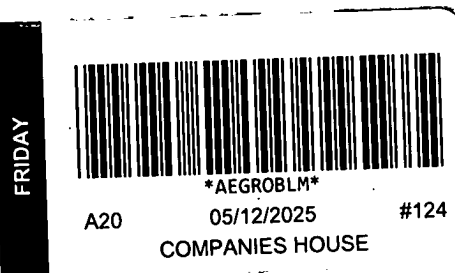


Registered number: 06275976

CLOUDBREAK DISCOVERY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2025**



CLOUDBREAK DISCOVERY PLC

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CLOUDBREAK DISCOVERY PLC

COMPANY INFORMATION

Directors	Thomas M Evans Peter N Huljich Emma K Priestley
Company Secretary	Silvertree Partners LLP
Registered Office	167-169 Great Portland Street, Fifth Floor London England, W1W 5PF
Company Number	06275976
Bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY
Financial Adviser	ALbR Capital Limited 3 rd Floor 80 Cheapside London EC2V 6EE
Registrar	Share Registrars Ltd Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP

CLOUDBREAK DISCOVERY PLC

CHAIRMAN'S REPORT

Dear Shareholder,

We are pleased to present Cloudbreak Discovery PLC's Annual Report for the year ended 30 June 2025. This period has been one of meaningful repositioning and strategic resets, as we refine our asset base, sharpen our focus, and endeavour to build a pathway toward near-term value realization for our shareholders.

Business Environment & Strategy

Over the last year, our Board and management have concentrated on aligning Cloudbreak's mission to become a more active, focused resource project generator and royalty/mineral investment company. We have continued divesting non-core or legacy assets, reallocating capital to higher potential mineral and energy interests, and seeking to retain upside through royalties, carried interests or minority equity positions.

We believe the path forward must emphasise:

- Near-revenue or value-pivot projects rather than purely early-stage exploration;
- Jurisdictions with stable regulatory regimes and mining law clarity;
- A balance between income-generating assets (royalties, overriding interests) and upside projects;
- Disciplined capital deployment with close attention to dilution and risk.
- Appointment of a new Chairman Mr Peter Huijich with significant investment banking and mining experience in Western Australia.
- Appointment of Managing Director Mr Tom Evans, with 36 years of international experience in fund management, capital markets corporate finance within the resource sector.

Review of the Year

Portfolio Management & Divestments

- During the year we furthered the process of disposing of non-core royalty and energy assets, thereby freeing up capital for redeployment into higher-conviction opportunities.
- In August 2025 (post year) we completed the sale of our US oil assets under the Masten Unit energy project in Texas to G2 Energy Corp, for a total consideration of £100,000 (with £50,000 on signing and £10,000 over five subsequent months), and eliminated an outstanding liability of ~£75,000 from our books.
- Concurrent with that transaction, we raised £300,000 via a placing of 120 million new ordinary shares at 0.25 pence per share, which strengthens our cash position and enables increased resource dedication to exploration in more prospective mineral jurisdictions.

New Investment & Exploration Focus

- We have pivoted our operational focus toward gold and base-metal potential, particularly in Western Australia, where we believe geological opportunity is strong and exploration infrastructure relatively accessible.
- Following that strategic pivot, in 2025 we initiated the Darlot West gold project in Western Australia and expanded the landholding materially, with exploration now under way.
- To support the exploration, we launched a placing of £600,000 in August 2025 (post year) at 0.475 pence per share, which will accelerate the work programme at Darlot West and assist in crystallising exclusive opportunities already negotiated.
- We remain active in due diligence and negotiation of other project opportunities. Notably, we secured an option to acquire an 888 km² Au/Cu project in Western Australia's mineral belts as well as an option over the Crofton Gold Project in Western Australia's premier gold district, adding to the prospect pipeline.

Capital Structure, Financing & Governance

- We have maintained a cautious approach to dilution, seeking equity injections only where they directly support value-driving work programmes.
- The recent placing and sale of oil assets have meaningfully improved our liquidity headroom.
- We also refined our corporate governance and enhanced our board oversight with the appointment of Peter Huijich and Thomas Evans, thus ensuring alignment of incentives, reporting transparency, and governance discipline.

CLOUDBREAK DISCOVERY PLC

CHAIRMAN'S REPORT

Challenges & Risks

- As a small-cap exploration/investment company, we remain subject to capital constraints, execution risk, permitting delays, and commodity price fluctuations.
- Disposal of non-core assets is not always timely or high-value in illiquid markets.
- Exploration outcomes remain uncertain; not all projects will yield discoveries or be economically viable.
- Continued vigilance is needed on funding, market sentiment, and regulatory changes in our target jurisdictions.

Outlook & Priorities

Over the next 12–24 months, our focus is firmly on delivery and de-risking:

- Execute exploration campaigns at Darlot West, rapidly test priority targets, and aim for early success to catalyse further investment.
- Advance and convert favourable options (such as the 888 km² Paterson Au/Cu project and the Crofton Gold Project) into more definitive agreements or earn-in structures.
- Seek to monetize or spin off assets that do not fit the new strategy, recycling value.
- Maintain financial discipline and carefully manage dilution as we pursue growth.
- Cultivate partnerships with explorers, financiers or juniors where our royalty/earning rights can yield returns with limited capital outlay.

