenic gold and base metals, including inferences on the potential for iron-oxide copper-gold and iron-sulphide copper-gold mineralisation within the project area.

CORPORATE ACTIVITY

North America

Given the resurgence in the uranium sector, Power Metal saw considerable interest in its strategic uranium holdings throughout the Period. This culminated in the successful completion of a joint venture with UCAM Ltd for Power Metal's entire portfolio of uranium licences. Pursuant to this agreement, the joint venture elected to rename the Company's wholly owned Canadian subsidiary company, 1501158 BC Ltd (formerly Power Metal Resources Canada Inc), to Fermi Exploration Limited ("Fermi Exploration").

The joint venture provides Power Metal shareholders with exposure to value realisation potential from high impact exploration and drilling programmes across the entire uranium portfolio, which includes the largest ground footprint in the Athabasca region held by a UK listed company.

The Company took a number of measures to increase its uranium footprint in and around the Athabasca Basin. The Richards Lake Uranium Property was acquired by direct mineral claim staking, and toward the end of the Period, the Fermi Exploration technical team acquired the Pardoe Uranium Project, also by direct mineral claim staking.

The Company was delighted to commence trading on the OTCQB Venture Market in the United States on 10 April 2024. The admission to trading on OTCQB has enabled better access to Power Metal stock for our valued North American investors, who can now more easily share in the Company's success.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

Guardian Metal Resources Plc

After a successful listing of Guardian Metal Resources Plc ("GMET") on the AIM segment of the London Stock Exchange in May 2023, the Company maintained a holding of 44.11%. After the reporting period, on 20 February 2025 the Company reached an agreement with UCAM Ltd wherein UCAM Ltd purchased from Power Metal 29,758,334 shares in GMET, and warrants granted over 986,352 ordinary shares in GMET of £0.01 each, for a total cash consideration of £9,225,083.91 before costs. The proceeds were used to redeem the £2 million loan note issued to ACAM LP on 10 June 2024, with accrued interest, and for general corporate purposes.

Arabian Shield

The Company's activities in the Arabian Shield were initiated following the signing of a non-binding Memorandum of Understanding ("MoU") with the Ministry of Investment of the Kingdom of Saudi Arabia, the purpose of which is to explore the possibility of joint collaboration efforts on the identification and realisation of high value-added investment opportunities that can maximise the Kingdom's natural resources.

Power Arabia was subsequently established to encompass all of the Company's activities across the region, including projects outside the Gulf in joint venture with entities domiciled within the region. It is envisaged that Power Arabia will list on the London capital markets in due course.

Balthaga

During the Period, the Company signed a mutually binding earn-in agreement with RIWAQ, a special purpose subsidiary of EV Metals Group plc focused on the development of the Saudi Arabian supply chain for critical raw materials. RIWAQ is the sole beneficial owner and the sole registered holder of 15 tenements in the Balthaga Suite; 11 of the tenements currently have exploration licences granted, and the remaining four are pending grant.

As part of the agreement, RIWAQ granted Power Metal the right to earn a 20% ownership interest in the tenements ("First Interest") by sole funding US\$350,000 in expenditure on the tenements, with the right to earn a further 10% ownership interest by sole funding an additional US\$150,000 on the tenements ("Second Interest") within six months following earning of the First Interest.

Following earning of the First Interest or Second Interest, whichever occurs later, the Parties have entered into a non-binding agreement to form a contributing joint venture in proportion to their tenement interests.

Qatan

The Company also announced the signature of a Letter of Intent to enter into a binding agreement with Al Masane Al Kobra Mining Company ("AMAK"), a Saudi Arabian listed exploration and mining company, for Power Metal to spend US\$3,000,000 to earn a 49% stake in the Qatan exploration licence in southern Saudi Arabia. Subsequent to the year end, the Company announced the decision by both parties to not enter into a binding agreement due to the parties not able to reach mutually acceptable terms. The Company affirms its continued readiness to explore future partnership opportunities that contribute to supporting its growth and strategic plans with AMAK in the near future.

Block 8

Power Metal and Power Arabia also extended its collective interests to Oman, announcing the signature of a legally binding agreement with Alara Resources Limited and Awtad Copper LLC for the opportunity to earn a 12.5% stake in the Block 8 concession in return for exploration expenditure of up to US\$740,000.

GSAe

GSAe has developed proprietary technology that can extract strategic metals from 'secondary sources', including power station ash, refinery waste, titanium dioxide waste and spent catalysts, while also producing much more environmentally friendly residue. Although it is a privately owned, UK-headquartered company, GSAe is viewed by Power Metal as having significant application opportunities in Saudi Arabia and thus represents a significant step forward in our efforts to become a major operator in the region. Power Metal acquired 75% of GSAe in return for structured payments, subject to certain conditions, that amount to a total of £1 million. Based on forecasts and historic performance, management expect to pay consideration of £727,000, as at acquisition date.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

Africa

Towards the end of 2023, Power Metal announced the disposal of its entire holding of 69,500,000 shares of Kavango Resources plc at a price of 0.8p per share, raising cash of £556,000 whilst streamlining the Company's focus and crystallising value from its interests. This cash could then be reallocated to high impact programmes at the Company's remaining assets, including at the Tati Gold Project, where, during the Period, the Company announced that a share option agreement (the "Option") had been entered between Power Metal, Tati Greenstone Resources PTY LTD ("TGR") – a company incorporated in Botswana held as a 100% owned subsidiary of Power Metal, and Tuscan Holding PTY Ltd ("Tuscan") – a company incorporated in Botswana.

Subject to an exercise of the Option, Power Metal, through TGR, will retain a 25% interest, free carried to production, in Prospecting Licence 049/2022 (which covers the Cherished Hope Mine) and from which it is intended that TGR will become a material dividend paying entity from net cash flow generated from gold production. Power Metal retains the right to a 100% interest in other prospecting licences held by TGR other than PL049/2022.

On behalf of the Company, Kalahari Key Mineral Exploration Pty Ltd received extension license documents from the Botswana Department of Mines, for Prospecting Licence 310/2016 and PL311/2026 at Molopo Farms, granting the Company the right to prospect for metals for a two-year period. The Company is looking to progress potential commercial pathways with a view to moving the project to the next stage in its exploration programme.

Australia

Power Metal's corporate activities in Australia during the reporting period can be defined by key value crystallisation events.

In June 2024, the Company confirmed the disposal of its 49.9% interest in New Ballarat Gold Corporation plc ("NBGC"), which wholly owns Red Rock Australasia Pty Limited ("RRAL"), the local operating company holding exploration interests in the Victoria Goldfields, Australia and in South Australia. Power Metal's shareholding was sold to joint venture partner Red Rock Resources Plc ("RRR"), and, accordingly, the Company was issued 166,666,667 new ordinary shares in RRR, now owning 3.87%. The Company was also issued with a £250,000 convertible loan note and 100,000,000 warrants exercisable into RRR ordinary shares, for three years at a price of 0.15 pence per share.

The transaction not only enables the ownership of NBGC to be focused in one entity, which is the optimal holding structure for its continuing development, but it also represents a streamlining process of the Power Metal portfolio, allowing the Company to concentrate its managerial, operational and financial resources on retained high value business interests and new opportunities.

During the Period, Power Metal benefitted from a significant value crystallisation event relating to its interest in the Wilan Project and additional licences in the Mt Isa region of Queensland. Following the successful completion of due diligence, ASX listed Aruma Resources Plc announced a conditional agreement for the acquisition of 100% of NHM Holdings (Australia) Pty Ltd (NMHA), of which Power Metal owns 20% of issued share capital.

This acquisition provides Power Metal with exposure to uranium and copper exploration potential on the ASX, further demonstrating the value of our incubator model.

First Development Resources

First Development Resources PLC ("FDR") holds strategic exploration projects in Western Australia and the Northern Territory. In Western Australia, FDR holds the Wallal Project which includes the company's primary target - the Eastern Anomaly, a magnetic bullseye target with a geophysical signature similar to Greatland Gold's Havieron discovery in the Paterson Region.

The Company is continuing with its efforts to list FDR on the AIM segment of the London Stock Exchange and remains confident of a successful outcome.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

FINANCIAL REVIEW

- Total comprehensive profit for the 15-month period to 31 December 2024 of £3.9 million (2023: loss of £1.3 million).
- Pre-non-controlling interest total equity of £22.0 million at the period-end (2023: £13.6 million).
- Raised £1.3 million (before issue costs) in new equity financing during the financial period, from a combination of new and existing shareholders, including the Directors.
- £0.6 million of shares were issued in relation to acquisitions in various investments and projects.
- The Company ended the financial period with a cash balance of £0.45 million (2023: £1.10 million).
- Cash balances held at the period-end are supplemented by listed company shares and warrants (cash equivalents), which represent a further pool of accessible cash available on the sale of shares in listed companies.

EVENTS SUBSEQUENT TO THE PERIOD END

For information regarding events after the reporting date, see note 35 to the financial statements.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company maintains a focus on CSR through internal policies and our approach to external operational activities.

The internal policies provide insights to employees, associates and shareholders of how the Company embeds CSR into its daily practices and indicates the Company's responsibility for ethical practices across all areas of its operations.

During the period and after the period end, the Company has established detailed policies and procedures to govern and ensure that the core CSR values are followed internally as well as off-site in its field operations. Through these efforts, the Company has developed new initiatives and general practices to be maintained as the Company grows.

A key focus for the Company is to build awareness and interaction amongst its communities. Due to the nature of the Company's operations and the jurisdictions it operates within, it is imperative to acknowledge the significance of these diverse communities to the territory. As the Company develops, it recognises the importance of ensuring that all efforts are considered to enable the communities to develop in parallel. A few of the many ways the Company will facilitate this mutual growth is to build strong relationships within the community, develop an understanding of how they operate and determine how the Company can contribute to their continued development.

The Company is dedicated to ensuring it maintains the safety and wellbeing of its employees and the local community during field operations. This is not exclusive to active operations but extends beyond, by maintaining a safe conclusion of all on-site activity and ensuring that the land and materials are left in a safe and respectful manner.

As the projects mature and develop, the Company will ensure that community engagement is maintained. The continual focus on ensuring employees are engaged in and committed to implementing its CSR policies, ethics and commitments, will enable CSR to become integral and remain at the forefront of all operations.

POWER METAL RESOURCES PLC

**CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

OUTLOOK

Power Metal continues to execute on its robust business model of exploration/development project generation and advancement and value crystallisation.

In addition to the multiple potential district scale exploration and development projects currently within the portfolio, the Company continues to seek new opportunities for shareholder value creation.

A number of such opportunities are currently in the pipeline and the Board remains confident that with ongoing operations and forecast improvements in the junior resource and commodity market conditions, the Company is in an excellent position to deliver value to shareholders.

Thank you for your continued support.

Sean Wade, Chief Executive Officer
27 June 2025

POWER METAL RESOURCES PLC

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

The Directors present their strategic report on Power Metal Resources PLC (the “Company”) together with its subsidiaries (the “Group”, “Power Metal”) for the 15 month period ended 31 December 2024 (the “Period”). The comparative comprises the year ended 30 September 2023.

Overview of the business

The financial period to 31 December 2024 resulted in a total comprehensive profit for the Period of £3.9 million (2023: loss of £1.3 million).

Net assets at the Period end stood at £22.9 million (2023: £14.5 million). The Group had a cash position of £0.45 million as at 31 December 2024.

Business Strategy

The overriding strategic objective of the Group is to make large scale metal discoveries. Power Metal has been structured with a portfolio model with diversity of interests by commodity, jurisdiction and geology which is considered by the Group to increase the likelihood of a large-scale metal discovery.

The Group seeks to minimise fixed financial or operational commitments providing underlying operational flexibility. This enables the financial and managerial resources to be focused forward on the projects with the greatest potential to deliver the discoveries targeted.

Further information on the Group’s operations is set out in the Chief Executive Officer’s Review on page 2 to 7.

Principal risks

Exploration risk

The Group’s business is mineral exploration and evaluation, which are speculative activities. There is no certainty that Power Metal will proceed to the development of any of its projects or otherwise realise their full value. The Group aims to mitigate this risk when evaluating new business opportunities by targeting areas of potential where there is at least some historical drilling or geological data available and where leading exploration consultants believe there is strong evidence of high-class mineral deposits.

Resource risk

All mineral projects have risk associated with defined grade and continuity. Mineral reserves and resources will be calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and commodity price assumptions. At present Power Metal does not have projects with quantified mineral reserves and resources.

Environmental risk

Exploration of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during the evaluation stage. The Group’s environmental risk extends to its corporate and exploration interests in Australia, Botswana and Canada. Power Metal will ensure proper measures are taken to assess environmental risk including appropriate technical submissions to reporting authorities prior to work commencing. Also, any disturbance to the environment during any exploration on any of the licence areas will be rehabilitated in accordance with the prevailing local regulations.

Financing & liquidity risk

The Group has an ongoing requirement to fund its activities through the equity capital markets. There is no certainty such funds will be available when needed. To date the Group has managed to raise the required funds, primarily through equity placements, including placements undertaken during very difficult market conditions of 2021/22 and monies from warrant exercises.

The Directors have prepared cash flow forecasts for at least the next 12 months from the date of this report and are confident that the Group and Company have sufficient financial resources to fund their operations.

POWER METAL RESOURCES PLC

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

Financing & liquidity risk (Continued)

From a wider perspective it is noted that the junior resource sector is cyclical, with peaks and troughs in valuations of companies and generic sector confidence. The ease of financing follows this cyclicity and that means the financing environment for junior companies can switch from challenging to comfortable, and vice versa, quite quickly. The impact of cyclicity can be less significant for well-respected companies with successful business models, and therefore the actual financing experience is different for each company.

Power Metal holds listed securities, alongside its cash reserves, which may be sold (subject to any applicable lock-in periods), further bolstering available capital.

Political risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets. The Group has working knowledge of the countries in which it holds exploration licences and has appointed experienced local operators to assist the Group in its activities in order to help reduce possible political risk.

Internal controls & risk management

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

Review of business and financial performance

The ongoing performance of the Group is managed and monitored using a number of key financial and non-financial indicators ("KPIs") on a monthly basis:

i. Cash position

Having sufficient cash for business operations is vital for an exploration company and cash must be managed accordingly. The Directors review and manage the Group's cash flow on a monthly basis. The financial strategy is to ensure that, wherever possible, there are sufficient funds to cover corporate overheads and exploration expenditure for as long a period as possible. Power Metal has confidence that financing of the Group can continue as and when required, albeit the Board of Directors ("The Board") is keen to avoid excessive dilution and will manage the financing process with that objective in mind.

Furthermore, the Group has ensured that where possible it has built operational flexibility in its corporate and exploration portfolio enabling expenditure to be paused should the financing environment prove difficult and cash preservation prove essential.

ii. Exploration expenditure by project

The Group controls its exploration spend by project versus budget and in relation to its available cash resources. If the results of exploration do not meet expectations, then budgeted activities are re-evaluated or even cancelled. Evaluation of early-stage projects is approached in a cost-effective way. The Group determines whether there are any indicators of impairment of its exploration assets on an annual basis.

iii. Share price

The Company monitors its share price monthly versus a peer group of explorers. Many factors outside the Company's control can affect the share price but the Company appreciates that this KPI is important to shareholders and the market in general in assessing the Company's performance.

Directors' indemnities

The Group maintains Directors' and officers' liability insurance providing appropriate cover for any legal action brought against its Directors.

POWER METAL RESOURCES PLC

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

Section 172 (1) Statement

The Board of Power Metal is aware that the decisions we make may affect the lives of many people. The Board makes a conscious effort to try and understand the interests of our stakeholders, and to reflect them in the choices we make in creating long-term sustainable success for the business.

The Board views engagement with our shareholders and wider stakeholder groups as essential work. We are aware that we need to listen to each stakeholder group, so that we can understand specific interests, and foster effective and mutually beneficial relationships. By understanding our stakeholders, we can build their needs into the decisions we take.

Throughout this Annual Report, we provide examples of how we:

- Consider the likely consequences of long-term decisions;
- Foster relationships with stakeholders;
- Understand our impact on our local community and the environment; and
- Demonstrate the importance of behaving responsibly.