We believe our repositioning—away from passive royalty holdings and toward active mineral project generation—places Cloudbreak in a stronger posture to create value for shareholders.

Post-Year Events

- Sale of U.S. oil assets and placing: As noted above, the sale of the Masten Unit assets and associated £300,000 placing give us both de-risking of legacy liabilities and immediate capital for exploration in Western Australia.
- Additional placing: On 28 August 2025, we successfully raised £600,000 (gross) through a placing of 126,315,790 ordinary shares at 0.475 pence per share (10% discount). These funds are earmarked for accelerating the Darlot West programme and advancing other exclusive opportunities under negotiation.
- Option to acquire new projects: We secured option rights over an 888 km² Au/Cu project in Western Australia, expanding our exploration portfolio.
- Exploration commencement: Work has begun on the expanded Darlot West project, inclusive of mapping, surface sampling, and other foundational exploration efforts.

These post-year events materially strengthen our balance sheet and enhance our exposure to promising gold and copper exploration in Australia—an essential geographic shift.

In closing, the Board and management believe the strategic repositioning initiated over the past year has reset Cloudbreak to a higher-potential trajectory. Our capital is now more aligned with active exploration and project generation, rather than lingering in non-core royalties or legacy interests. While the path ahead will require execution and discipline, we believe we are better placed than before to capture value for our shareholders.

We thank our shareholders for their continued support, and we look forward to updating you in due course as our exploration efforts progress.



Peter Huljich
Executive Chairman
24 October 2025

CLOUDBREAK DISCOVERY PLC

STRATEGIC REPORT

The Directors of the Company present their Strategic Report on the Group for the year ended 30 June 2025.

Principal Activity

The principal activity of the Group is natural resource project and royalty generation as well as acquisition of projects and royalties.

On 27 May 2025, the Company refined its investment and acquisition strategy in the high value minerals sector, with focus on exploration and development assets, specifically those that are near term revenue or project pivots.

Review of operations

A review of the business of the Company during the year and an indication of likely future developments may be found in the Executive Chairman's Statement.

Financial performance review

The loss of the Group for the year ended 30 June 2025 amounts to £2,667,387. (30 June 2024: £1,627,519). The loss for the year differs significantly to the year ended 30 June 2024 due to further reduced overall activity and expenditure, and a number of impairments and write-downs resulting from the Group's change in strategy.

The Board monitors the activities and performance of the Group on a regular basis. Given the Board's stated shift in strategy, the KPIs previously used are now less relevant. As a result, new KPIs will be formulated that are more relevant to the needs of the Group and its developing strategy.

Principal risks and uncertainties

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

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

Financial risks

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

Funding risk

The only sources of funding currently available to the Group are through the issue of additional equity capital in the parent company or through bringing in partners to fund exploration and development costs. The Group's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The Group may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its exploration activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

Investment risks

The Group holds investments in publicly listed and non-listed securities. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Group might suffer through holding its financial investment portfolio in the face of market movements.

CLouDBREAK DISCOVERY PLC

STRATEGIC REPORT

Exploration risks

The natural resource business is controlled by a number of global factors, principally supply and demand which in turn is a key driver of global prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of expenditure ensuring that funds are only applied to high priority targets. The natural resource sector is a cyclic business and sensitive to several global and regional factors that the company is not able to predict or control.

Some of the principal assets of the Group are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to option agreements and legislation defined by the local government; if this legislation is changed or option payments are not made on time, it could adversely affect the value of the Group's assets.

Whilst some aspects are beyond the control of the Group, management reduce exploration risks with their experience and technical knowledge, also by carrying out thorough due diligence before making any decisions related to exploration.

Dependence on key personnel

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

To mitigate this risk, key management have significant equity, share options can be awarded and exciting business opportunities are offered.

Uninsured risk

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

Management takes these factors into consideration before deciding to work on specific exploration sites. Also, the Group's exploration programmes are in early stages with no development or operations in place as of yet.

Investments are held in both listed and unlisted entities and the board monitor their investments on a regular basis. For unlisted investments the board have regular communication with the management team of the investee.

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

Going Concern

These financial statements have been prepared on the going concern basis, which assumes the Group and the company will continue to be able to meet its liabilities as they fall due, within 12 months of the date of approval of these financial statements.

The Directors note the net current liability and net liability position of the Group and Company and the losses incurred in the current and previous years. The Group's operating strategy has changed from one reliant on cashflows from its investments to one of developing a portfolio of early stage Gold exploration and evaluation assets. As such, the Board have prepared cash flow forecasts covering a period of 12 months from the date of this report and considered the cash requirements of the Group during that period. The nature of its planned operations for the foreseeable future, namely the development of these assets through various exploration and evaluation work programmes, mean that the Group will need to raise additional funds in order to carry out these works. The precise levels and timing of funding will depend on a variety of factors and will be guided by results of exploration and evaluation work carried out and the requirements of the next steps of that development work. Consequently, The Board believe that the Group will have the ability to meet its ongoing commitments in a timely fashion, and these financial statements have been prepared on the going concern basis.

CLouDBREAK DISCOVERY PLC

STRATEGIC REPORT

The Group successfully raised £900,000 through two equity placings subsequent to the year end in August 2025. Early results from the work carried out on its projects have been positive and this has been reflected in the share price of the Company. Therefore, while recognising that there can be no certainty over the availability of further funding in the future, the Board are confident that there will continue to be sufficient investor appetite to fund further work programmes as and when the funding needs arise. As the forecast for the Group and Company to raise additional funds is yet to be achieved, it is possible that the Group and Company may not be able to raise such funds. This therefore indicates the existence of a material uncertainty that may cast significant doubt on the Group and company's ability to continue as a going concern, without raising the additional funds. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

Internal Controls

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

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

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

The requirements of s172 are for the Directors to:

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

The Group operates in the natural resources sectors, which is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The nature of the business is important to the understanding of the Group by its members, suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under FCA regulations. The application of the s172 requirements is demonstrated throughout this report and the financial statements as a whole, with the following examples representing some of the key decisions made in 2024/25 and up to the date of the approval of these financial statements:

- **Remunerate the Directors with shares in lieu of cash:** during the year, having decided on a plan to raise new funds to finance operations, the Directors also decided that to maximise funds available for exploration the Directors would be remunerated in part by the issue of shares instead of cash. This has the added benefit of more fully aligning the interests of the Directors with those of the members.
- **Ethical responsibility to the community and the environment:** the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption and bribery. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact.

Act fairly between members of the Company

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy over the long-term, taking into consideration the impact on stakeholders. The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole.

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with key private shareholders, analysts and brokers, providing the opportunity to discuss issues and provide feedback at meetings with the Company. All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company.

CLOUDBREAK DISCOVERY PLC

STRATEGIC REPORT

Maintain a reputation for high standards of business conduct

The Board periodically reviews and approves clear frameworks, such as the Company's Code of Business Ethics, to ensure that its high standards are maintained both within the Group and the business relationships we maintain. This, complemented by the various ways the Board is informed and monitors compliance with relevant governance standards, help ensure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.

Consider the interests of the Company's employees

There are no employees in the Group currently, only Directors. Still, the Group is committed to considering the interests of all directors of the Company when decisions or changes are to be made.

Foster the Company's relationship with suppliers, customers and others

Delivering on our strategy requires strong mutually beneficial relationships with suppliers. The Group values all suppliers and aims to build strong positive relationships through open communication and adherence to agreement terms. The Group is committed to being a responsible entity and doing the right thing for its suppliers and business partners.

Consider the impact of the Company's operations on the community and the environment

The Group is committed to the highest environmental, social and governance standards both internally within the Group and externally with its partners. The Group is committed to being a responsible entity in terms of the community and the wider environment.

Conclusion

The Directors believe that to the best of their wisdom and abilities, they have acted in the way they consider prudent to promote the success of the Company for the benefit of its members as a whole, in the true spirit of the provisions of Section 172 (1) of the Companies Act 2006.

The Group Strategic Report was approved by the Board on 24 October 2025.



Peter Huljich
Executive Chairman

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REPORT

The Directors are pleased to present their Report and the audited consolidated Financial Statements of the Company and its subsidiaries for the year ended 30 June 2025.

Results and Dividends

Loss on ordinary activities of the Group after taxation amounted to £2,667,387 (2024: restated loss of £1,627,519). The Directors do not recommend the payment of a dividend (2024: £Nil).

Restatement of prior year

The Group and Company has corrected a prior period error relating to the accounting of the purchase and assignment of debt relating to certain management services and other agreements provided by the Cronin parties following the settlement in the prior year and issuance of shares in respect to this debt during the year ended 30 June 2025. More details can be found in note 25.

Directors & Directors' interests

The Directors who held office at 30 June 2025 had the following beneficial interests in shares and options of the Group:

	30 June 2025		30 June 2024	
	Ordinary Shares	Options	Ordinary Shares	Options
Emma Priestley	2,000,000	1,850,000	2,000,000	1,850,000
Thomas Evans (appointed 9 June 2025)	-	-	-	-
Peter Huljich (appointed 18 March 2025)	19,999,998	-	-	-
Total	21,999,998	1,850,000	2,000,000	1,850,000

Additionally, at 30 June 2025 Peter Huljich and Thomas Evans had accrued rights to be issued 16,000,000 and 3,000,000 shares respectively.

Substantial shareholders

On 30 September 2025, the following parties held a beneficial interest that represents 3% or more of the Group's issued share capital at those dates:

	30 September 2025	
	Holding	Percentage
HARGREAVES LANSDOWN (NOMINEES) LIMITED	307,726,931	21.92%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	170,881,444	12.17%
HSBC GLOBAL CUSTODY NOMINEE (UK) LIMITED	120,989,494	8.62%
THE GALLEON 2023 LTD.	112,717,328	8.03%
VIDACOS NOMINEES LIMITED	95,584,542	6.81%
CGWL NOMINEES LIMITED	84,436,122	6.02%
LAWSHARE NOMINEES LIMITED	80,031,180	5.70%
BARCLAYS DIRECT INVESTING NOMINEES LIMITED	66,290,744	4.72%
CRESTMONT INVEST LTD.	62,073,405	4.42%
THE BANK OF NEW YORK (NOMINEES) LIMITED	51,899,707	3.70%

Corporate responsibility

Greenhouse gas emissions

Given the nature of its activities which include aerial geophysics with a helicopter and the operation of drill rigs, the Group is conscious of greenhouse gas emissions. The Directors are mindful of their responsibilities in this regard and strive to seek opportunities where improvements may be made.