This section serves as our s172 statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement. s172 of the Companies Act 2006 (CA) requires the Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account the following factors (among others) listed in s172:

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

The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

Active stakeholder engagement and open communication have become increasingly important in decision making for the Board. Specific decisions taken during the Period following consultations with key stakeholders include:

- An intensification of investment community engagement through social media and through online interaction with shareholders and investors and a return post Covid-19 to undertaking of live and face to face investor events;
- The work undertaken by the First Development Resources PLC team to engage with heritage groups in Australia, in preparation for planned exploration activities;
- The use of local operators and advisers where possible to increase employment and consultancy revenues within local operating environments;
- The issue of shares and options to service providers and options to Directors in order to create long term incentives, align their interests with those of the members and conserve cash through the period of uncertainty during the earlier part of the accounting period.

The Board regularly reviews our principal stakeholders and how we engage each group. The stakeholder voice is brought into the boardroom throughout the annual corporate cycle through information provided by management and also by direct engagement with stakeholders themselves, including shareholder interviews and question and answer sessions with the Chief Executive Officer. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The table below acts as our s172(1) statement by setting out the key stakeholder groups, their interests and how Power Metal has engaged with them over the reporting period, however, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

POWER METAL RESOURCES PLC

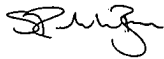
**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

Stakeholder	Their interests	How we engage
Investors	Business sustainability High standards of governance Comprehensive review of financial performance of the business Success of the business Ethical behaviour Awareness of long-term strategy and direction Improving market perception of the business Delivering long term value to shareholders Experience of Directors Project prospectivity	Interim and Annual Report Investor Relations section on the Company website RNS announcements Trading updates Shareholder circulars AGM results Press releases Media articles and interviews, including podcasts The Board encourages open dialogue with the Company's investors Use of social media
Regulatory bodies	Compliance with regulations Worker pay and conditions Health and safety Brand reputation Waste and environment Insurance Environmental protection	Company website Stock exchange announcements Annual report Direct contact with regulators Compliance updates at Board Meetings Consistent risk review Compliance with local regulatory requirements and industry standard principles Appointment of nominated advisor in accordance with AIM Rules
Environment	Sustainability Energy usage Recycling Waste management	Oversight of corporate responsibility plans Reduce environmental impact of exploration by producing detailed field operation guidelines Adhere to local guidelines Obtain required permits from local authorities Removal of operational waste and treatment at appropriate facilities Detailed field operation guidelines to minimise any negative environmental impact of exploration activities
Community	Community outreach Human Rights Sustainability	Meeting with key community representatives Partnering with the communities in which we operate – sharing plans/ideas for discussion Active communication with landowners and communities where field work is taking place Local landowners are paid promptly Adhere to Government guidelines for approaching landowner and native title holder discussion Rehabilitation of drill sites after work has completed

POWER METAL RESOURCES PLC

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

		Employment of local contractors where possible Fair and prompt payment of all contractors
Contractors	Terms and conditions of contract Health and safety Human rights and modern slavery	Anti-bribery and anti-corruption policy Whistleblowing policy is in place to ensure rights are protected Provide mandatory health and safety training and creating a safe working environment through strict procedures. Contractors are sourced locally where possible Communication with contractors is frequent through a dedicated exploration manager



Scott Richardson Brown, Non-Executive Chairman
27 June 2025

POWER METAL RESOURCES PLC

THE BOARD OF DIRECTORS FOR THE PERIOD ENDED 31 DECEMBER 2024

Sean Wade, Chief Executive Officer

Sean is an experienced corporate executive within the natural resource sector, having held senior roles in mining companies including Berkeley Energia PLC, Pensana PLC and Asia Resource Minerals PLC. He has worked on numerous transactions in the capital markets, including IPO's, secondary capital raising and M&A in a wide variety of different jurisdictions and exchanges. His extensive network covers numerous capital providers, including institutional funds, family offices and private wealth.

Sean started his career at Cazenove & Co in 1993. In 2007 he was a founding shareholder in Liberum Capital. Since 2012, he has worked in corporate business development and investor relations. He founded Scout Advisory Limited in 2020 undertaking consultancy work with various listed and private companies in the resource exploration mining sector.

Scott Richardson Brown, Non-Executive Chairman

Scott is a Fellow of the Institute of Chartered Accountants in England and Wales. He began his career at Coopers & Lybrand (later PricewaterhouseCoopers) in the banking and capital markets division, he later became a partner in the corporate broking/finance division of Oriel Securities Limited covering a range of sectors.

Since leaving Oriel Securities Limited, Scott has held a number of directorships of AIM-quoted companies operating within the natural resources sector in both CEO, CFO and Non-Executive Director roles and specialises in restructuring and turning around companies in difficulty. He is currently CEO of a leading West Midlands Estate Agency business.

Ed Shaw, Non-Executive Director

Ed started his career 25 years ago at Citibank having studied Chemistry at the University of Bristol. Ed was one of the founding partners of Newpeak Capital LLP in 2007 and has a long history of trading and more recently raising capital for companies in the mining sector including microcap resource stocks, the area of the market in which Power Metal is currently positioned.

Ed complements the existing team and helps strengthen the Board particularly by adding weight to the Company's financing strategy, a key element of business management for listed microcaps.

Douglas William Brodie Good, Non-Executive Director

Bill has over 30 years' experience in global exploration having cut his teeth in Australia followed by working extensively in geological and project management in francophone west and central Africa, the Middle East, central Asia and returning to Australia more recently. Bill has been an explorer combining hands-on execution of field programmes as well as planning, budgeting and management in some cases multi-project operations. His recent role with AIM listed Alien Metals Ltd as Technical Director and CEO has given him a broader insight into market trends and demands and helped broaden his experience to hone his exploration background while making a significant discovery of a DSO Iron Ore resource while there.

Bill's experience has extensively involved the design, planning and implementation of new and grass roots exploration programmes with an emphasis on in country logistics planning, government liaison, people management and project delivery on time and in budget.

Bill has worked in both the private and consulting sector therefore has an overarching view from both corners to enable more rounded planning and decision making to optimise projects performance, budgets and schedules.

POWER METAL RESOURCES PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2024

The Directors present their report together with the audited consolidated financial statements of Power Metal Resources PLC (the "Company"), together with its subsidiaries (the "Group"):

- its 58.59% owned subsidiary, First Development Resources PLC ("FDR");
- its 58.59% owned indirect subsidiary, First Development Resources Pty Ltd ("FDR Pty");
- its 58.59% owned indirect subsidiary, Pardoo Resources Pty Ltd ("Pardoo");
- its 58.59% owned indirect subsidiary, RH Resources Pty Ltd ("RH Pty");
- its 58.59% owned indirect subsidiary, URE Metals Pty Ltd ("URE");
- its 100% owned subsidiary, Power Arabia Ltd ("PA Ltd"), (formerly Power Capital Investments Ltd);
- its 100% owned subsidiary, Tati Greenstone Resources Pty Ltd ("TGR");
- its 100% owned subsidiary, Power Botswana Pty Ltd ("PMRB");
- its 100% owned subsidiary, ION Battery Resources Ltd ("ION");
- its 100% owned indirect subsidiary, 102162331 Saskatchewan Ltd ("SASK2");
- its 100% owned subsidiary, African Battery Metals Ltd ("ABM");
- its 87.71% owned subsidiary, Kalahari Key Mineral Exploration Pty Ltd ("KKME"); and
- its 75% owned subsidiary, GSA (Environmental) Ltd ("GSA").

The Group's focus is metals exploration and development with a focus currently on precious metals exploration in North America and Australia together with base and strategic metals exploration in Africa and the Middle east.

Results

The Group reports a total comprehensive profit of £3.9 million (2023: loss of £1.3 million).

Major events after the reporting date

For information regarding events after the reporting date, see note 35 to the financial statements.

Dividends

The Directors do not recommend the payment of a dividend for the period ended 31 December 2024 (2023: £Nil).

Financial risk management

The Group's operations are exposed to a variety of financial risks, and these are detailed in note 32 to these financial statements.

Political donations

There were no political donations during the period ended 31 December 2024 (2023: £Nil).

Bribery legislation

The Directors have adopted appropriate procedures to ensure compliance with the Bribery Act 2010.

Directors

The Directors of the Company who served during the Period and since the reporting date are as follows:

S Wade, Chief Executive Officer
S Richardson Brown, Non-Executive Chairman
E Shaw, Non-Executive Director
O Morton, Non-Executive Director (resigned 16 January 2024)
D W Brodie Good, Non-Executive Director

POWER METAL RESOURCES PLC

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

Directors' interests

The beneficial interests of the Directors holding office at the end of 31 December 2024 in the issued share capital of the Company as of 31 December 2024 were as follows:

	Number of ordinary shares of 0.1p each	Percentage of issued ordinary share capital
S Wade	938,235	0.821
S Richardson Brown	-	-
E Shaw	750,000	0.656
B Brodie Good	50,000	0.044

In March 2024, the Company announced a 1 to 20 share consolidation. The Directors believe that decreasing the number of shares in issue will reduce the volatility of the share price and enable a more consistent valuation of the Company.

Details of share options and warrants granted to Directors are disclosed in note 28 to the financial statements.

Directors' remuneration and service contracts

Details of Directors' emoluments including share-based payments are disclosed in note 10 to the financial statements.

	Salary/fees £'000	Bonus £'000	Accrued bonus £000	Total 2024 £'000	Total 2023 £'000
S Wade	222	126	176	524	142
S Richardson Brown	51	20	47	118	55
E Shaw	38	15	35	88	41
O Morton *	9	-	-	9	43
D W Brodie Good	91	14	33	138	19
Total	411	175	291	877	300

The above figures pertain to a 15-month period.

* Resigned from the Board on 16 January 2024

There were 7 employees other than the Directors during the period ended 31 December 2024 (2023: 7).

Directors' indemnities

The Group maintains Directors' and officers' liability insurance providing appropriate cover for any legal action brought against its Directors.

Going concern

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group, including current level of resources and the required level of spending on exploration and corporate activities. As part of their assessment, the Directors have also considered the potential for continuing warrant exercises and the ability to raise new funding whilst maintaining an acceptable level of cash flows for the Group to meet all commitments.

The Directors have stress tested the Group's cash projections, which involves preserving cash flows and adopting a policy of minimal cash spending for a period of at least 12 months from the date of approval of these financial statements. The Directors believe the measures they have available will result in sufficient working capital and cash flows to continue in operational existence. Taking these matters in consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

POWER METAL RESOURCES PLC

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with the applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and as regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the Group's results for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements comply with UK-adopted international accounting standards in conformity with the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

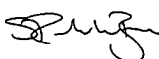
So far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- all the Directors have taken the 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 have expressed their willingness to continue in office and a resolution will be proposed at the annual general meeting to reappoint PKF Littlejohn LLP as auditor for the next financial period.

By order of the Board



Scott Richardson Brown, Non-Executive Chairman
27 June 2025

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2024**

As Chairman of the Board of Directors of Power Metal Resources PLC (the "Company") together with its subsidiaries (the "Group" or "Power Metal"), it is my responsibility to ensure that the Company has both sound corporate governance and an effective Board. As Chairman of the Company, my responsibilities include leading the Board effectively, overseeing the Company's corporate governance model, and ensuring that good information flows freely between the Executive Directors and Non-Executives Directors in a timely manner. The Chairman's principal responsibility is to ensure that the Company and its Board are acting in the best interests of shareholders.

This report follows the structure of the Quoted Companies Alliance Corporate Governance ("QCA Code") guidelines and explains how we have applied the guidance. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company, and areas of non-compliance are disclosed in the text below. Further details of the Company's compliance with the QCA Code can be found on the Company's Corporate Governance page on the website (<https://www.powermetalresources.com/corporate-governance>), and any areas of non-compliance will be disclosed in the text below.

The Board understands that application of the QCA Code supports the Company's medium to long-term success whilst simultaneously managing risks and providing an underlying framework of commitment and transparent communications with stakeholders.

During the period under review, the following change took place on the Company's Board of Directors: Owain Morton, a Non-Executive Director, resigned on 16 January 2024.

QCA Principles

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

A description of the Company's business model and strategy can be found on page 8, and the key challenges in executing the Company's strategy can be found on pages 8 to 9.

2. Seek to understand and meet shareholder needs and expectations

Power Metal places a great deal of importance on communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders. The Company seeks to provide effective communication through Interim and Annual Reports, along with Regulatory News Service announcements on the Company's website, www.powermetalresources.com and active engagement including CEO interviews and Q&A sessions with a range of social and investor-oriented media. The Company also has a News Archive section on the website, enabling investors to easily access a range of archived reports and previous updates, as well as a Shareholder Circulars page which includes key business and corporate governance updates. For the period under review, in order to improve shareholder communications, the Board has provided regular updates to shareholders on the progress of the Company's projects through RNS announcements and on its website.

Power Metal is committed to maintaining a healthy dialogue between the Board and all shareholders to enable shareholders to come to informed decisions about the Company. This is achieved through formal meetings such as the AGM, which typically provides an opportunity to meet, listen and present to shareholders, and shareholders are encouraged to attend. All resolutions at the Company's AGM in 2024 passed comfortably.

The Company is open to receiving feedback from key stakeholders and will take action where appropriate. The key contact for shareholder liaison is the CEO, Sean Wade, who meets with shareholders as and when requested.

Information on the Investors section of the Company's website is kept up to date and contains details of relevant developments, interviews, presentations and key reports.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

The Company also engages the services of external media service providers who assist with Power Metal's public and investor relations, ensuring information is accessible to stakeholders and released in a timely and informative manner. These advisers also seek to encourage and facilitate shareholder engagement.

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

The Board recognises that the long-term success of the Group is reliant upon the efforts of employees of the Group and its contractors, suppliers, regulators, and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships.

Power Metal seeks to be a socially responsible Company which has a positive impact on the communities in which it operates. No discrimination is tolerated and the Company endeavours to give all employees the opportunity to develop their capabilities. Everyone within the Group is a valued member of the team and our aim is to help every individual achieve their full potential. We offer equal opportunities regardless of race, gender, gender identity or assignment, age, disability, religion, and sexual orientation. The Group has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Group.

Further details on the Company's take on stakeholder and social responsibilities and their implications for long-term success can be found in the Section 172 Statement in the Strategic Report on pages 8 to 12.

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

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks in a timely manner. The Board ensures that corrective action is taken and that risks are identified as early as practically possible, as well as being responsible for reviewing the effectiveness of internal financial controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In addition, members of the Board attend industry conferences and seminars to keep abreast of sector risks and industry changes.

The Audit Committee (as well as the Board as a whole) reviews reports from the Company's auditors relating to the internal control systems in use throughout the Group in order to determine the adequacy and efficiency of internal control and risk management systems. An internal audit function is not yet considered necessary as day to day control is sufficiently exercised by the Company's Executive Directors. However, the Board will continue to monitor the need for an internal audit function.

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

The Board currently comprises one Executive Director, Sean Wade and three Non-Executive Directors, Scott Richardson Brown, Ed Shaw, and Douglas William Brodie Good, following the resignation of Owain Morton on 16 January 2024. Scott Richardson Brown is Chairman of the Company.

Meetings are open and constructive, with every director participating fully. The Board meets every three months and at other times as and when required to ensure that the Company is fulfilling all its regulatory and compliance plc obligations, and, to be efficient, the Directors meet formally and informally both in person and by video conference. Directors are sent an agenda and Board papers at least three days prior to every Board meeting to facilitate proper assessment of any matters requiring a decision or insight. Additional information is provided when requested by the Board or individual Directors. The Non-Executive Directors maintain ongoing communication with the Executive Directors between formal Board meetings. All Non-Executive Directors spend a minimum of two days a month on company business, or as much time necessary to fulfil their duties above this.

POWER METAL RESOURCES PLC

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2024

The Board believes that the Non-Executive Chairman and Non-Executive Directors offer key expertise to the Executive Director through their skill-sets, in addition to supporting and developing relationships with shareholders and key stakeholders. The Board will continue to review its composition as the Company grows.

Sean Wade worked for 140 days per period. Scott Richardson Brown, Ed Shaw and Douglas William Brodie Good worked for not less than 21 days per period.

During the financial period there were 4 routine Board Meetings and 2 non-routine Board Meetings, and the attendance of each Director is outlined below:

Director	Routine Board Meetings	Non-Routine Board Meetings
Sean Wade	4	0
Scott Richardson Brown	4	2
Ed Shaw	4	2
Douglas William Brodie Good	4	0
Owain Morton *	1	0

*Resigned 16 January 2024

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

The Directors of the Board bring experience from a range of industries including the accounting and finance, engineering and natural resources sectors. The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial, and professional capabilities, providing the ability to deliver the Company's strategy for the benefit of shareholders over the medium and long-term. Directors are encouraged to maintain up-to-date skillsets by attending training sessions, conferences and networking events. Biographical details of the Directors can be found on page 13.