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REPORT

The Board recognises its responsibility to protect the environment and is fully committed to conserving natural resources and striving for environmental sustainability, by ensuring that its facilities are operated to optimise energy usage; minimise waste production; and protect nature and people.

The Company is currently deemed to be a low energy user meaning it has consumed less than 40MWh of energy during the reporting period. This includes the combustion of gas, consumption of fuel for transport and the purchase of electricity for its own use. As such, it is exempt from disclosing actual kWh of energy emitted during the period from its operations and activities. As the Group's operations scale up, it will continue to monitor its energy use and its status as a low energy user. The Group will seek to collect, structure, and effectively disclose related performance data for the material, climate-related risks and opportunities identified where relevant.

Internal controls

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

Supplier payment policy

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

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

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.
- If supplier terms aren't met, this will be discussed with the suppliers and a suitable plan of action will be agreed by both parties.

During the period due cash restraints whilst a turnaround strategy was being implemented, this policy was not met. However, following the recent successful funding and change strategy, the Group is now able to implement this policy moving forward.

Directors' and Officers' indemnity insurance

As the Group was under a re-structuring during the period, the insurance lapsed and the new Board is now making the rectification of putting in place third-party indemnity provisions for the benefit of its Directors and Officers.

Financial risk management objectives

The Group has disclosed the financial risk management objectives within Note 3 to these Financial Statements.

The task force on climate-related financial disclosures

The task force on climate-related financial disclosures ("TCFD") aim to provide investors, lenders and other stakeholders with information necessary to assess climate related risks and opportunities. The Group takes various actions throughout local operations to mitigate the potential impacts of the Group's activities. The directors note that for the year ended 30 June 2025, the Group is not in compliance with TCFD as it has limited climate related risks due to the Group's small scale and stage of development they are at. The Group will actively monitor the situation in relation to its investments and will devise strategies when the status of the entity changes.

Events after the reporting period

Events after the reporting period are set out in Note 30 to the Financial Statements.

Future developments

Details of future developments for the Group are disclosed in the Chairman's Report on page 3.

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REPORT

Provision of information to Auditor

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

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

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 24 October 2025 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Peter Huljich', written in a cursive style.

Peter Huljich
Executive Chairman

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REMUNERATION REPORT

The Company has an established Remuneration Committee. The purpose of the remuneration policy is to attract, retain and motivate Executive Directors of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value.

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

Service Contracts (unaudited)

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of their basic salary in respect of their notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Executive Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Executive Directors are allowed to retain fees paid. The contracts are available for inspection at the Company's registered office.

Implementation Report

Particulars of Directors' Remuneration (audited)

Particulars of directors' remuneration, including directors' options are provided in notes 17 and 18 and further referenced in the Directors' report.

Remuneration owing to the Directors' during the year ended 30 June 2025 was:

	Short-term benefits £	Share based payments £	Total £
Directors			
Paul Gurney	-	-	-
Emma Priestley	24,000	-	24,000
Andrew Male	50,000	-	50,000
Thomas Evans	2,000	6,300	8,300
Peter Huljich	17,500	14,400	31,900
	93,500	20,700	114,200

Remuneration has not been paid in full to all directors, the amounts referenced above have either been accrued or partially paid. Refer to note 27 for amounts still owed to the Directors.

Amounts included in Share based payments relate to shares issued to Directors as part of their contracts of employment. Under these contracts, shares accrued on a monthly basis to Thomas Evans and Peter Huljich. The shares are valued using the Company share price at the date of grant (the contract date) and accrued over a period of 12 months. At 30 June 2025, no shares had been issued to either Director under these contracts. Thomas Evans had accrued 3,000,000 shares and Peter Huljich had accrued 16,000,000 shares.

Remuneration paid to the Directors' during the year ended 30 June 2024 was:

	Short-term benefits £	Share based payments £	Total £
Directors			
Paul Gurney	33,000	-	33,000
Emma Priestley	33,000	-	33,000
Andrew Male	150,000	-	150,000
	216,000	-	216,000

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REMUNERATION REPORT

Incentive plans (audited)

The following Directors held the following options at the beginning and the end of the year:

	As at 30 June 2024	Granted during the year	At 30 June 2025	Exercise price	Expiry date
Emma Priestley	1,850,000	-	1,850,000	£0.0225	09/08/2025
Andrew Male*	1,350,000	-	1,350,000	£0.0225	09/08/2025
Paul Gurney*	750,000	-	750,000	£0.0225	09/08/2025
Total	3,950,000	-	3,950,000	-	-

* resigned during the year

Performance Graph (unaudited)

The Directors have considered the requirement of the UK 10-period performance graph comparing the company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful as the Company is currently in a loss-making position and is not paying dividends. The Directors will review the inclusion of this table for future reports.

Relative importance of spend on pay (unaudited)

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Other matters (audited)

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

Directors' interests in shares (audited)

The beneficial interest of the Directors in the Ordinary Share Capital of the Company as at 30 June 2025 was:

	30 June 2025	
	Ordinary Shares	% of issued share capital
Emma Priestley	2,000,000	0.16%
Thomas Evans	-	-%
Peter Huljich	19,999,998	1.60%
Total	21,999,998	1.76%

The Directors' remuneration report was approved by the Board on 24 October 2025.



Emma Priestley
Remuneration Committee Chairman

CLouDBREAK DISCOVERY PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations, including the main market rules for Companies.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted IAS in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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, and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

Directors Responsibility pursuant to Disclosure and Transparent Rules

Each of the Directors whose names and functions are listed on page 2 confirm that, to the best of their knowledge and belief:

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

CLOUDBREK DISCOVERY PLC

CORPORATE GOVERNANCE REPORT

Application of the QCA Corporate Governance Code 2023

The Board of **Cloudbreak Discovery Plc** (the “*Company*” or “*Group*”) recognises the importance of robust corporate governance as a foundation for sustainable success. The Company has adopted the **Quoted Companies Alliance (QCA) Corporate Governance Code 2023** (the “*QCA Code*”) as its framework for governance and accountability.

The 2023 QCA Code sets out ten principles of good governance, emphasising purpose-led leadership, ethical culture, stakeholder engagement, and effective risk management. The Board is committed to applying each principle across the Group’s operations and governance structure.

The 2023 QCA Code sets out ten principles of corporate governance which the Group has committed to apply within the foundations of the business.

The Ten Principles of the QCA Code (2023)

- 1) Establish a purpose, strategy and business model which promotes long-term value for shareholders
- 2) Promote a corporate culture that is based on ethical values and behaviours
- 3) Seek to understand and meet shareholder needs and expectations
- 4) Take into account wider stakeholder interests, including social and environment responsibilities and their implications for long-term success
- 5) Embed effective risk management, internal controls and assurance activities considering both opportunities and threats, throughout the organisation
- 6) Establish and maintain the Board as a well-functioning, balanced team led by the Chair
- 7) Maintain appropriate governance structures and ensure that, individually and collectively, directors have the necessary up-to-date experience, skills and capabilities
- 8) Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement
- 9) Establish a remuneration policy which is supportive of long term value creation and company’s purpose, strategy and culture
- 10) Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The following statements explain how Cloudbreak Discovery Plc applies each of the principles.

Principle 1 — Establish a Purpose, Strategy and Business Model which Promote Long-Term Value

The Board has established a clear purpose — to identify, acquire, and develop high-value mineral and natural resource projects that generate sustainable, long-term returns for shareholders.

On 27 May 2025, the Group refined its investment and acquisition strategy to focus on **high-value minerals and near-term revenue or pivot-stage projects**, enabling value creation within a responsible and sustainable framework. The strategy incorporates ESG principles, capital discipline, and risk-adjusted decision-making to ensure responsible resource development.

The Board regularly reviews sector trends, macroeconomic conditions, and ESG developments to align strategy with long-term shareholder value creation.

Principle 2 — Promote a Corporate Culture Based on Ethical Values and Behaviours

The Board recognises that corporate culture underpins ethical conduct and long-term success. Cloudbreak promotes a culture of **integrity, accountability, and transparency**, reinforced by formal **anti-bribery, corruption, and whistleblowing policies**.

In each of the Company’s projects, training on ethical conduct is provided to all directors, employees, and consultants. The Board ensures that these values are reflected throughout the organisation and across investee companies.

The Company is committed to **diversity, equity, and inclusion**, consistent with the QCA Code’s emphasis on responsible leadership. Ethical performance is monitored through periodic reviews and stakeholder feedback mechanisms.

CLOUDBREK DISCOVERY PLC

CORPORATE GOVERNANCE REPORT

Principle 3 — Seek to Understand and Meet Shareholder Needs and Expectations

The Board maintains open and transparent communication with shareholders through multiple channels, including:

- Regular **Regulatory News Service (RNS)** announcements;
- **Investor presentations** and periodic updates;
- **Direct engagement** via the Company's website (www.cloudbreakdiscovery.com) and investor email (info@cloudbreakdiscovery.com); and
- The **Annual General Meeting (AGM)**, which provides a forum for direct dialogue between shareholders and directors.

Shareholder feedback is reviewed by the Board and informs governance, strategic, and remuneration decisions. The Board also monitors AGM voting outcomes to ensure alignment with best practice and shareholder expectations.

Principle 4 — Take into Account Wider Stakeholder Interests, Including Social and Environmental Responsibilities

The Board recognises that long-term success depends upon constructive relationships with all stakeholders — shareholders, investee companies, employees, contractors, regulators, and local communities.

ESG and sustainability considerations are embedded in investment assessments and operational oversight. The Board ensures that environmental and social impacts are evaluated during project selection and ongoing management.

The Company maintains regular dialogue with key stakeholders and considers their interests in decision-making, consistent with the QCA Code's expectations on social responsibility.