D&A Secretarial Limited has been contracted by the Company to act as Power Metal's Company Secretary and has been given the responsibility for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, including assistance with Board and shareholder meetings and Market Abuse Regulations ("MAR") compliance. D&A Secretarial Limited also supports the Board in its development of the Company's corporate governance responsibilities, assisting with the Company's application of the QCA Code and in relation to AIM Rule 26 website disclosures.

The Company's Nominated Adviser, SP Angel Corporate Finance LLP, is consulted on all matters. During the period under review the Company took advice on general corporate PLC management, potential & actual acquisitions, changes to board composition and business strategy.

All Directors have access to independent professional advice, if required.

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

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. Therefore, the Board accepts that the Company does not comply with this aspect of the QCA Code, although in frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would be beneficial for the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it intends to re-consider the need for a formal Board evaluation.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

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

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long-term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board also ensures that communities within the regions that the Company operates within continue to be supported, being cognisant of the Company's pledge to Corporate Social Responsibility.

A large part of the Company's activities is centred upon an open and respectful dialogue with shareholders, contractors, regulators and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Company has implemented, inter alia, the following policies to help ensure the highest standards of personal and professional ethical behaviour are adhered to:

- an Anti-Bribery and Corruption Policy
- a Whistleblowing Policy
- a Social Media Policy
- a Share Dealing Policy
- an Inside Information Policy

The Strategic Report and s172(1) Statement provide further detail on the frameworks in place to promote and support ethical behaviour and the Company's values, and how these align with the Company's objectives, strategy, and business model.

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

The Board delegates authority to two Committees to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet independently of Board meetings.

Audit Committee

The Audit Committee comprises Scott Richardson Brown and Ed Shaw and is chaired by Scott Richardson Brown, a qualified chartered accountant. The Audit Committee is responsible for ensuring that the financial performance, position, and prospects of the Group are properly monitored and reported on and for meeting with the auditor and reviewing audit reports relating to the Company's accounts. The Audit Committee is required to report formally to the Board on its proceedings after each meeting on all matters for which it has responsibility. The Audit Committee met on three occasions during the period under review.

Remuneration Committee

The Remuneration Committee comprises Scott Richardson Brown and Edmund Shaw, and is chaired by Scott Richardson Brown, a qualified chartered accountant. The Committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of shareholders and the performance of the Company.

The Board notes that additional information supplied by the Audit Committee and by the Remuneration Committee has been disseminated across the whole of this Annual Report, rather than included as separate Committee Reports.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

Whilst the Board has not formally adopted appropriate delegations of authority setting out matters reserved to the Board, there are effectively no decisions of any consequence made other than by the Directors. All Directors participate in the key areas of decision-making, including the following matters:

- formulating, reviewing and approving the Group's strategy;
- formulating, reviewing and approving the Group's budget;
- formulating, reviewing and approving the Group's exploration projects;
- establishing a framework of prudent and effective controls which enable risks to be managed and assessed;
- ensuring the necessary financial and human resources are in place for the Group to meet its objectives; and
- setting the Group's values and standards.

The Chair and the Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintains that these will evolve over time, in line with the Company's growth and development.

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

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders and other relevant stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company.

In addition, all shareholders are encouraged to attend the Company's Annual General Meeting ("AGM"), where possible. The Board discloses the result of general meetings by way of announcement and additionally discloses the results of proxy votes during the meetings and subsequently on the website. The historic proxy results of the 2024 AGM can be found on the Company's Corporate Governance webpage. The Board maintains that, if there is a resolution passed at an AGM with 20% votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action.

The latest Corporate Documents can be found on the Company's website. Information on the Investors section of the Group's website is kept updated and contains details of relevant developments, interviews, presentations, and other key information.



Scott Richardson Brown, Non-Executive Chairman
27 June 2025

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC FOR THE PERIOD ENDED 31 DECEMBER 2024

Opinion

We have audited the financial statements of Power Metal Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the 15 month period ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the 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 2024 and of the group's profit for the period ended 31 December 2024;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- Challenging the inputs and assumptions used in the forecasts prepared by management to assess the group's and company's ability to meet financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements.
- Checking the mathematical accuracy of the cashflow forecasts scenarios prepared by management.
- Corroborating the committed cash flows against contractual arrangements and historic information and compared general budgeted overheads to current run rates.
- Identifying and evaluating subsequent events which affect going concern and evaluating the likelihood of occurrence of forecasted inflows.
- Stress-testing the forecasted cash flows by increasing expenditures, as well as critically reviewing committed versus non committed expenditure, in order to evaluate the likelihood of potential downside scenarios that may have an impact on headroom.
- Comparing actual results for the year to previous budgets to assess the accuracy of management's forecasting.
- Reviewing post year end information such as minutes of board meetings and Regulatory News Service (RNS) announcements.
- Reviewing post year end cash position and compared this against the forecasted position.
- Assessing the adequacy of the disclosures in respect of going concern and ensuring consistency with management's forecasts.

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC FOR THE PERIOD ENDED 31 DECEMBER 2024

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

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

Our application of materiality

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

The materiality applied to the group financial statements was £284,000 (2023: £295,000), based on 1% (2023: 2%) of gross assets, as it is from these assets that the group seeks to deliver returns for shareholders, in particular the value of exploration and development projects the group is interested in and the recoverability of financial assets. A separate materiality was set for the group statement of comprehensive income to obtain sufficient coverage from testing of expenditure in the period. The materiality applied was £70,000 (2023: £84,000), based on 1% of the profit for the period adjusted for non-recurring items (2023: based on 5% of the loss for the year adjusted for non-recurring items).

Performance materiality for the group and parent company has been set at 70% (2023: 70%) of overall materiality, and the threshold for which we communicate errors to management has been set at 5% (2023: 5%) of overall materiality. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds. We set performance materiality based upon the required coverage from testing key items and the absence of audit adjustments in prior periods.

Materiality for the parent entity has been set at £275,000 (2023: £290,000) based on 1% (2023: 2%), of gross assets with a separate materiality for the statement of comprehensive income of £70,000 (2023: £83,000), based on 1% (2023: 5%) of the profit for the period adjusted for non-recurring items.

Component performance materiality was applied and ranged from £118,000 to £99,000 (2023: £106,400) for the Statement of Financial Position and £13,600 (2023: from £18,200) for the Statement of Comprehensive Income, having regard to the varying size and risk profile of components across the Group.

We agreed with the audit committee that we would report to them all audit differences identified during the course of our audit in excess of £14,000 (2023: £14,750) for the Group and £13,000 (2023: £14,500) for the Parent Company. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality has been reassessed at the closing stages of the audit, taking into consideration new information which arose. No alterations were made to materiality either during or at the conclusion of the audit.

Our approach to the audit

In designing our audit, we looked at areas which deemed to involve significant judgement and estimation by the directors, such as the key audit matters surrounding the carrying value of intangible assets, and the classification and valuation of investment and financial assets balances. The remaining significant judgemental area surrounded the valuation of share-based payments. We also addressed the risk of management override of controls, including consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Work on all significant components of the group has been performed by us as group auditor.

Key audit matters

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC FOR THE PERIOD ENDED 31 DECEMBER 2024

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

Key Audit Matter	How our scope addressed this matter
Carrying value of intangible exploration and evaluation assets (Group and Company)(Note 13) The Group and Company hold material intangible assets amounting to £4,916k (2023: £4,947k) relating to capitalised exploration costs in respect of a number of mineral exploration projects. The Directors consider each project or asset group to assess whether there are indicators of impairment by evaluating the potential resources from exploration and evaluation work, together with the availability of finance to further evaluate the exploration rights. The majority of exploration projects are early stage where no independently prepared resource estimates are available. The assessment of impairment will therefore utilise the impairment indicators set out in IFRS 6 which involves estimation and judgement.	Our work in this area included: ▪ Discussing with management and evaluating the development of the projects during the period, and subsequent to the period end, for evidence of impairment indicators in accordance with IFRS 6; ▪ Reviewing management's impairment review position paper; ▪ Where applicable, obtaining and reviewing correspondence and agreements (JV agreements; earn-in agreements; license agreements etc) to ensure transactions are accounted for in accordance with the terms therein; ▪ Confirming good title to the projects exists as at the period-end; ▪ Performing substantive tests of detail on intangible additions and confirming their eligibility for capitalisation; ▪ Evaluating, and providing challenge to, management's impairment assessment; and ▪ Reviewing the disclosures in the financial statements, including those relating to estimates and judgments used and evaluating their completeness.
Classification and valuation of investments in subsidiaries, associates, joint ventures and other financial assets (Notes 18, 19, 20 and 21) Investments in subsidiaries (Company only) amounting to £3,678k (2023: £2,371k), as well as joint ventures, associates and equity investments as financial assets (Group and Company) amounting to £5,126k (2023: £1,451k), are the most significant balances in the financial statements. There is a risk that the requirements of IAS 28, IFRS 9, IFRS 10 and IFRS 11 have not been applied correctly, and that investment balances have been inappropriately classified and recorded in the financial statements. Given the early-stage exploration activities in these entities, existence of losses and potential delays in advancing developments at the underlying projects depending on the availability of funding to meet minimum expenditure and	Our work in this area included: ▪ Confirmation of ownership and good title of all investments; ▪ For financial assets, reviewing accounting entries made during the period and at period end in respect of fair value movements and vouching to supporting documentation; ▪ Evaluating ownership percentages, as well as any indications of significant influence, control, or joint control; ▪ Testing changes in ownership during the period under review back to supporting documents; ▪ Considering the recoverability of investments and intercompany loans by reference to underlying net asset values, including the

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC FOR THE PERIOD ENDED 31 DECEMBER 2024

earn-in commitments, there is a risk that the investment balances are not fully recoverable.	recoverability potential of the underlying exploration projects; ▪ Obtaining and reviewing Board impairment papers in respect of investments, providing appropriate challenge and obtaining corroboration for any key assumptions made; and ▪ Reviewing disclosures made in the financial statements in accordance with the applicable standard.
--	---

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the 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 financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC FOR THE PERIOD ENDED 31 DECEMBER 2024

of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and 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 and our experience of the resource exploration sector.
- We determined the principal laws and regulations relevant to the Group and company in this regard to be those arising from:
 - Companies Act 2006;
 - AIM Rules;
 - Local tax and employment law; and
 - Local environmental and exploration regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - Enquires of management;
 - Review of Board minutes;
 - Review of legal expenses; and
 - Review of RNS announcements
- 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 estimates, judgements and assumptions applied by management in the assessment of carrying value of intangible assets and investment balances gave the greatest potential for management bias.
- As in all our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

POWER METAL RESOURCES PLC

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC
FOR THE PERIOD ENDED 31 DECEMBER 2024**

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.

David Thompson

David Thompson (Jun 27, 2025 17:10 GMT+1)

**David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2024**

		Period ended 31 December 2024 £'000	Year ended 30 September 2023 £'000
	Note		
Revenue	6	200	78
Cost of sales		(7)	-
Gross profit		193	78
Operating expenses	8	(7,964)	(2,777)
Fair value gains through profit or loss	21	8,876	1,604
Profit/(loss) from operating activities		1,105	(1,095)
Other income	7	3,101	-
Finance costs	11	(221)	-
Share of post-tax losses of equity accounted joint ventures	19	(123)	(219)
Profit/(loss) before tax		3,862	(1,314)
Taxation	12	10	-
Profit/(loss) for the period from continuing operations		3,872	(1,314)
Other comprehensive (expense)/income			
Items that will or may be reclassified to profit or loss:			
Exchange translation		(25)	6
Total other comprehensive (expense)/income		(25)	6
Total comprehensive profit/(loss) for the period		3,847	(1,308)
Profit/(loss) for the period attributable to:			
Owners of the parent		4,104	(1,096)
Non-controlling interests		(232)	(218)
		3,872	(1,314)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		4,078	(1,083)
Non-controlling interests	25	(231)	(225)
		3,847	(1,308)
Earnings per share from continuing operations attributable the ordinary equity holders of the parent:			
Basic earnings/(loss) per share (pence)	27	3.74	(1.19)
Diluted earnings/(loss) per share (pence)	27	3.69	(1.19)

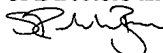
The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		31 December 2024 £'000	30 September 2023 £'000
Assets	Note		
Exploration assets	13	4,916	4,947
Intangible assets	14	1,189	-
Investments in associates and joint ventures	19	4,242	290
Financial assets at fair value through profit or loss	21	884	1,161
Right-of-use assets	16	82	-
Property, plant and equipment	15	197	8
Non-current assets		11,510	6,406
Financial assets at fair value through profit or loss	21	15,859	7,188
Trade and other receivables	23	873	481
Inventories	22	22	-
Cash and cash equivalents	24	446	1,098
Assets classified as held for sale	20	-	191
Current assets		17,200	8,958
Total assets		28,710	15,364
Equity			
Share capital	26	8,671	8,531
Share premium	26	29,258	27,497
Shares to be issued	26	187	-
Capital redemption reserve		5	5
Share based payment reserve	28	3,934	1,712
Convertible loan reserve	30	71	-
Exchange reserve		77	103
Accumulated losses		(20,172)	(24,276)
Total		22,031	13,572
Non-controlling interests	25	896	907
Total equity		22,927	14,479
Liabilities			
Trade and other payables	29	2,013	885
Current lease liabilities	16	37	-
Current borrowings	30	498	-
Current contingent consideration	31	89	-
Current liabilities		2,637	885
Non-current lease liabilities	16	41	-
Non-current borrowings	30	2,414	-
Non-current contingent consideration	31	505	-
Provisions	16	6	-
Deferred tax	12	180	-
Non-current liabilities		3,146	-
Total liabilities		5,783	885
Total equity and liabilities		28,710	15,364

The financial statements of Power Metal Resources Plc, company number 07800337, were approved by the Board of Directors and authorised for issue on 27 June 2025. They were signed on its behalf by:



Scott Richardson Brown
Non-Executive Chairman

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Capital contribution reserve £'000	Share based payment reserve £'000	Exchange reserve £'000	Accumulated losses £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 October 2022	8,065	23,312	5	2,322	1,638	90	(23,740)	11,692	2,065	13,757
Loss for the period	-	-	-	-	-	-	(1,096)	(1,096)	(218)	(1,314)
Other comprehensive income	-	-	-	-	-	13	-	13	(7)	6
Total comprehensive income / (expense) for the period	-	-	-	-	-	13	(1,096)	(1,083)	(225)	(1,308)
Issue of ordinary shares	466	4,405	-	-	-	-	-	4,871	-	4,871
Costs of share issues	-	(220)	-	-	-	-	-	(220)	-	(220)
Share-based payments	-	-	-	-	74	-	-	74	-	74
Non-controlling interest adjustment on step acquisition of subsidiaries	-	-	-	-	-	-	-	-	99	99

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Non-controlling interest adjustment on step disposal of subsidiaries	-	-	-	-	-	-	22	22	(22)	-
Non-controlling interest adjustment on disposal of subsidiaries	-	-	-	(2,322)	-	-	538	(1,784)	(1,010)	(2,794)
Total transactions with owners	466	4,185	-	(2,322)	74	-	560	2,963	(933)	2,030
Balance at 30 September 2023	8,531	27,497	5	-	1,712	103	(24,276)	13,572	907	14,479

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Capital contribution reserve: relates to the assignment of receivables from subsidiary undertakings for which no consideration is expected to be paid.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Exchange reserve: Foreign exchange differences in re-translation.

Accumulated losses: Cumulative net profits/(losses) recognised in the financial statements.

Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests.