Principle 5 — Embed Effective Risk Management, Internal Controls and Assurance

The Board maintains responsibility for establishing a sound system of **risk management and internal controls**, designed to identify, evaluate, and mitigate key risks.

The **Audit Committee**, chaired by **Emma Priestley**, oversees risk management, financial reporting integrity, and internal control processes. A risk register is regularly updated, identifying principal risks such as exploration, funding, market, and operational risks.

The Group operates without debt and exercises financial discipline to maintain resilience. ESG and climate-related risks have been integrated into the Company's risk framework.

The Board intends to enhance internal assurance activities during FY 2026 to strengthen control testing and reporting.

Principle 6 — Establish and Maintain a Well-Functioning, Balanced Board Led by the Chair

Following the resignation of **Paul Gurney** (October 2024) and **Andrew Male** (May 2025), the Board now comprises:

- **Peter Huijich**, Executive Chairman (appointed March 2025)
- **Thomas Evans**, Managing Director (appointed June 2025)
- **Emma Priestley**, Non-Executive Director

The Board meets monthly, both formally and informally, ensuring effective oversight of operations, strategy, and governance.

Board committees include:

- **Audit Committee** – chaired by Emma Priestley
- **Remuneration Committee** – chaired by Emma Priestley
- **Nomination Committee** – chaired by Emma Priestley

Attendance at Board and committee meetings during the year was 100%. The Board continues to review its composition to ensure an appropriate balance of executive and independent oversight.

CLOUDBREK DISCOVERY PLC

CORPORATE GOVERNANCE REPORT

Principle 7 — Maintain Appropriate Governance Structures and Ensure Directors Have the Necessary Skills and Capabilities

The Board and its committees operate under clearly defined terms of reference. Governance structures are reviewed periodically to ensure they remain fit for purpose and aligned with the Group's growth and regulatory environment.

The Board collectively possesses expertise in **natural resources, capital markets, and corporate governance**. Directors receive regular updates on regulatory changes, corporate governance developments, and industry trends.

The **Company Secretary**, Silvertree Partners LLP, supports the Board in maintaining compliance and best practice standards.

Principle 8 — Evaluate Board Performance and Seek Continuous Improvement

The Board conducts an **annual internal evaluation** of its effectiveness, composition, and performance. This includes reviewing the effectiveness of committees, leadership contributions, and succession planning.

The Board acknowledges the QCA Code's recommendation for **periodic external evaluations** and intends to implement a formal, externally facilitated review in **FY 2026**.

Actions arising from the annual reviews are monitored to ensure continuous improvement and alignment with strategic objectives.

Principle 9 — Establish a Remuneration Policy Supporting Long-Term Value Creation

The Remuneration Committee oversees the Company's remuneration framework to ensure it supports the Group's purpose, strategy, and culture.

With the recent refinement of strategy, the Company will be reviewing the executive remuneration and it will be structured to encourage long-term value creation and alignment with shareholder interests. The Committee periodically benchmarks remuneration against sector peers and reviews incentive structures to ensure fairness, transparency, and proportionality. No Director determines their own remuneration.

Principle 10 — Communicate How the Group is Governed and Performing

The Board is committed to maintaining **transparent communication** with shareholders and other stakeholders.

Information on governance arrangements, financial performance, and strategic updates — including **Annual Reports, AGM materials, circulars, and regulatory announcements** — is available at www.cloudbreakdiscovery.com.

If a significant proportion of votes were cast against a resolution at a general meeting, the Board would promptly engage with shareholders to understand the concerns and disclose any resulting actions.

The Board plans to introduce a **"Governance Developments"** summary in future Annual Reports to highlight key governance improvements and alignment with the 2023 QCA Code.

The Company's investor relations programme is designed to ensure ongoing dialogue with both institutional and private shareholders, reflecting the enhanced QCA emphasis on two-way communication and accountability.



Emma Priestley
Non-Executive Director

24 October 2025

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT As at 30 June 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOUDBREAK DISCOVERY PLC

Opinion

We have audited the financial statements of Cloudbreak Discovery Plc (the 'parent company') and its subsidiaries the 'group') for the year ended 30 June 2025 which comprise the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement 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 to 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 30 June 2025 and of its loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.4 in the financial statements, which indicates that the group and company are in a net current and net liabilities position and would therefore require to raise additional funds through equity raises during the going concern period in order to fund operations and to meet its liabilities as they fall due. As stated in note 2.4, the Group have successfully raised £900,000 post year end in August 2025. However, any further fund raising is yet to be achieved and it is possible that the Group may not be able to raise such funds. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern and associated cashflow forecasts for a period up to 31 October 2026. We reviewed the overall forecasts which included checking the mathematical accuracy and agreeing the opening position to cash balances. We also made enquiries of management to assess key inputs and assumptions made and drivers of the assessment which includes committed costs and performed sensitivity analysis on the forecasts. Key assumptions were agreed to supporting evidence where appropriate and we considered the availability of funding or access to existing and additional working capital of the group.

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 both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of audit procedures during the audit.

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT As at 30 June 2025

The group was audited to a level of materiality for the financial statements as a whole ('overall materiality') of £13,000 (2024: £57,000), a benchmark calculated using 2% of administrative expenses (2024: 2% of gross assets) of the group. We consider administrative expenses to be the most significant determinant of the group's financial position and performance used by shareholders and investors for the current year as the group went through a period of strategic change.

The performance materiality applied at the group level was 60% (2024: 75%) of overall materiality, equating to £7,800 (2024: £42,750). We have reported to those charged with governance and management misstatements during our audit work above £650 (2024: £2,850) for the group, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

The materiality applied to the parent company financial statements as a whole was £12,350 (2024: £54,000) being 2% of administrative expenses (2024: 2% of total expenditure). Similar to the group, we consider administrative expenses to be the most significant determinant of the parent company's financial position and performance used by shareholders and investors for the current year as the parent company went through a period of strategic change.

Performance materiality applied was £7,410 (2024: £40,500) being 60% (2024: 75%) of parent company overall materiality.

Performance materiality for the group and parent company was set at 60% of overall materiality due to our accumulated knowledge in respect of the group and the assessed level of risk associated with a listed company operating within the exploration sector.

For each component in the scope of our group audit, we allocated a performance materiality that is less than our group overall materiality. This ranged between £3,900 and £7,800 (2024: between £9,000 and £54,000).

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. We looked at areas involving significant accounting estimates and judgement by the directors which includes the valuation of investments, including those at fair value through profit or loss (FVPL) and the consideration of future events that are inherently uncertain such as the recoverable value of the parent company's investment in the subsidiaries. We also addressed the risk of management override of controls, including an evaluation of whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the five components of the group, a full scope audit was performed on the complete financial information of two components which composed of the parent company and Cloudbreak Exploration Inc. (a Canadian subsidiary). Certain material balances and items were audited in the remaining components, with the rest of the balances subject to analytical review procedures only as they were not significant or material to the group.

Of the two components of the group which we performed full scope audit, one is in Canada and one in London, both of which were audited in London. The audit of the group and parent company was conducted by the group audit team using a team with specific experience of auditing mining exploration entities and publicly listed entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT **As at 30 June 2025**

Key Audit Matter	How our scope addressed this matter
Carrying value and classification of investments in other entities (Note 6) As disclosed in note 6 to the consolidated financial statements, the carrying value of financial investments as at 30 June 2025 amounted to £31,849 (2024: 417,217). Cloudbreak Exploration Inc. holds shares in other listed and non-listed companies as investments. Under International Financial Reporting Standard (IFRS) 9 Financial Instruments, these investments should be valued at fair value through profit or loss. Some investments are held under level 3 of the fair value hierarchy in accordance with IFRS 13 Fair Value Measurement which involves management judgement and estimation due to its lack of active markets. There is a risk that these investments are incorrectly valued at the year end. This is therefore considered to be a key audit matter.	Our work in this area included: • Obtaining the agreements underpinning the investments and understanding the key terms; • Obtaining proof of ownership; • Reviewing the accounting treatment to determine whether they are appropriately classified and valued in accordance with IFRS 9; • Reviewing management's fair value assessment and providing challenge to the assumptions made; • Reviewing accounting entries made in respect of fair value adjustments to assess whether the basis of valuation is appropriate and fair value adjustments have been recorded correctly; and • Ensuring disclosures made in the financial statements in relation to critical accounting judgements are adequate. Based on the work performed, we found management's assessment of the carrying value and classification of investments in other entities to be supported by the underlying documentation and the judgements and estimates applied reasonable.
Debenture receivable (Note 7) As at 30 June 2025, the debenture receivables amounted to £175,000. The debenture receivable represent the largest asset balance in the consolidated financial statements. There is a risk that the classification and recoverability of these debentures have not been accounted for appropriately. This can have a material impact on the asset position of the Group. This is therefore considered to be a key audit matter.	Our work in this area included: • Obtaining management's detailed assessment with respect to the impairment and recoverability of the debenture receivable from G2; • Reviewing the underlying assumptions made by management in the impairment and recoverability assessment including validating these to underlying information as well as challenging management on whether they are reasonable; and • Ensuring that the transactions are properly presented and disclosed in the financial statements. Based on the work performed, we are satisfied that the carrying value of the debenture receivables is not materially misstated. The debenture receivables balance was disposed of post year end and the balance was written down to this disposal value, which is the best indication of its value. We have verified the disposal proceeds received in September 2025 which indicates the balance is recoverable.

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT As at 30 June 2025

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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

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 and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the 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 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.

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT As at 30 June 2025

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

- We obtained an understanding of the Group and Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Group and Company in this regard to be those arising from:
 - UK-adopted IAS
 - Companies Act 2006
 - LSE listing rules
 - QCA governance code
 - Anti-money Laundering legislation
 - Bribery Act
 - GDPR
 - Competition Act
 - UK tax law
 - CSR
 - Relevant local laws and regulations in Canada
- 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:
 - Making enquiries of management;
 - Reviewing Regulatory News Service announcements (RNSs);
 - Reviewing Board minutes; and
 - Reviewing legal expense accounts.
- 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 potential for management bias was identified in relation to the value and classification of investments in other entities, recoverability of the carrying value of debenture receivables and the recoverability of the carrying value of investments in subsidiaries and we addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business and unusual transactions that do not appear to be in line with our understanding of business operations. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

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.