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Convertible loan reserve £'000	Exchange reserve £'000	Accumulated losses £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
Balance at 1 October 2023	8,531	27,497	-	5	1,712	-	103	(24,276)	13,572	907	14,479
Profit for the period	-	-	-	-	-	-	-	4,104	4,104	(232)	3,872
Other comprehensive expense	-	-	-	-	-	-	(26)	-	(26)	1	(25)
Total comprehensive (expense) / income for the period	-	-	-	-	-	-	(26)	4,104	4,078	(231)	3,847
Issue of ordinary shares	140	1,761	-	-	-	-	-	-	1,901	-	1,901
Shares to be issued	-	-	187	-	-	-	-	-	187	-	187
Share-based payments	-	-	-	-	2,222	-	-	-	2,222	-	2,222
Issue of convertible loan note	-	-	-	-	-	71	-	-	71	-	71
Non-controlling interest adjustment on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	100	100

The notes on pages 41 to 83 are an integral part of these financial statements.
Page 32

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE PERIOD ENDED 30 DECEMBER 2024

Non-controlling interest adjustment on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	120	120
Total transactions with owners	140	1,761	187	-	2,222	71	-	-	4,381	220	4,601
Balance at 31 December 2024	8,671	29,258	187	5	3,934	71	77	(20,172)	22,031	896	22,927

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Shares to be issued: Amount subscribed for share capital, issued post year end.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Convertible loan reserve: Equity element of convertible loan notes.

Exchange reserve: Foreign exchange differences in re-translation.

Accumulated losses: Cumulative net profits/(losses) recognised in the financial statements.

Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests.

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

		Period ended 31 December 2024 £'000	Year ended 30 September 2023 £'000
	Note		
Cash flows used in operating activities			
Profit/(loss) for the period from continuing activities		3,872	(1,314)
Adjustments for:			
Fair value gain on financial assets	21	(8,876)	(1,604)
Fair value gain on convertible loan notes	30	(13)	-
Finance costs	11	221	-
Share of post-tax losses of equity accounted joint ventures	19	122	219
Expenses settled in shares		36	129
Expenses settled with convertible loan notes	30	400	-
Gain on disposals	7	(2,804)	(175)
Depreciation	15	10	5
Amortisation	14	22	-
Tax expense	12	(10)	-
Expected credit losses		57	-
Foreign exchange losses/(gains)		11	(33)
Share-based payment expense	28	2,222	30
		(4,730)	(2,743)
 Changes in working capital:			
Decrease/(increase) in trade and other receivables	23	309	(169)
Increase in trade and other payables	20	351	797
Increase in inventories	22	(6)	-
Net cash used in operating activities		(4,076)	(2,115)
 Cash flows from investing activities			
Cash acquired on acquisition of subsidiary	18	1	-
Investments in financial assets through profit & loss	21	(3)	(291)
Disposal of financial assets	21	553	-
Investment in joint ventures and associates	19	(95)	(316)
Disposal of joint venture and associates	19	200	-
Investments in exploration assets	13	(840)	(797)
Cash relating to deconsolidated subsidiary		-	(410)
Purchase of property, plant, and equipment	15	(180)	(8)
Proceeds from disposal of property, plant and equipment	15	4	-
Net cash outflows from investing activities		(360)	(1,822)
 Cash flows from financing activities			
Proceeds from issue of share capital	26	1,299	3,616
Proceeds from borrowings	30	3,000	-
Repayment of borrowings	30	(490)	-
Principal paid on lease liabilities	16	(25)	-
Shares issued to non-controlling interests by subsidiaries		-	79
Issue costs		-	(220)
Net cash inflows from financing activities		3,784	3,475
 Decrease in cash and cash equivalents		(652)	(462)
Cash and cash equivalents at beginning of period	24	1,098	1,560
Cash and cash equivalents at the end of the period	24	446	1,098

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

Significant non-cash transactions during the period

During the period, the Group completed the following transactions which are non-cash events and do not appear in the statement of cash flows:

In May 2024, the Company acquired 75% of GSA (Environmental) Ltd, with the first tranche of consideration settled in shares totalling £75,000. The second tranche was settled in shares totalling £75,000, in December 2024.

In October 2024, the Company acquired Drake Lake Silas, a project which was subsequently transferred to Fermi Exploration Ltd, through the issuance of shares to the value of £500,000.

In December 2024, the Company settled £100,000 of interest on borrowings by issuing 703,037 ordinary shares.

The Company repaid loans of £500,000 owed to Guardian Metal Resources plc ("GMET"), in December 2024, of which £10,000 was deducted by the Company in relation to expenses incurred on behalf of GMET. The net cash outflow recorded in financing activities was £490,000, with the remaining amount classified as a non-cash transaction.

During the period, the Company settled expenses totalling £36,000 through the issue of shares.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		31 December 2024 £'000	30 September 2023 £'000
	Note		
Assets			
Investments in subsidiaries	17	3,678	2,371
Investments in joint ventures	19	4,286	811
Financial assets at fair value through profit or loss	21	884	1,157
Property, plant and equipment	15	5	1
Non-current assets		8,853	4,340
Financial assets at fair value through profit or loss	21	15,859	7,188
Trade and other receivables	23	2,734	2,994
Cash and cash equivalents	24	89	1,058
Current assets		18,682	11,240
Total assets		27,535	15,580
Equity			
Share capital	26	8,671	8,531
Share premium	26	29,258	27,497
Shares to be issued	26	187	-
Convertible loan reserve	30	16	-
Capital redemption reserve		5	5
Share based payment reserve	28	3,934	1,712
Accumulated losses		(18,852)	(22,852)
Total Equity		23,219	14,893
Liabilities			
Trade and other payables	29	1,308	687
Current contingent consideration	31	89	-
Current liabilities		1,397	687
Non-current borrowings	30	2,414	-
Non-current contingent consideration	31	505	-
Non-current liabilities		2,919	-
Total liabilities		4,316	687
Total equity and liabilities		27,535	15,580

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The profit for the financial period dealt with in the financial statements of the parent Company was £4,000,000 (2023: profit of £16,000).

The financial statements of Power Metal Resources Plc, company number 07800337, were approved by the Board of Directors and authorised for issue on 27 June 2025. They were signed on its behalf by:



Scott Richardson Brown
Non-Executive Chairman

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 October 2022	8,065	23,312	5	1,638	(22,868)	10,152
Profit for the period	-	-	-	-	16	16
Total comprehensive income for the period	-	-	-	-	16	16
Issue of ordinary shares	466	4,405	-	-	-	4,871
Cost of share issues	-	(220)	-	-	-	(220)
Share-based payments	-	-	-	74	-	74
Total transactions with owners	466	4,185	-	74	-	4,725
Balance at 30 September 2023	8,531	27,497	5	1,712	(22,852)	14,893

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Accumulated losses: Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Convertible loan reserve £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 October 2023	8,531	27,497	-	-	5	1,712	(22,852)	14,893
Profit for the period	-	-	-	-	-	-	4,000	4,000
Total comprehensive income	-	-	-	-	-	-	4,000	4,000
Issue of ordinary shares	140	1,761	-	-	-	-	-	1,901
Shares to be issued	-	-	187	-	-	-	-	187
Issue of convertible loan note	-	-	-	16	-	-	-	16
Share-based payments	-	-	-	-	-	2,222	-	2,222
Total transactions with	140	1,761	187	16	-	2,222	-	4,326
Balance at 31 December 2024	8,671	29,258	187	16	5	3,934	(18,852)	23,219

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Shares to be issued: Amount subscribed for share capital, issued post year end.

Convertible loan reserve: Equity element of convertible loan notes.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Accumulated losses: Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF CASH FLOWS
FOR THE PERIOD 31 DECEMBER 2024**

		Period ended 31 December 2024 £'000	Year ended 30 September 2023 £'000
	Note		
Cash flows from operating activities			
Profit for the period from continuing activities		4,000	16
Adjustments for:			
Depreciation	15	4	1
Expected credit losses		42	98
Fair value gain on financial assets	21	(8,876)	(1,604)
Fair value gain on convertible loan notes	30	(13)	-
Expenses settled in shares		36	109
Expenses settled with convertible loan notes	30	400	-
Finance costs	11	164	-
Gain on disposals	7	(3,043)	(265)
Share based payment expense	28	2,222	39
		<u>(5,064)</u>	<u>(1,606)</u>
Changes in working capital:			
Decrease/(increase) in trade and other receivables	23	98	(1,326)
Increase in trade and other payables	29	38	170
Net cash used in operating activities		<u>(4,928)</u>	<u>(2,762)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(9)	-
Proceeds from disposal of property, plant and equipment	15	4	-
Investment in joint ventures	19	(95)	(316)
Disposal of a joint venture	19	200	-
Investment in financial assets	21	(3)	(292)
Disposal of financial assets	21	553	-
Net cash inflows/(outflows) from investing activities		<u>650</u>	<u>(608)</u>
Cash flows from financing activities			
Proceeds from issue of share capital	26	1,299	3,616
Issue costs		-	(220)
Proceeds from borrowings	30	2,500	-
Repayment of borrowings	30	(490)	-
Net cash inflows from financing activities		<u>3,309</u>	<u>3,396</u>
(Decrease)/increase in cash and cash equivalents		(969)	26
Cash and cash equivalents at beginning of period	24	1,058	1,032
Cash and cash equivalents at the end of the period	24	<u>89</u>	<u>1,058</u>

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD 31 DECEMBER 2024**

Significant non-cash transactions during the period

During the period, the Company completed the following transactions which are non-cash events and do not appear in the statement of cash flows:

In May 2024, the Company acquired 75% of GSA (Environmental) Ltd, with the first tranche of consideration settled in shares totalling £75,000. The second tranche was settled in shares totalling £75,000, in December 2024.

In October 2024, the Company acquired Drake Lake Silas, a project which was subsequently transferred to Fermi Exploration Ltd, through the issuance of shares to the value of £500,000.

In December 2024, the Company settled £100,000 of interest by issuing 703,037 ordinary shares.

The Company repaid loans of £500,000 owed to Guardian Metal Resources plc ("GMET"), in December 2024 of which £10,000 was deducted by the Company in relation to expenses incurred on behalf of GMET. The net cash outflow recorded in financing activities was £490,000, with the remaining amount classified as a non-cash transaction.

During the period, the Company settled expenses totalling £36,000 through the issue of shares.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

1. Reporting entity

Power Metal Resources Plc is a public company limited by shares which is incorporated and domiciled in England and Wales. The address of the Company's registered office is Salisbury House, London Wall, London, EC2M 5PS. The consolidated financial statements of the Group as at and for the 15 month period ended 31 December 2024 include the Company and its subsidiaries. The Group is primarily involved in the exploration and exploitation of mineral resources in Africa, Australia, Canada and the Middle East.

During the period ended 31 December 2024, the Group acquired GSA (Environmental) Ltd; the acquisition expanded the Group's activities to also include the extraction of strategic metals catalysts from secondary sources for use in high growth advanced manufacturing.

2. Going concern

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have considered all relevant available information about the current and future position of the Group, including current level of resources, additional funding raised during the period and post-period-end (note 35), and the required level of spending on exploration and drilling activities. As part of their assessment, the Directors have also taken into account the ability to raise new funding whilst maintaining an acceptable level of cash flows for the Group to meet all commitments.

The Directors have stress tested the Group's cash projections, which involves preserving cash flows and adopting a policy of minimal cash spending for a period of at least 12 months from the date of approval of these financial statements. The Directors believe the measures they have put in place will result in sufficient working capital and cash flows to continue in operational existence, assuming that all exploration and drilling activities are managed carefully and curtailed if necessary. For the Group to carry out the desired levels of exploration and drilling activities, the Directors believe that it needs to secure further funding either from a strategic partner or subsequent equity raisings in the next financial year, which the Group has succeeded in completing over recent years. The Group also has the ability to partially dispose of equity investments if required. Taking these matters in consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

3. Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS") and IFRS as issued by the IASB. The financial statements are prepared on the historical cost basis or the fair value basis where the fair value of relevant assets or liabilities has been applied, which applies to all listed investments held by the Group and company.

(i) New and amended standards, and interpretations issued and effective for the period beginning 1 October 2023

Standard	Effective date
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures	1 January 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

3. Basis of preparation (continued)

(ii) New standards, amendments and interpretations in issue but not yet effective

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue for the period beginning 1 January 2024 but not yet effective:

Standard	Effective date
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to:	
• IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> ;	
• IFRS 7 <i>Financial Instruments: Disclosures</i> and its accompanying <i>Guidance on implementing IFRS 7</i> ;	1 January 2026
• IFRS 9 <i>Financial Instruments</i> ;	
• IFRS 10 <i>Consolidated Financial Statements</i> ; and	
• IAS 7 <i>Statement of Cash flows</i>	
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Group or Company in future periods.

Accounting periods

The financial statements have been prepared covering the 15-month period ended 31 December 2024. The comparative financial period was for the year ended 30 September 2023. The change to a December year end was to provide the Company with greater flexibility to complete its audit after those of its subsidiaries, a significant number of which have year ends of 30 September. The Group's consolidated financial statements cover the financial period from 1 October 2023 to 31 December 2024 (2023: 1 October 2022 to 30 September 2023). Therefore, the current and prior periods presented are not entirely comparable.

Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling ("£"), which is the Group's presentation currency and the Company's functional and presentation currency. All financial information presented has been rounded to the nearest thousand pounds, except where otherwise indicated.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future years affected.

The estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements and/or have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Group

Carrying value of exploration assets

- Note 13

In arriving at the carrying value of intangible assets, the Group determines the need for impairment based on the level of geological knowledge and confidence of the mineral resources. Such decisions are taken on the basis of the exploration and research work carried out in the period utilising expert reports.

Carrying value of intangible assets

- Note 14

The fair value of intangible assets acquired through business combinations involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. Goodwill is tested for impairment annually. The recoverable amount is based on value-in-use calculations which require significant estimates including future cash flows, discount rates and growth assumptions.

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

3. Basis of preparation (continued)

Contingent consideration

- Note 31

As part of the accounting for business combinations, the Group recognises contingent consideration at fair value on the acquisition date. The determination of this fair value involves significant judgement and estimation, particularly where the contingent consideration is based on the achievement of future performance targets or other conditions.

The key inputs and assumptions used in the valuation include:

- Forecast future revenue or EBITDA of the acquired business;
- Probability-weighted scenarios of target achievement;
- Discount rates applied to future cash flows; and
- Time period over which conditions are to be met.

Classification of investments

- Note 17 & 19

The Group determines the classification of investment in associates based on whether significant influence is held in the entity. The existence of significant influence is evidenced in the following ways:

- Board of Directors' representation,
- Management personnel swapping or sharing,
- Material transactions with the investee,
- Policy-making participation,
- Technical information exchanges.

If there is no evidence of any of the above, the Group determines that investments held are classified as financial assets.

Fair value measurement

- Note 21

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy.

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

Parent

Receivables from Group undertakings

- Note 23

The Parent Company in applying the expected credit loss ("ECL") model under IFRS 9 must make assumptions when implementing the forward-looking ECL model. This model is required to be used to assess the intercompany loans receivable from subsidiaries for impairment.

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included production, divestment, fire-sale and failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. The Directors make judgements on the expected likelihood and outcome of each of the above scenarios, and these expected values are applied to the loan balances.

Valuation of share-based payments

- Note 28

Accounting for some equity-settled share-based payment awards required the use of valuation models to estimate the future share price performance of the Company. These models require the Directors to make assumptions regarding the share price volatility, risk free rate and expected life of awards in order to determine the fair values of the awards at grant date.

Acquisition of GSA (Environmental) Ltd

- Note 18

In May 2024, the Company acquired a 75% interest in GSA (Environmental) Ltd ("GSA"). The acquisition was in scope of IFRS 3 - Business Combinations. GSA has been included in the consolidated financial statements from the date of acquisition by full consolidation.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

4. Significant accounting policies

The accounting policies set out below have been applied consistently throughout the period presented in these consolidated financial statements and have been applied consistently by Group entities.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December 2024. In 2024, the Company extended its accounting reference date to 31 December 2024 and the current reporting period is therefore a period of 15 months. The consolidated financial statements will be prepared on a yearly basis to 31 December going forward.

Business combinations

On acquisition, the assets and liabilities of a subsidiary are measured at their fair value on the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) is lower than the fair value of the assets, liabilities and contingent liabilities and the fair value of any pre-existing interest held in the business acquired, the difference is recognised in profit and loss.

(i) Subsidiaries and acquisitions

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e., when control is transferred to the Group. Control is when the investor has power over the investee, exposure or rights, to variable returns from its involvements with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries acquired or disposed of during the period are included in the statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent Company. When changes in ownership of a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(ii) Equity accounted investees

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not the ability to control or jointly control those policies. Investments in associates are accounted for using the equity method of accounting.

Equity method of accounting

Under the equity method of accounting, interests in associates are initially recognised at cost. The Group's share of associates post-acquisition profit/loss after tax and other comprehensive income/loss are presented as the 'Share of post-tax losses of equity accounted joint ventures' in the Group income statement and Group statement of other comprehensive income respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment less any impairment in value. Where indicators of impairment arise, the carrying amount of the associate is tested for impairment by comparing its recoverable amount against its carrying value. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are similarly eliminated to the extent that they do not provide evidence of impairment of a transferred asset. When the Group's share of losses in an associate is equal to or exceeds its interest in the associate, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the entity.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

4. Significant accounting policies (continued)

When the Group ceases to have significant influence, any retained interest in the entity is re-measured to its fair value at the date when significant influence is lost with the change in carrying amount recognised in the income statement. The Group also reclassifies any movements previously recognised in other comprehensive income to the income statement.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Revenue

The Group recognises revenue when control of the goods or services has transferred to the customer, which typically occurs upon the delivery of each agreed deliverable, in line with the contractual terms. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured. All revenue relates to specific, deliverable-based research and development (“R&D”) feasibility study engagements.

Each contract was reviewed to assess the existence of distinct performance obligations. The contracts primarily contained a single performance obligation corresponding to the completion of defined feasibility study milestones or deliverables. In cases where multiple deliverables were included, the transaction price was allocated based on the relative standalone selling prices of each performance obligation. The transaction price was determined based on the consideration specified in each customer contract, net of any variable consideration such as discounts or rebates. Revenue was recognised at the point in time when each contractual deliverable was completed and transferred to the customer, in accordance with the performance milestones outlined in each agreement.

All revenue for completed contract deliverables was invoiced and fully received in line with the agreed commercial terms, with no variable consideration or significant financing components. There were no contract assets or liabilities outstanding at the reporting date.

(c) Grant income

Grants are recognised where there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received. Government grants that are received to compensate for expenses or losses already incurred, or for the purpose of giving immediate financial support with no future related costs, are recognised in the income statement in the period in which they become receivable. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Foreign currency differences arising on retranslation into an entity’s functional currency are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Pounds Sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Pounds Sterling at exchange rates at the dates of the transactions, with differences recognised in other comprehensive income.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

4. Significant accounting policies (continued)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income and presented in the exchange reserve in equity.

(e) Financial instruments

(i) Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows;

Amortised cost

The Group's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using lifetime ECLs. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents comprise cash and cash at bank balances.

Fair value through profit or loss

Financial assets held at fair value through the profit or loss comprise equity investments held. These are carried in the statement of financial position at fair value (refer to fair value hierarchy below). Subsequent to initial recognition, changes in fair value are recognised in the statement of comprehensive income.

(ii) Financial liabilities

The Group's financial liabilities include trade and other payables. All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, using the effective interest method.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represent a reasonable approximation of their fair values.

Fair value

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy. The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments and other assets and liabilities for which the fair value was used:

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The notes on pages 41 to 83 are an integral part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

4. Significant accounting policies (continued)

(f) Provisions/contingent liabilities

Possible obligations depending on whether uncertain future events occur or present obligations where payment is not probable and/or cannot be measured reliably, are not recognised in the financial statements of the Group due to the uncertain nature of the instrument, instead, details of contingent liabilities are disclosed in the notes to the financial statements.

(g) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Where shares are issued after the reporting date, but funds are received prior, the amounts are recognised in equity as 'shares to be issued'.

(h) Exploration assets

(i) Prospecting and exploration rights

Rights acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and development expenditure are recognised at cost.

Exploration and evaluation costs arising following the application for the legal right, are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. When a project is deemed not feasible, related costs are expensed as incurred. Costs incurred include any costs pertaining to technical and administrative overheads. Administration costs that are not directly attributable to a specific exploration area are expensed as incurred, and subsequently capitalised if it is reasonably certain that a resource will be defined.

Capitalised development expenditure will be measured at cost less accumulated amortisation and impairment losses.

(ii) Impairment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for deferred exploration and evaluation expenditure are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise such as:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in mineral prices that render the project uneconomic;
- substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and
- the period for which the Group has the right to explore has expired and is not expected to be renewed.

Impairment losses are recognised in profit or loss. For all assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

4. Significant accounting policies (continued)

(i) Intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Other intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Technology	10 years useful life
------------	----------------------

(j) Employee benefits – share based payments

The grant date fair value of share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Market vesting conditions are factored into the fair value of all options granted. If all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

(k) Finance income and finance expense

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

4. Significant accounting policies (continued)

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(l) Taxation

Tax expense or credit comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Segmental information

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

The Group disclose reportable segments which are regularly reviewed by the chief operating decision maker, (the CEO) and revenues, expenses and non-current assets in relation to each reporting segment are presented in note 5 to the financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

4. Significant accounting policies (continued)

(n) Property, plant and equipment

Fixture assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using both the straight-line method, and reducing balance, on the following bases:

Fixtures and fittings	25% reducing balance
Plant and machinery	25% reducing balance
Computer equipment	3 year straight line
Motor vehicles	4 year straight line

(o) Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones valued under £5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease payments include fixed payments, less any lease incentive receivable, variable leases payments based on an index or rate, the exercise price of a purchase option (if the lessee is reasonably certain to exercise that option), payments of penalties for terminating the lease (if the lease term reflects the lessee exercising an option to terminate the lease) and amounts expected to be payable by the lessee under residual value guarantees.

Lease liabilities are subsequently measured on an ongoing basis similarly to other financial liabilities, using an effective interest method, so that the carrying amount of the lease liability is measured on an amortised cost basis and the interest expense is allocated over the lease term.

Right-of-use assets

At the commencement of the lease, the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

The right-of-use asset is subsequently measured using the cost model. Under the cost model, right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

The notes on pages 41 to 83 are an integral part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

4. Significant accounting policies (continued)

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. Any options to extend or terminate the leases that are included in the lease term must also be enforceable. The Group assesses whether the extension and termination options impact the lease term taking into consideration whether the options are reasonably certain to be exercised or not. When an extension option must be agreed both by the Group and the lessor, the periods related to the extension option are not included in the lease term as they are not enforceable.

The majority of extension and termination options included within the Group's lease agreement must be agreed both by the Group and by the respective lessor.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Convertible loan notes

Fair value of convertible loan notes in the financial statements comprises the valuation of fair value of the equity element regarding to a conversion option to issue shares and fair value of the liability's elements of the compound financial instrument. The fair value of the liability element is based on contractual cash flow discounted at 25% of the market interest rate on Company's debt estimated by the Directors. The equity component is subsequently measured at the residual amount, before deducting the fair value of the liability component from the proceeds received. Further details can be found in note 30.

(r) Inventories

Inventory is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock. Cost includes all direct costs and appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract-by-contract basis by recording turnover and related costs as contract activity progresses.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

5. Operating segments

The Group has one single business segment which is the exploration of mineral resources and exploration.

During the period, the Group's exploration and development activities focussed on several geographical areas, with support provided from the UK headquarters. The non-current assets held by each geographical segment is detailed in the table below.

2024	Australia £'000	Botswana £'000	Canada £'000	Saudi Arabia £'000	Tanzania £'000	UK £'000	US £'000	Total £'000
Exploration assets	1,714	2,782	107	313	-	-	-	4,916
Intangible assets	-	-	-	-	-	1,189	-	1,189
Investments in joint ventures	-	-	4,242	-	-	-	-	4,242
Financial assets at fair value through profit or loss	20	-	471	-	-	393	-	884
Right of use asset	-	-	-	-	-	82	-	82
Property, plant & equipment	1	1	-	-	-	195	-	197
Total	1,735	2,783	4,820	313	-	1,859	-	11,510

2023	Australia £'000	Botswana £'000	Canada £'000	Saudi Arabia £'000	Tanzania £'000	UK £'000	US £'000	Total £'000
Exploration assets	1,692	2,660	595	-	-	-	-	4,947
Investments in joint ventures	290	-	-	-	-	-	-	290
Financial assets at fair value through profit or loss	283	-	471	-	234	109	64	1,161
Property, plant & equipment	2	5	-	-	-	1	-	8
Total	2,267	2,665	1,066	-	234	110	64	6,406

6. Revenue

All Group revenue was generated from the sale of services and recognised at a point of time, being when control passed to the customer. Three customers make up 10% or more of revenue in the period ended 31 December 2024 (2023: 0). Management considers revenue derived from one business stream being R&D feasibility study engagements.

	Period ended 2024 £'000	Year ended 2023 £'000
Sales	200	-
Management fee	-	78
	200	78

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

6. Revenue (continued)

Customer analysis

	Period ended 2024 £'000	Year ended 2023 £'000
Customer 1	80	-
Customer 2	80	-
Customer 3	40	-
Other customers	-	78
	200	78

Geographical reporting

	Period ended 2024 £'000	Year ended 2023 £'000
United Kingdom	40	78
Saudi Arabia	160	-
	200	78

7. Other income

Other income includes:

	Period ended 2024 £'000	Year ended 2023 £'000
Gain on disposal of property, plant and equipment	3	-
Gain on disposal of financial assets	49	-
Gain on disposal of subsidiaries	2,690	-
Gain on disposal of associates and joint ventures – net	206	-
Gain on settlement of loan interest in shares	13	-
Grant income	140	-
	3,101	-

During the period, the Group recognised a gain on disposal of £2,690,000 as a result of the part disposal of Power Metal Resources Canada Inc., previously a wholly owned subsidiary, a gain of £497,000 on the disposal of New Ballarat Gold Corporation Plc, previously a joint venture and a loss of £291,000 on the disposal of its holding in NHM Holdings Pty Ltd, a former associate. In addition, the Group recognised a gain on the disposal of its shareholding in Kavango Resources Plc of £49,000.

In the period, the Company settled £100,000 of convertible loan interest by issuing 703,037 ordinary shares. The difference between the fair value of the shares issued and the equity portion recognised on the derivative, amounting to £13,000, has been recognised as a gain in the statement of profit or loss.

GSA (Environmental) Ltd, a subsidiary of the Company acquired during the period, received a grant designed to subsidise the costs of specific projects. The grant is calculated based on eligible costs incurred and recorded within work-in-progress. GSA invoices Innovate UK (a department within UK Research and Innovation, sponsored by the UK government), on a quarterly basis in arrears and in the period, this amounted to £140,000, recorded in other income. The total amount of the grant is £450,000.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

8. Operating expenses

Operating expenses include:

	Period ended 2024 £'000	Year ended 2023 £'000
Staff costs (note 9)	1,876	957
Foreign exchange loss	52	62
Share based payment expense	2,222	31
Auditor's remuneration for audit of the Group and Company financial statements	50	36

9. Staff costs

	Group Period ended 2024 £'000	Company Period ended 2024 £'000	Group Year ended 2023 £'000	Company Year ended 2023 £'000
Directors' salary and fees (note 10)	840	793	260	260
Staff salaries	820	635	535	460
Social security contributions	203	183	90	86
Share based payments	1,119	1,119	70	70
Pensions	13	11	6	6
Total	2,995	2,741	961	882

The monthly average number of employees (including Directors) during the Period was:

	Group Period ended 2024	Company Year ended 2024	Group Year ended 2023	Company Year ended 2023
Directors and staff	20	11	20	12
Total	20	11	20	12

10. Directors' emoluments

Period ended 2024

	Executive £'000	Non- executive £'000	Total £'000
Wages and salaries	495	345	840
Social security contributions	84	44	128
Share-based payments	193	221	414
Total	772	610	1,382

Year ended 2023

	Executive £'000	Non- executive £'000	Total £'000
Wages and salaries	214	164	378
Social security contributions	35	21	56
Share-based payments	10	11	21
Total	259	196	455

Emoluments disclosed above include the following amounts paid to the highest Director:

	Period ended 2024 £'000	Year ended 2023 £'000
Emoluments for qualifying services	500	259

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

10. Finance costs

	Period ended 2024 £'000	Year ended 2023 £'000
Interest on borrowings	143	-
Interest on lease liabilities	5	-
Interest on contingent consideration	19	-
Interest on convertible loan notes	54	-
	<u>221</u>	<u>-</u>

11. Taxation

	Period ended 2024 £'000	Year ended 2023 £'000
Current tax		
Current tax on profit for the year	-	-
Deferred tax		
Origination and reversal of temporary differences	10	-
Total taxation expense/(credit)	<u>10</u>	<u>-</u>

	Period ended 2024 £'000	Year ended 2023 £'000
Reconciliation of tax expense/(credit)		
Profit/(losses) from operations	<u>3,862</u>	<u>(1,314)</u>
Tax using the Company's effective domestic tax rate of 25% (2023: 21.5%)	966	(283)
Effects of:		
Disallowable expenditure	(1,909)	233
Adjustments to deferred tax	10	-
Current losses with no recognisable deferred tax asset	923	50
	<u>10</u>	<u>-</u>

Factors that may affect future tax charges

At the period end, the UK Company had unused tax losses available for offset against suitable future profits of approximately £7,948,000 (2023: £6,578,000). A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams.

Reconciliation of deferred tax

	Period ended 2024 £'000	Year ended 2023 £'000
Deferred tax liability		
Opening balance	-	-
Arising on business combinations	190	-
Credited to the income statement	(10)	-
Total deferred tax liability	<u>180</u>	<u>-</u>

Deferred tax liabilities comprise the value of the effective corporation tax for each period, relating to the value of intangible assets acquired from business combinations, over the amortisation period.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

12. Exploration assets

Group	Prospecting and exploration rights £'000
Cost	
As at 1 October 2022	8,264
Reclassification from financial assets	878
Reclassification to assets held for sale	(60)
Reclassification from associate	209
Additions	2,067
Disposal	(5,035)
Subsidiary sale of shares	(79)
Effect of foreign exchange	(171)
Balance at 30 September 2023	6,073
As at 1 October 2023	6,073
Additions	1,340
Disposal	(1,335)
Effect of foreign exchange	(36)
Balance at 31 December 2024	6,042
Impairment	
As at 1 October 2022	1,126
Balance at 30 September 2023	1,126
As at 1 October 2023	1,126
Balance at 31 December 2024	1,126
Net book value	
At 30 September 2023	4,947
At 31 December 2024	4,916

During the period, the Group disposed of its direct interest in the Athabasca project and acquired additional intangible assets in Saudi Arabia, see below:

	Period ended 2024 £'000	Year ended 2023 £'000
Exploration assets		
Athabasca Uranium Project	-	349
Canadian Graphite Project	-	137
North Wind Project	-	35
Authier North Project	107	74
Tati Gold-Nickel Project	365	384
Wallal, Braeside West, Selta & Ripon Hill Projects	1,714	1,692
Molopo Farm Project	2,417	2,276
Alara Project	186	-
AMAK Project	7	-
Riwaq/EVM Project	120	-
Total	4,916	4,947

The Directors regularly assess the carrying value of the Group's assets, including its prospecting and exploitation rights, and write off any exploration expenditure that they believe to be irrecoverable.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

13. Exploration assets (continued)

Athabasca Uranium Project

The properties held under this project are held by Fermi Exploration Ltd ("Fermi"), (formerly Power Canada Inc.) In September 2024, the Group disposed of 70% of its shareholding in Fermi, and the remaining 30% investment is recognised as a joint venture as at 31 December 2024.

Canadian Graphite & North Wind Projects

Canadian Graphite and North Wind were projects held by ION Battery Resources Limited ("ION") in the year ended 30 September 2023. During the period to 31 December 2024, these licences expired and therefore the projects were written off.

Authier North Project

In July 2023, Power Metal announced the early completion of an earn-in to a 100% interest in Authier North. The Authier North Property consists of 15 mineral claims covering an area of approximately 560 hectares and is prospective for lithium pegmatites and base metal mineralisation.

Tati Gold-Nickel Project

Located in Tati Greenstone Belt, in northeastern Botswana, Power Metal has a 100% interest in two prospecting licences which form the 91.14km Tati Project, targeting gold and nickel discoveries. Recent soil geochemistry results, reported in February 2024 has identified multiple anomalous areas, including samples of up to 1.076 grammes per tonne ("g/t") gold ("Au") in soil; and represents a significant extension zone trending southwest from the original Cherished Hope historical mine workings where Power Metal in 2022 drilled 3m at 16.77g/t Au from 5m.

Wallal Project, Ripon Hills, Braeside Project and Selta Project

First Development Resources Pty Ltd ("FDR Pty"), an 100% subsidiary of First Development Resources Plc ("FDR"), holding the Wallal licences, located in the Paterson Province of Western Australia. The Wallal project covers an area of 572km² and is the Group's primary focus in the region. It is of particular interest due to a number of geophysical anomalies which have been identified following the completion of an in-depth study which included the reprocessing of historic seismic data along with the analysis of historic magnetic and gravity geophysical surveys.

Pardoo Resources Pty Ltd ("Pardoo") and RH Resources Pty Ltd ("RH Pty"), both 100% subsidiaries of FDR, hold the fully licenced Ripon Hills and Braeside West Projects which cover a combined area of approximately 150km². The tenements are located approximately 250 km southeast of Port Hedland on the western edge of the Paterson Province in Western Australia. The projects are located on the western and eastern limbs of the Oakover Syncline.

The area is primarily prospective for manganese, similar to the nearby Woodie Woodie manganese mine, as well as base-metal and gold mineralisation associated with deep seated north to north-westerly trending fault structures. These fault structures have the potential to be conduits for various styles of hydrothermal mineralisation as evidenced by recent exploration conducted by ASX listed Rumble Resources Limited on land adjacent to the Braeside West tenement.

URE Metals Pty Ltd ("URE") a 100% subsidiary of FDR, holds the Selta Project. The Selta Project in the Northern Territory is located in an area considered highly prospective for uranium and Rare Earth Element mineralisation along with base and precious metal mineralisation. Numerous companies are actively exploring within the region. The Selta project is comprised of three granted exploration licences and covers a total land area of almost 1,600km². The project borders ASX listed Prodigy Gold and Canadian listed Megawatt Lithium and Battery Metals Corporation; and is less than 70km northwest of Arafura's Resources high-grade, world-class Nolans Bore REE deposits.

Molopo Farms Complex Project

In November 2022, Power Metal acquired an additional 58.7% equity stake in private company Kalahari Key Mineral Exploration Pty Limited ("KKME"), taking the Company's holding to 87.71%. KKME is a Botswana registered exploration company with a 100% interest in the 1,723km² Molopo Farms Complex Project ("MFC"). At the MFC, Power Metal is targeting a district-scale nickel and platinum group element.

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

13. Exploration assets (continued)

Alara Project

In October 2024, Power Metal signed a legally binding agreement with Alara Resources Limited (“Alara”) and Awtad Copper, to earn a 12.5% stake in the Block 8 concession in Oman. Power Metal will incur initial expenditure of \$500,000 by 30 April 2025 to earn a 10% interest in the tenement. A further 2.5% interest will be earned once Power Metal spends an additional \$240,000 on exploration of Block 8. Once the \$740,000 expenditure has been reached, Power Metal and Alara will negotiate a joint venture covering future spending.

AMAK Project

In September 2024, Power Metal signed a Letter of Intent, with AMAK, a Saudi Arabian listed exploration and mining company, for Power Metal to spend \$3,000,000 to earn a 49% stake in the Qatan exploration licence in southern Saudi Arabia.

Balthaga Project

In March 2024, Power Metal obtained a 30% earn in interest with RIWAQ Al-Mawarid for Mining (“RIWAQ”) on the Balthaga Lithium Project. Under the agreement Power Metal must spend \$350,000 within twelve months of the date of execution of the binding agreement. If Power Metal spends an additional \$150,000 within the six months following earning the first interest, a further 10% ownership is gained. Following the earn in of the later of the first or second interest, Power Metal and RIWAQ will form a joint venture in proportion to their tenement interests.

14. Intangible assets

Group

	Technology £'000	Goodwill £'000	Total £'000
Cost			
As at 1 October 2023	-	-	-
Additions on acquisition	761	429	1,190
Balance at 31 December 2024	761	429	1,190
Amortisation			
As at 1 October 2023	-	-	-
Charge for the period	(1)	-	(1)
Balance at 31 December 2024	(1)	-	(1)
Net book value			
At 30 September 2023	-	-	-
At 31 December 2024	760	429	1,189

During the period the Group acquired 75% of the issued share capital in GSA (Environmental) Ltd. The balance sheet on acquisition included £761,000 technology intangibles and £429,000 was recognised as goodwill.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

15. Property, plant and equipment

Group	Fixtures and fittings £'000	Plant and machinery £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
As at 1 October 2022	4	-	4	10	18
Additions	-	-	3	-	3
Balance at 30 September	<u>4</u>	<u>-</u>	<u>7</u>	<u>10</u>	<u>21</u>
Depreciation					
As at 1 October 2022	1	-	2	5	8
Charge for the period	1	-	2	2	5
Balance at 30 September	<u>2</u>	<u>-</u>	<u>4</u>	<u>7</u>	<u>13</u>
Cost					
As at 1 October 2023	4	-	7	10	21
Additions on acquisition	-	21	-	-	21
Additions	4	167	9	-	180
Disposals	-	-	(2)	-	(2)
Balance at 31 December	<u>8</u>	<u>188</u>	<u>14</u>	<u>10</u>	<u>220</u>
Depreciation					
As at 1 October 2023	2	-	4	7	13
Charge for the period	-	3	4	3	10
Balance at 31 December	<u>2</u>	<u>3</u>	<u>8</u>	<u>10</u>	<u>23</u>
Net book value					
At 30 September 2023	2	-	3	3	8
At 31 December 2024	<u>6</u>	<u>185</u>	<u>6</u>	<u>-</u>	<u>197</u>

During the period, the Group acquired 75% of the issued share capital in GSA (Environmental) Ltd. The balance sheet on acquisition included £21,000 of plant and machinery.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

16. Right-of-use assets

The Group leases a number of assets in the jurisdictions from which it operates in with all lease payments, in-substance, fixed over the lease term, where there are leasehold properties which hold a variable element to lease payments made these are not fixed and not capitalised as part of the right of use asset. All expected future cash out flows are reflected within the measurement of the lease liabilities at each period end.

	Leasehold property £'000	Plant and machinery £'000	Total £'000
Cost			
As at 1 October 2023	-	-	-
Additions on acquisition	74	7	81
Additions	22	-	22
Balance at 31 December 2024	96	7	103
Amortisation			
As at 1 October 2023	-	-	-
Charge for the period	(17)	(4)	(21)
Balance at 31 December 2024	(17)	(4)	(21)
Net book value			
At 30 September 2023	-	-	-
At 31 December 2024	79	3	82

Lease liabilities

	Leasehold property £'000	Plant and machinery £'000	Total £'000
As at 1 October 2023	-	-	-
Additions on acquisition	69	7	76
Additions	22	-	22
Interest expense	4	1	5
Lease payments	(20)	(5)	(25)
Balance at 31 December 2024	75	3	78

During the period, the Group acquired 75% of the issued share capital in GSA (Environmental) Ltd ("GSA"). On acquisition, GSA held two property leases and one equipment lease. GSA signed a further property lease in December 2024, post-acquisition.

A dilapidation provision relating to a GSA property lease of £6,000 has been recognised as a non-current provision on the consolidated statement of financial position.

Short term or low value lease expense

	Period ended 2024 £'000	Year ended 2023 £'000
Total short term or low value lease expense	82	21
	82	21

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

16. Right-of-use assets (continued)

Reconciliation of minimum lease payments

	Period ended 2024 £'000	Year ended 2023 £'000
Within 1 year	37	-
Later than 1 year and less than 5 years	41	-
Total including interest cash flows	78	-
Less: interest cash flows	(7)	-
Total principal cash flows	71	-

Reconciliation of current and non-current lease liabilities

	Period ended 2024 £'000	Year ended 2023 £'000
Current	37	-
Non-current	41	-
	78	-

The Group held 4 (2023: 0) active leases at 31 December 2024.

17. Investments in subsidiaries

Company

	Investment in subsidiary undertakings £'000
As at 1 October 2022	7,445
Additions	923
Disposals	(1,733)
Reclassification	549
Balance at 30 September 2023	7,184
As at 1 October 2023	7,184
Additions	1,307
Balance at 31 December 2024	8,491
Impairment	
As at 1 October 2022	4,813
Balance at 30 September 2023	4,813
As at 1 October 2023	4,813
Balance at 31 December 2024	4,813
Net book value	
At 30 September 2023	2,371
At 31 December 2024	3,678

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

17. Investments in subsidiaries (continued)

	Period ended 2024 £'000	Year ended 2023 £'000
Non-current investments		
Investment in Power Arabia Ltd	580	-
Investment in First Development Resources Plc	899	899
Investment in Kalahari Key Mineral Exploration Company (Pty) Ltd	1,472	1,472
Investment in GSA (Environmental) Ltd	727	-
Total investment in subsidiaries	3,678	2,371

At 30 September 2023, the Group held 100% of the issued share capital in Power Arabia Ltd ("POW Arabia"), being £1. On 15 March 2024, POW Arabia issued the Group a further 58,000,000 ordinary shares for a value of £580,000.

On 17 May 2024, the Group completed the acquisition of 75% of the issued share capital in GSA (Environmental) Ltd. The total consideration of £727,000 included £77,000 of ordinary shares in the Company and a further £75,000 of consideration, also payable in shares. The second tranche of shares were announced in December 2024 but not issued until after the year end. The amount is presented within 'Shares to be issued' on the financial statements. The remaining £575,000 relates to contingent consideration, payable to the seller in three tranches. See note 31 for further detail.

At the date of this report, all subsidiaries are still owned by the Company as per the ownership interests shown below.

Entity	Activity	Country of incorporation	Ownership interest	Registered office
First Development Resources Plc	Mining and exploration	United Kingdom	58.59%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0D
First Development Resources Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
Pardoo Resources Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
RH Resources Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
URE Metals Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
African Battery Metals Ltd	Mining and exploration	United Kingdom	100%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

17. Investments in subsidiaries (continued)

Kalahari Key Mineral Exploration Pty Ltd	Mining and exploration	Botswana	87.71%	Plot 50788, Phakalane, Botswana
Power Arabia Ltd	Mining and exploration	United Kingdom	82.86%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT
Tati Greenstone Resources Pty Ltd	Mining and exploration	Botswana	100%	Plot 337/338, Corner Khama Street & Selous Avenue, Francistown, Botswana
Power Metal Resources Botswana Pty Ltd	Mining and exploration	Botswana	100%	Plot 13130, East Gate Building, Broadhurst Mail, Broadhurst, Gaborone, Botswana
ION Battery Resources Ltd	Mining and exploration	United Kingdom	100%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT
102162331 Saskatchewan Ltd	Mining and exploration	Canada	100%	507 6th Avenue East Vancouver, British Columbia Canada, V5T 1K9
GSA (Environmental) Ltd	Mining and exploration	United Kingdom	75%	Salisbury House, London Wall, London, United Kingdom, EC2M 5PS

For the period ended 31 December 2024, First Development Resources Plc incurred a loss of £371,770 (2023: £559,000), and Power Arabia Ltd incurred a loss of £457,934 (2023: £13). There were no other material losses in the subsidiaries.

18. Business combinations

On 17 May 2024, the Group completed the acquisition of 75% of GSA (Environmental) Limited (“GSAe”) for maximum total consideration of £1,000,000. The consideration transferred in the period was fair valued at 31 December 2024 in accordance with IFRS 3, and management determined a value of £727,000 to be a more accurate value of consideration. GSAe is a UK-based engineering technology provider and process licensor. Its principal activity is the extraction of strategic metal catalysts from secondary sources for use in high growth advanced manufacturing. The principal reason for the acquisition was to diversify the Group’s portfolio and provide an entry route into the extraction of strategic metals through the reprocessing secondary materials as the Group seeks exposure to the critical metals needed for the global energy transition.

From the period from acquisition to 31 December 2024, the acquired business contributed £206,000 to Group revenues and a loss of £85,000 against the Group’s comprehensive profit. If the acquisition completed on 1 October 2023, the acquired business would have contributed £283,000 to Group revenues and a loss of £213,000 to Group comprehensive profit. The Group has measured the non-controlling interest at the proportionate share of the GSAe’s identifiable net assets at acquisition date, using the partial goodwill method.

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

18. Business combinations (continued)

The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date:

	Fair value £'000
Intangible Asset – Technology	761
Property, plant and equipment	22
Trade and other receivables	178
Inventories	16
Cash	1
Trade and other payables	(390)
Deferred tax liability	(190)
Total fair value	<u>398</u>
Non-controlling interest	(100)
Consideration	<u>727</u>
Goodwill	<u>429</u>

The fair values include recognition of intangible assets related to GS Ae's technology based intangible assets of £761,000, which will be amortised over 10 years on a straight-line basis. The goodwill of £429,000 comprises the potential value of new technology as well as the value of the workforce in place, which are not separately recognised. Acquisition costs of £17,000 are disclosed within the statement of comprehensive income within operating expenses.

	£'000
Purchase consideration	77
Completion consideration - equity	75
Contingent consideration - equity	575
Total Consideration	<u>727</u>

The net cash sum expended on acquisition in the period ended 31 December 2024 is as follows:

	£'000
Analysis of cash flows on acquisition	-
Cash paid as consideration on acquisition	1
Cash acquired at acquisition	<u>1</u>
Net cash inflow on acquisition	<u>1</u>

19. Investments in joint ventures

Group	Period ended 2024 £'000	Year ended 2023 £'000
Opening balance	290	193
Additions	4,381	316
Share of losses	(123)	(219)
Disposals	(306)	-
Closing balance	<u>4,242</u>	<u>290</u>

Company	Period ended 2024 £'000	Year ended 2023 £'000
Opening balance	811	495
Additions	4,286	316
Disposals	(811)	-
Closing balance	<u>4,286</u>	<u>811</u>

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

19. Investments in joint ventures (continued)

Red Rock Australasia Pty Ltd/New Ballarat Gold Corporation Plc

In April 2020, the Company acquired 49.9% of Red Rock Australasia Pty Ltd ("RRAL"), with Red Rock Resources Plc ("RRR") holding 50.1%. The joint venture was set up to build a strategic gold exploration portfolio in Australia. As part of a group reorganisation in December 2021, New Ballarat Gold Corporation Plc ("NBGC") acquired 100% of RRAL, and 50% of the shares of NBGC were transferred to the Company and 50% to RRR, such that NBGC became the holding company of RRAL. No operational transactions were currently recorded in this entity.

In June 2024, the Group disposed of its 49.9% holding in RRAL. Total consideration for the disposal amounted to £1,500,000. This is made up of £250,000 in convertible loan notes on completion, £250,000 payable through the issue of 166,666,667 ordinary shares in RRAL, £250,000 in cash two months after completion, and a further £750,000 payable in either cash or RRAL ordinary shares in three equal instalments. £500,000 has been included in other receivables relating to the above deferred consideration.

During the period to disposal, Power Metal contributed £94,582 (2023: £316,000) to costs incurred by RRAL in line with the joint venture agreement. RRAL had incurred a loss of approximately AUD \$303,197 (2023: AUD \$815,000) to the disposal date. Power Metal included its share of the loss in the financial statements for the period ended 31 December 2024. This amounted to £78,500 (2023: £219,000).

Fermi Exploration Ltd

In October 2024, the Company disposed of 70% of its shareholding in Power Metal Resources Canada Inc., to UCAM Limited, and retained the remaining 30%. Power Metal Resources Canada Inc. was subsequently renamed to Fermi Exploration Ltd ("Fermi") and is recognised as a joint venture on the statement of financial position.

During the period, the Company recharged £115,000 to Fermi in relation to administrative costs paid for by Power Metal.

Fermi recognised a loss of approximately CAD \$254,500 for the period from recognition as an associate to 31 December 2024. Power Metal included its share of the loss in the financial statements for the period ended 31 December 2024. This amounted to £45,000. Summarised financial information for Fermi is listed below.

	Period ended 2024 £'000	Year ended 2023 £'000
Current assets		
Cash and cash equivalents	8,441	-
Total current assets	8,441	-
Non-current assets		
Mineral tenements	2,099	-
Investment in subsidiary	3	-
Total non-current assets	2,102	-
Total assets	10,543	-
Current liabilities		
Trade creditors	76	-
Total current liabilities	76	-
Total liabilities	76	-

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

20. Assets classified as held for sale

As at 30 September 2023, the Group recognised two of its exploration assets, E-12 and Reitenbach, as held for sale. The sale was dependent on the purchaser, Uranium Energy Exploration Plc (“UEE”) successfully listing on the London capital markets. During the period ended 31 December 2024, the Group made a strategic decision to pursue other disposal routes and as a result the assets were reclassified as exploration assets and disposed of with its 70% interest Power Metal Resources Canada Inc.

	Group Period ended 2024 £'000	Company Period ended 2024 £'000	Group Year ended 2023 £'000	Company Year ended 2023 £'000
E-12	-	-	13	-
Reitenbach	-	-	178	-
Assets held for sale	-	-	191	-

21. Financial assets at fair value through profit or loss

Group

	Listed £'000	Unlisted £'000	Period ended 2024 Total £'000	Year ended 2023 Total £'000
Non-current				
Opening balance	191	970	1,161	1,620
Additions	-	125	125	800
Fair value adjustment – equity investment	(93)	-	(93)	3,042
Fair value adjustment – derivative assets	15	-	15	(53)
Reclassification to current financial assets	(34)	-	(34)	(5,094)
Reclassification adjustment	131	(131)	-	-
Reclassification to intangible assets	-	-	-	1,275
Reclassification to investment in subsidiary	-	-	-	(420)
Disposals	-	(290)	(290)	(9)
Closing balance	210	674	884	1,161

	Listed £'000	Unlisted £'000	Period ended 2024 Total £'000	Year ended 2023 Total £'000
Current				
Opening balance	7,034	154	7,188	2,384
Additions	188	-	188	1,131
Fair value adjustment – equity investment	8,759	-	8,759	(1,361)
Fair value adjustment – derivative assets	194	-	194	(47)
Reclassification from current financial assets	34	-	34	5,094
Disposals	(504)	-	(504)	(13)
Closing balance	15,705	154	15,859	7,188

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

21. Financial assets at fair value through profit or loss (continued)

Company			Period ended 2024	Year ended 2023
	Listed £'000	Unlisted £'000	Total £'000	Total £'000
Non-current				
Opening balance	322	835	1,157	1,485
Additions	-	125	125	800
Fair value adjustment – equity investment	(93)	-	(93)	3,042
Fair value adjustment – derivative assets	15	-	15	(54)
Reclassification to current financial assets	(34)	-	(34)	(5,094)
Reclassification (to) / from intangibles	-	-	-	1,405
Reclassification to investment in subsidiary	-	-	-	(420)
Disposals	-	(286)	(286)	(7)
Closing balance	210	674	884	1,157

			Period ended 2024	Year ended 2023
	Listed £'000	Unlisted £'000	Total £'000	Total £'000
Current				
Opening balance	7,034	154	7,188	2,384
Additions	188	-	188	1,131
Fair value adjustment – equity investment	8,759	-	8,759	(1,361)
Fair value adjustment – derivative assets	194	-	194	(47)
Reclassification from non-current financial assets	34	-	34	5,094
Disposals	(504)	-	(504)	(13)
Closing balance	15,705	154	15,859	7,188

22. Inventories

Group	Period ended 2024	Year ended 2023
	£'000	£'000
Work in progress	22	-
	22	-

During the period, the Group acquired 75% of GSA (Environmental) Ltd (“GSA”). The balance in inventories at 31 December 2024 is made up of work in progress held by GSA.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

23. Trade and other receivables

Group	Period ended 2024 £'000	Year ended 2023 £'000
Accounts receivable	24	31
Other receivables	766	366
Prepayments	83	84
	<u>873</u>	<u>481</u>
Company	Period ended 2024 £'000	Year ended 2023 £'000
Receivables due from group undertakings	1,998	2,757
Receivables due from joint venture partners	-	78
Accounts receivable	4	-
Other receivables	684	75
Prepayments	48	84
	<u>2,734</u>	<u>2,994</u>

Included in other receivables is £500,000 of deferred consideration due from Red Rock Resources Plc on the disposal of New Ballart Gold Corporation Plc, see note 19.

The carrying amount of trade and other receivables approximates to their fair value. The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined based on historical data available to management in addition to forward looking information utilising management knowledge. The ECL balance as at 31 December 2024 was £214,000 (2023: £176,000).

24. Cash and cash equivalents

Group	Period ended 2024 £'000	Year ended 2023 £'000
Bank balances	446	1,098
Cash and cash equivalents	<u>446</u>	<u>1,098</u>
Company	Period ended 2024 £'000	Year ended 2023 £'000
Bank balances	89	1,058
Cash and cash equivalents	<u>89</u>	<u>1,058</u>

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

25. Non-controlling interest

At 31 December 2024, the Group has material non-controlling interests ("NCIs") arising from its subsidiaries First Development Resources Plc ("FDR"), Kalahari Key Mineral Exploration Pty Ltd ("KKME"), Power Arabia Ltd ("POW Arabia"), and GSA (Environmental) Ltd ("GSA"). These NCIs can be summarised as follows;

	Period ended 2024 £'000	Year ended 2023 £'000
Balance at 1 October	907	2,065
Total comprehensive loss allocated to NCI	(231)	(225)
Additions	100	-
Effect of disposal of GMET	-	(1,010)
Effect of step disposal of FDR	-	(22)
Effect of step acquisition of POW Arabia	120	-
Effect of step acquisition of KKME	-	99
Total	896	907

	Period ended 2024 £'000	Year ended 2023 £'000
Power Metal Resources SA	(306)	(306)
First Development Resources Plc	939	1,116
Kalahari Key Mineral Exploration Company (Pty) Ltd	95	97
Power Arabia Ltd	89	-
GSA (Environmental) Ltd	79	-
Total	896	907

Guardian Metal Resources Plc ("GMET") was an 83.13% owned subsidiary of the Company that had material NCI. During the prior year, GMET was derecognised as a subsidiary and the NCI was derecognised.

First Development Resources Plc is a 58.59% owned subsidiary of the Company that has material NCI.

Summarised financial information reflecting 100% of the First Development Resources Plc relevant figures is set out below:

	Period ended 2024 £'000	Year ended 2023 £'000
Administrative expenses	(418)	(558)
Loss after tax	(418)	(558)
Loss allocated to NCI	(173)	(215)
Other comprehensive income allocated to NCI	(4)	(6)
Total comprehensive (loss) allocated to NCI	(177)	(221)
Current assets	19	32
Non-current assets	3,702	3,681
Current liabilities	(681)	(266)
Net assets	3,040	3,447
Non-controlling interest (41.41% 2023:41.50%)	939	1,116

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

25. Non-controlling interest (continued)

Kalahari Key Mineral Exploration Pty Ltd (“KKME”) is an 87.71% owned subsidiary of the Company that has a material NCI. In November 2022, Power Metal acquired an additional 58.7% equity stake in private company KKME, taking the Company’s holding to 87.71%.

Summarised financial information reflecting 100% of the KKME relevant figures is set out below:

	Period ended 2024 £'000	Year ended 2023 £'000
Administrative expenses	(55)	(19)
Loss after tax	(55)	(19)
Loss allocated to NCI	(7)	(2)
Other comprehensive income allocated to NCI	5	5
Total comprehensive (loss) allocated to NCI	(2)	3
Current assets	3	13
Non-current assets	1,673	1,535
Current liabilities	(961)	(742)
Net assets	715	806
Non-controlling interest (12.29% 2023:12.29%)	95	97

POW Arabia Ltd (“POW Arabia”) is an 82.86% owned subsidiary of the Company that has material NCI. In March 2024, POW Arabia issued 70,000,000 new ordinary shares. 58,000,000 of these were issued to the Company with the remaining 12,000,000 being issued to other investors. This diluted the Company’s shareholding from 100% to 82.86%.

Summarised financial information reflecting 100% of the Power Arabia Ltd relevant figures is set out below:

	Period ended 2024 £'000	Year ended 2023 £'000
Administrative expenses	(460)	-
Loss after tax	(460)	-
Loss allocated to NCI	(79)	-
Other comprehensive income allocated to NCI	48	-
Total comprehensive (loss) allocated to NCI	31	-
Current assets	105	-
Non-current assets	313	-
Current liabilities	(179)	-
Net assets	239	-
Non-controlling interest (17.14% 2023:0.00%)	89	-

GSA (Environmental) Ltd (“GSA”) is a 75% owned subsidiary of the Company that has material NCI. The Company acquired 75% of the issued share capital in GSA on 17 May 2024 for total consideration of £727,000.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

25. Non-controlling interest (continued)

Summarised financial information reflecting 100% of GSA (Environmental) Ltd relevant figures is set out below:

	Period ended 2024 £'000	Year ended 2023 £'000
Revenue	340	-
Cost of sales	(7)	-
Gross profit	333	-
Administrative expenses	(418)	-
(Loss) after tax	(85)	-
(Loss) allocated to NCI	(21)	-
Total comprehensive (loss) allocated to NCI	(21)	-
Current assets	200	-
Non-current assets	394	-
Current liabilities	(839)	-
Non-current liabilities	-	-
Net liabilities	(245)	-
Non-controlling interest (25.00% 2023:0.00%)	78	-

26. Share capital

	Number of ordinary shares	Number of ordinary shares
	Period ended 2024	Year ended 2023
Ordinary shares in issue at 1 October	2,080,106,256	1,614,654,921
Issued for cash	130,000,000	383,673,949
Issued in settlement for acquisitions	-	60,093,043
Issued in lieu of expenses	3,362,068	21,684,343
Total prior to share consolidation	2,213,468,324	2,080,106,256
1 to 20 share consolidation	110,673,416	-
Issued for settlement for acquisition	4,148,514	-
Issued in lieu of expenses	788,507	-
In issue at the end of the period— fully paid (par value 0.1p)	115,610,437	2,080,106,256

	Number of deferred shares	Number of deferred shares
	Period ended 2024	Year ended 2023
Deferred shares in issue at 1 October	3,628,594,957	3,628,594,957
In issue at the end of the period	3,628,594,957	3,628,594,957

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

26. Share capital (continued)

	Ordinary share capital	
	Period ended 2024 £'000	Year ended 2023 £'000
Balance at beginning of period	8,531	8,065
Share issues	140	466
Balance at the end of the period	8,671	8,531

	Share Premium	
	Period ended 2024 £'000	Year ended 2023 £'000
Balance at beginning of period	27,497	23,312
Share issues	1,761	4,405
Expenses relating to share issues	-	(220)
Balance at the end of the period	29,258	27,497

All ordinary shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Both classes of deferred shares (Deferred and Deferred A), do not entitle the holders thereof to receive notice of or attend and vote at any general meeting of the Company or to receive dividends or other distributions or to participate in any return on capital on a winding up unless the assets of the Company are in excess of £1,000,000,000,000. The Company retains the right to purchase the deferred shares from any shareholder for a consideration of one penny in aggregate for all that shareholder's deferred shares. As such, the deferred shares effectively have no value. Share certificates will not be issued in respect of the deferred shares.

Issue of ordinary shares

In October 2023, the Company issued 3,362,068 ordinary shares at an issue price of 0.73p per share in lieu of fees incurred with advisors. 1,293,103 shares were issued to SP Angel Corporate Finance LLP, the Company's nominated advisor and joint broker, in lieu of fees to the value of £9,500. The remaining 2,068,965 shares were issued to Resolve Research in lieu of £15,000 worth of fees.

In February 2024, the Company issued 130,000,000 ordinary shares at an issue price of 1 pence per share as part of a strategic financing round. The shares were issued to high net worth UK based investors as well as a strategic Saudi Arabian investor.

In March 2024, the Company announced a 1 to 20 share consolidation. The new shares were also revalued from 0.1 pence per share to 2 pence per share. The effect of this share consolidation took the number of shares in issue from 2,213,468,324 to 110,673,417.

In May 2024, the Company successfully acquired 75% of the issued share capital in GSA (Environmental) Ltd, a private company registered in the UK. The initial consideration tied to this acquisition was the issue of 514,358 ordinary shares at an exercise price of 14.5813 pence per share.

In October 2024, the Company entered into a joint venture with UCAM Ltd. Consideration payable by Power Metals was to the value of £500,000 through the issue of 3,099,968 ordinary shares at an issue price of 16.1292 pence each.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

26. Share capital (continued)

In December 2024, the Company issued 703,037 ordinary shares at an issue price of 14.4224 pence per share in relation to interest incurred on a loan received from ACAM Ltd in June 2024.

In December 2024, the contingent consideration on the acquisition of GSA (Environmental) Ltd was due for settlement. This was settled by the issue of 534,188 ordinary shares at an issue price of 14.04 pence per share.

In December 2024, the Company issued 85,470 ordinary shares at an issue price of 14.04 pence per share in lieu of fees incurred with Media Outreach. The shares were issued in lieu of fees due of £12,000.

27. Earnings per share

Basic and diluted earnings per share

The calculation of the basic earnings per share ("EPS") is based on the results attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Diluted EPS in the current period includes the impact of outstanding share options at 31 December 2024.

Basic	Period ended 2024	Year ended 2023
Profit/(loss) attributable to equity holders of the parent (£)	4,104,000	(1,096,000)
Weighted average number of ordinary shares in issue	109,721,458	92,105,594
Basic and diluted loss per ordinary share (pence)	3.74	(1.19)
Diluted	Period ended 2024	Year ended 2023
Profit/(loss) attributable to equity holders of the parent	4,104,000	(1,096,000)
Weighted average number of ordinary shares in issue	111,217,558	92,105,594
Basic and diluted loss per ordinary share (pence)	3.69	(1.19)

The basic and diluted earnings per share in the comparative period are the same given the loss for the period, making the outstanding share options and warrants as at 30 September 2023 anti-dilutive.

28. Share options and warrants

Reconciliation of outstanding share options:

2024	Number of options	Weighted average exercise price
Outstanding at 1 October 2023	90,500,000	0.03
Granted prior to share consolidation	82,000,000	0.02
Outstanding prior to share consolidation	172,500,000	0.02
1 to 20 share consolidation	8,625,000	0.49
Lapsed post share consolidation	(3,625,000)	(0.07)
Granted post share consolidation	6,400,000	0.20
Outstanding and exercisable at 31 December 2024	11,400,000	0.28

The weighted average contractual life of the options outstanding at the reporting date is 2 years and 343 days.

Exercise prices of the share options outstanding at the end of the 2024 financial period was £0.065, £0.030 and £0.020) (2023: £0.033).

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

28. Share options and warrants (continued)

2023	Number of options	Weighted average exercise price
Outstanding at 1 October 2022	104,211,429	0.03
Granted during the period	36,000,000	0.03
Exercised	(49,711,429)	0.03
Outstanding at 30 September 2023	90,500,000	0.03
Exercisable at 30 September 2023	85,500,000	0.03

Directors Options

Included within the options issued in the period ended 31 December 2024 were 4,775,000 options issued to Directors (2023: 22,500,000).

2024	Exercise price (£'s)	Number of Options
Sean Wade	0.02	1,975,000
Scott Richardson Brown	0.02	1,350,000
Ed Shaw	0.02	1,200,000
Bill Brodie Good	0.02	250,000
		4,775,000

The fair values of the options granted during the period were calculated using the Black Scholes Model with the following assumptions:

Risk free interest rate	4.300%
Expected volatility	70%
Expected dividend yield	0%
Life of the option	3 years
Share price at measurement date	£0.0133

2023	Exercise price (£'s)	Number of Options
Sean Wade	0.033	12,500,000
Owain Morton	0.033	5,000,000
Bill Brodie Good	0.033	5,000,000
		22,500,000

The fair values of the options granted during the period were calculated using the Black Scholes Model with the following assumptions:

Risk free interest rate	4.514%, 3.648% & 3.718%
Expected volatility	70%
Expected dividend yield	0%
Life of the option	Between 2 and 3 years
Share price at measurement date	£0.0148, £0.0108 & £0.0083

The volatility measured at the standard deviation of continuously compounded share returns is based on a statistical analysis of daily share prices over the last year.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

28. Share options and warrants (continued)

Reconciliation of outstanding warrants

2024	Number of warrants	Weighted average exercise price (£'s)
Outstanding at 1 October 2023	589,166,136	0.02
Lapsed prior to share consolidation	(93,500,000)	(0.03)
Outstanding prior to share consolidation	495,666,136	0.02
Post 1 to 20 share consolidation	24,783,307	0.46
Lapsed post consolidation	(4,246,759)	(0.78)
Granted post share consolidation	13,333,333	0.15
Outstanding and exercisable at 31 December 2024	33,869,881	0.03

The weighted average contractual life of the warrants outstanding is 3 years 169 days.

2023	Number of warrants	Weighted average exercise price (£'s)
Outstanding at 1 October 2022	212,884,342	0.19
Granted during the period	541,722,268	0.02
Lapsed during the period	(159,190,474)	0.01
Exercised during the period	(6,250,000)	0.02
Outstanding and exercisable at 30 September 2023	589,166,136	0.03

Directors Warrants

No warrants were issued to Directors in the period ended 31 December 2024 (2023: Nil).

The fair values of the warrants granted during the period were calculated using the Black Scholes Model with the following assumptions:

Risk free interest rate	4.123%
Expected volatility	70%
Expected dividend yield	0%
Life of the option	5 years
Share price at measurement date	£0.017

£2,222,000 (2023: £31,000) has been recognised as a share-based payment expense in the statement of comprehensive income related to the issue of share options and warrants and £Nil (2023: £44,000) has been included in non-current assets as it relates to the acquisition of certain financial assets.

29. Trade and other payables

Group	Period ended 2024 £'000	Year ended 2023 £'000
Trade payables	603	343
Other payables	43	35
Other taxation and social security	35	54
Accrued expenses	1,332	453
	2,013	885

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

29. Trade and other payables (continued)

Company	Period ended	Year ended
	2024	2023
	£'000	£'000
Trade payables	200	236
Other payables	21	35
Other taxation and social security	38	56
Accrued expenses	1,049	360
	<u>1,308</u>	<u>687</u>

The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 32.

30. Borrowings

Group	Period ended 2024			Period ended 2023		
	Current	Non-current	Total	Current	Non-current	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Other borrowings	498	2,414	2,912	-	-	-
	<u>498</u>	<u>2,414</u>	<u>2,912</u>	<u>-</u>	<u>-</u>	<u>-</u>

Company	Period ended 2024			Period ended 2023		
	Current	Non-current	Total	Current	Non-current	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Other borrowings	-	2,414	2,414	-	-	-
	<u>-</u>	<u>2,414</u>	<u>2,414</u>	<u>-</u>	<u>-</u>	<u>-</u>

Movement in borrowings

Group	1	Proceeds	Interest	Non-cash	Repayments	31
	October	of				December
	2023	borrowing	accrued	movements		2024
	£'000	£'000	£'000	£'000	£'000	£'000
Other borrowings	-	3,000	121	(281)	(490)	2,912
	<u>-</u>	<u>3,000</u>	<u>121</u>	<u>(281)</u>	<u>(490)</u>	<u>2,912</u>

Company	1	Proceeds	Interest	Non-cash	Repayments	31
	October	of				December
	2023	borrowing	accrued	movements		2024
	£'000	£'000	£'000	£'000	£'000	£'000
Other borrowings	-	2,500	68	336	(490)	2,414
	<u>-</u>	<u>2,500</u>	<u>68</u>	<u>336</u>	<u>(490)</u>	<u>2,414</u>

In June 2024, the Company received £2,000,000 from ACAM LP by way of a loan note. The loan term is five years. Effective interest of £129,000 has been recognised in the statement of comprehensive income in relation to the loan, during the period.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

30. Borrowings (continued)

Under the agreement, convertible interest is charged at 10% per annum, payable semi-annually in July and December each year, in cash, or in Company shares. The first tranche of interest due for the period from 3 June to 2 December 2024, was paid in shares, announced, but not issued until after the year end, and therefore the amount sits in shares to be issued as at 31 December 2024. The Company recognised an amount of £8,500 in equity relating to the convertible portion of the interest due for the period 3 December to 31 December 2024.

In June 2024, GSA (Environmental) Ltd (“GSA”), a 75% owned subsidiary, received £500,000 from Cabacra Ltd by way of a convertible loan note. Under the agreement, GSA will pay interest at a fixed rate of 10%, with all amounts payable at the end of the loan term, being 28 June 2025. The equity element of this convertible loan amounts to £55,000 and is recorded in the convertible loan reserve in the financial statements.

In October 2024, the Company received a £400,000 loan from Tamesis Partners LLP (“Tamesis”). No cash was received as the loan was netted against an invoice due from Power Metal to Tamesis. The loan term is five years. Effective interest of £14,000 has been recognised in the statement of comprehensive income in relation to the loan. Convertible interest is charged on the loan at 10% per annum, payable in cash or Company shares. As at the 31 December 2024, an amount of £7,000 was recognised in equity in relation to the convertible portion of the interest.

During the period, the Company received a total of £500,000 from Guardian Metal Resources Plc (“GMET”). This was an interest free loan repayable on demand. The balance was settled during the reporting period, with £10,000 being netted against the repayment in relation to invoices due from GMET to the Company.

See note 33 for information on borrowings from related parties.

31. Contingent liabilities

As part of the acquisition of GSA (Environmental) Limited (“GSA”) on 17 May 2024, the Group has recognised a contingent liability related to contingent consideration due to the sellers. In accordance with IFRS 3 Business Combinations, the contingent liability has been recognised at fair value at the acquisition date (see note 18). Under the terms of the acquisition agreement, the Group is required to pay additional consideration to the sellers of GSA based on the achievement of specific performance targets over the period of 3 years. The amount of the contingent consideration is subject to variability and will be remeasured at each reporting date in accordance with IFRS 9 Financial Instruments. As at 31 December 2024, the fair value of the liability has been estimated at £575,000 based on management’s assessment of the probability-weighted expected outcomes. Management believes that recognition of the contingent liability appropriately reflects the Group’s obligations under the acquisition agreement.

32. Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments.

- credit risk
- liquidity risk
- market risk
- currency risk

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital.

Risk management framework

The Company’s Board of Directors has overall responsibility for the establishment and oversight of the Group’s risk management framework.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

32. Financial instruments (continued)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Cost may be an appropriate estimation of fair value at the measurement date only in limited circumstances, such as for a pre-revenue entity when there is no catalyst for change in fair value, or if the transaction date is relatively close to the measurement date. Other indicators include insufficient recent information, a wide range of possible fair values and cost represents the best estimate.

Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2),
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There have been no transfers between levels during the period. Additions to level 3 during the period are valued based on cost of investment, for both the Group and the Company. See note 21 for further detail.

**Group
2024**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	15,915	-	828	16,743
	<u>15,915</u>	<u>-</u>	<u>828</u>	<u>16,743</u>

**Company
2024**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	15,915	-	828	16,743
	<u>15,915</u>	<u>-</u>	<u>828</u>	<u>16,743</u>

**Group
2023**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	7,224	-	1,124	8,348
	<u>7,224</u>	<u>-</u>	<u>1,124</u>	<u>8,348</u>

The notes on pages 41 to 83 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

32. Financial instruments (continued)

**Company
2023**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	7,355	-	989	8,344
	<u>7,355</u>	<u>-</u>	<u>989</u>	<u>8,344</u>

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Group

	Carrying amount	
	Period ended 2024 £'000	Year ended 2023 £'000
Trade and other receivables	790	418
Cash and cash equivalents	446	1,098
	<u>1,236</u>	<u>1,516</u>

Company

	Carrying amount	
	Period ended 2024 £'000	Year ended 2023 £'000
Trade and other receivables	2,687	2,910
Cash and cash equivalents	89	1,058
	<u>2,776</u>	<u>3,968</u>

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

32. Financial instruments (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Group

31 December 2024

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	1,977	1,977	-	-
Borrowings	2,912	-	498	2,414
	<u>4,889</u>	<u>1,977</u>	<u>498</u>	<u>2,414</u>

30 September 2023

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	831	831	-	-
	<u>831</u>	<u>831</u>	<u>-</u>	<u>-</u>

Company

31 December 2024

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	1,268	1,268	-	-
Borrowings	2,414	-	-	2,414
	<u>3,682</u>	<u>1,268</u>	<u>-</u>	<u>2,414</u>

30 September 2023

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	631	631	-	-
	<u>631</u>	<u>631</u>	<u>-</u>	<u>-</u>

The Group reviews its facilities regularly to ensure that it has adequate funds for operations and expansion plans.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Due to the nature of the Group's operations, it will be mainly exposed to fluctuations in the price of iron and gold. The Group, where able, will look to hedge its foreign currency exposure.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

32. Financial instruments (continued)

Currency risk

The Group operates internationally and is exposed to foreign currency risk arising on cash and cash equivalents and receivables denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are US Dollar ("USD"), Canadian Dollar ("CAD"), Australian Dollar ("AUD"), Saudi Riyal ("SAR") and Botswana Pula ("BWP"). The following balances were held in foreign currency at the reporting date are:

Net foreign currency financial (liabilities)/assets	Group		Company	
	Period ended	Year ended	Period ended	Year ended
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
USD	1	(2)	1	(2)
CAD	50	34	50	34
AUD	134	174	-	3
BWP	4	46	-	1
SAR	98	-	-	-
Total net exposure	287	252	51	36

Sensitivity analysis

A 10% strengthening of sterling against the respective currencies at 31 December 2024 would have increased/(decreased) equity and profit or loss by the amounts shown below:

Group	Profit and loss		Equity	
	Period ended	Year ended	Period ended	Year ended
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
CAD	(5)	(3)	(5)	(3)
AUD	(13)	(17)	(13)	(17)
BWP	-	(5)	-	(5)
SAR	(10)	-	(10)	-
Total net exposure	(28)	(25)	(28)	(25)

Company	Profit and loss		Equity	
	Period ended	Year ended	Period ended	Year ended
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
CAD	(5)	(3)	(5)	(3)
Total net exposure	(5)	(3)	(5)	(3)

A 10% weakening of the sterling against the respective currencies would have an equal but opposite effect.

Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of equity which at 31 December 2024 for the Group totalled £22,927,000 (2023: £14,479,000) and for the Company totalled £23,219,000 (2023: £14,893,000).

Accounting classifications and fair values

Fair values and carrying amounts

The carrying values of financial assets and liabilities are all approximate to their fair values per the statement of financial position.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

33. Related parties

In addition to matters reported in note 10, the following related party transactions took place during the period ended 31 December 2024:

Douglas Brodie Good, who served as a Director of the Company during the year, is also a Director of BBG Consultants Limited ("BBG"), previously KBG Consultants Limited, a management consultancy business. The total fees invoiced to the Group by BBG in the period ended 31 December 2024 was £179,000 (2023: £40,000) of which £19,000 was outstanding at the period end (2023: £17,000). All fees related to consultancy.

During the period, the Company advanced funds to Wilan Resources Pty Ltd ("Wilan") (previously named Power Metal Resources Australia Pty Ltd), totalling £nil (2023: £7,500). Wilan, previously a subsidiary, was sold to NHM Holdings Pty Ltd ("NHM") during the prior year, a company in which Power Metal held a small shareholding, as a result. During the period, the Company disposed of its interest in NHM and the loan was written off as part of the disposal, totalling £53,000. Any cumulative expected credit losses were written off during the period.

During the period, the Company advanced funds to its subsidiary, Power Metal Resources Canada Inc., totalling £225,000 (2023: £387,000). The Company disposed of 70% of its shareholding in Power Metal Resources Canada Inc. during the period and the loan was written off as part of the disposal, totalling £918,000. Any cumulative expected credit losses were written off during the period. Subsequent to the 70% disposal Power Metal Resources Canada Inc. was renamed Fermi Exploration Ltd ("Fermi") and the Company advanced funds to Fermi totalling £95,000 and received funds of £115,000. As at 31 December 2024, £20,000 was due to Fermi (2023: £Nil).

During the period, the Company advanced funds to its subsidiary, Tati Greenstone Resources Pty Ltd, totalling £12,000 (2023: £74,000). The loan is repayable on demand and on 31 December 2024, £433,690 was outstanding (2023: £422,000). An expected credit loss of £1,000 was recognised at the period end in respect of the intercompany receivable (2023: £6,000).

During the period, the Company advanced funds to its subsidiary, Power Metal Resources Botswana Pty Ltd totalling £33,500 (2023: £33,500). The loan is repayable on demand and on 31 December 2024, £67,000 was outstanding (2023: £32,000). An expected credit loss of £7,500 was recognised at the period end in respect of the intercompany receivable (2023: £2,000).

During the period, the Company advanced funds to its subsidiary, First Development Resources Plc, totalling £233,500 (2023: £61,000). The loan is repayable on demand and on 31 December 2024, £329,500 was outstanding (2023: £96,000). An expected credit loss of £18,500 was recognised at the period end in respect of the intercompany receivable (2023: £5,000).

During the period, the Company advanced funds to its subsidiary, Power Arabia Limited (formally Power Capital Investments Ltd), totalling £644,600 (2023: £Nil), the Company also acquired additional shares in Power Arabia Limited for a total consideration of £580,000, this amount was netted against funds advanced. As at 31 December 2024, £69,700 was due to the Company (2023: £5,000). An expected credit loss of £5,200 was recognised at the period end in respect of the intercompany receivable. (2023: £Nil).

During the period, the Company advanced funds to its subsidiary, ION Battery Resources Limited totalling £2,000 (2023: £122,000). ION Battery Resources Limited also acquired an exploration property with a total value of £115,000, via intragroup transfer from Power Metal Resources Canada, a wholly owned subsidiary of the Company at the time of transfer. The loan is repayable on demand and on 31 December 2024, £251,500 was outstanding (2023: £248,500). An expected credit loss of £5,500 was recognised at the period end in respect of the intercompany receivable (2023: £15,000).

During the period, the Company advanced £223,000 (2023: £388,000) of funds to its subsidiary, Kalahari Key Mineral Exploration (Pty) Limited during the period. The loan is repayable on demand and on 31 December 2024, £939,500 was outstanding (2023: £716,500). An expected credit loss of £13,000 was recognised at the period end in respect of the intercompany receivable (2023: £57,000).

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2024

33. Related parties (continued)

During the period, the Company acquired a 75% interest in GSA (Environmental) Ltd, the Company advanced funds to its subsidiary of £83,000 (2023: £Nil) and received funds of £38,000 (2023: £Nil). The loan is repayable on demand and on 31 December 2024, £45,000 was outstanding (2023: £Nil). An expected credit loss of £3,600 was recognised at the period end in respect of the intercompany receivable (2023: £Nil).

During the period, the company advance funds to its joint venture, Red Rock Australasia Pty Ltd totalling £94,500 (2023: £316,500). The Company disposed of its shareholding in Red Rock Australasia Pty Ltd. during the period and the loan was written off as part of the disposal, totalling £899,500. Any cumulative expected credit losses were written off during the period. As at 31 December 2024, £Nil was outstanding (2023: £805,000).

34. Capital commitments

As an exploration and development company, Power Metal has a portfolio of exploration projects held through holding companies relevant to the local operations of the business. All of the Company's business interests carry financial commitments required to remain in good standing which are funded directly by Power Metal or through its subsidiaries.

The holding companies require timely submission of regulatory filings, financial accounts and tax submissions. Most exploration projects hold contractual or local regulatory authority agreed minimum expenditures on projects, which the Company intends to satisfy, and commonly exceeds with enhanced activities dependent on available funding.

In addition, a number of projects have certain production royalties and milestone payments attached, with material payments dependent largely on projects entering production and generating revenues, which is not expected to occur for a number of years. Furthermore, projects are all held under exploration licences, prospecting licences and exploration claims, against which during the period a number of renewals are expected to be processed with associated renewal fees attached. Finally, there are various specific costs relating to the continuance of business activities including staffing and consultancy costs, office costs and various sundry items including warehousing commitments for equipment and core storage.

No provision has been made in the financial statements for these amounts as the expenditure items are expected to be incurred in the normal course of business operations. Furthermore, whilst maintaining the current portfolio of exploration interests is the intent of the Company, should activities be ceased in any project, save for modest exit costs, the costs of that project would cease.

35. Subsequent events

In February 2025, the Group announced the part disposal of its holding in Guardian Metal Resources Plc (formerly Golden Metal Resources) ("GMET"). Power Metal sold 29,758,334 shares in GMET, and warrants granted over 986,352 ordinary shares in GMET of £0.01 each, for a total cash consideration of £9,225,000 before costs. The proceeds were used to redeem the £2 million loan note issued to ACAM LP on 10 June 2024, with accrued interest, and for general corporate purposes.

Power Metal still retains 24,699,825 ordinary shares representing 19.46% of GMET's issued share capital.

In March 2025, the Group announced the disposal of its 30% interest in Silver Peak Resources Limited. Maximum consideration for the disposal amounts to CAD\$410,000. This disposal comes as part of managements goal to streamline the Power Metal portfolio to optimise returns for shareholders.

36. Ultimate controlling party

The Directors do not believe that there is an ultimate controlling party of the Group.