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT As at 30 June 2025

Other matters which we are required to address

The parent company was listed on London stock exchange on 3 June 2021. We were re-appointed as auditor of the public listed entity by the Audit Committee on 12 March 2025 to audit the financial statements for the year ending 30 June 2025. Our total uninterrupted period of engagement is 16 years, covering the periods ended 30 June 2010 to 30 June 2025, including the audit years prior to listing.

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

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

Use of our report

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



**Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

**15 Westferry Circus
Canary Wharf
London E14 4HD**

24 October 2025

CLOUDBREAK DISCOVERY PLC

STATEMENT OF FINANCIAL POSITION As at 30 June 2025

Company number: 06275976

		Group		Company	
		30 June 2025	30 June 2024 (restated)	30 June 2025	30 June 2024 (restated)
	Note	£	£	£	£
Non-Current Assets					
Royalty asset		-	1	-	-
Intangible assets	5	-	80,870	-	-
Investments	6	31,849	417,217	12,193	256,560
Investment in subsidiaries	6	-	-	18	19,296
Leased Asset		-	28,911	-	-
		31,849	526,999	12,211	275,856
Current Assets					
Trade and other receivables	9	1,358	185,925	6,530	87,797
Cash and cash equivalents	10	53,197	195,157	52,758	94,586
Convertible debenture receivables	7	175,000	1,581,428	175,000	1,581,428
		229,555	1,962,510	234,288	1,763,811
Total Assets		261,404	2,489,509	246,499	2,039,667
Current Liabilities					
Trade and other payables	2	566,294	1,498,938	667,538	1,429,320
Convertible loan notes	13	48,048	43,248	48,048	43,248
		614,342	1,542,186	715,586	1,472,568
Total Liabilities		614,342	1,542,186	715,586	1,472,568
Net (Liabilities)/Assets		(352,938)	947,323	(469,087)	567,099
Equity attributable to owners of the Parent					
Share capital	14	1,424,030	900,167	1,424,030	900,167
Share premium	14	18,111,340	17,239,349	18,111,340	17,239,349
Other reserves	16	203,647	162,365	68,361	17,864
Reverse asset acquisition reserve		(4,134,019)	(4,134,019)	-	-
Retained losses		(15,957,936)	(13,220,539)	(20,072,818)	(17,590,281)
Total Equity		(352,938)	947,323	(469,087)	567,099

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Company for the year ended 30 June 2025 was £2,452,742 (loss for year ended 30 June 2024 (restated): £1,627,519).

The Financial Statements were approved and authorised for issue by the Board of Directors on 24 October 2025 and were signed on its behalf by:



Peter Huljich
Chairman

The Notes on pages 29 to 55 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME **For the year ended 30 June 2025**

		Year ended 30 June 2025	Year ended 30 June 2024 (restated)
		£	£
Continued operations	Note		
Profit on disposal of exploration & evaluation asset sales		-	45,279
Administrative expenses	24	(611,681)	(943,302)
Foreign exchange (losses)/gains		3,606	3,606
Operating loss		(608,075)	(847,494)
Finance income	19	175,130	344,198
Finance costs		(4,965)	(214,841)
Other income		25,611	336,864
Impairment of loans	8	-	(172,221)
Impairment of debentures		(1,416,442)	(474,428)
Impairment of investments		(428,707)	(117,260)
Impairment of intangible assets		-	(107,684)
Other losses	20	(390,202)	(138,440)
Realised Loss on disposal investments	21	(13,285)	(71,071)
Unrealised fair value (loss)/gain on debentures		-	(3,204)
Unrealised fair value (loss)/gain on investments	6	(46,652)	(394,009)
Discontinued operations:			
Gain/(loss) from discontinued operations	27	-	232,071
Profit/(Loss) before income tax		(2,707,587)	(1,627,519)
Income tax	22	-	-
Loss for the year attributable to owners of the Parent		(2,707,587)	(1,627,519)
Basic and Diluted Earnings Per Share attributable to owners of the Parent during the period (expressed in pence per share)	23		
Continuing operations		(0.2)p	(0.1)p
Discontinuing operations		-	-

	Year ended 30 June 2025	Year ended 30 June 2024 (restated)
	£	£
Loss for the year	(2,707,587)	(1,627,519)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(9,228)	(33,828)
Other comprehensive income for the period, net of tax	(2,716,815)	(1,661,347)
Total Comprehensive Income attributable to owners of the parent	(2,716,815)	(1,661,347)

The Notes on pages 29 to 55 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2025

	Note	Share capital £	Share premium £	Reverse asset acquisition reserve £	Other reserves £	Retained losses £	Total £
Balance as at 1 July 2023		778,635	16,753,221	(4,134,019)	519,045	(11,917,424)	1,999,458
Loss for the year		-	-	-	-	(855,966)	(855,966)
Other comprehensive income for the year		-	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-	-	-	-
Currency translation differences		-	-	-	(33,828)	-	(33,828)
Total comprehensive income for the year		-	-	-	(33,828)	(855,966)	(889,794)
Issue of shares	14	121,532	486,128	-	-	-	607,660
Options lapsed	15	-	-	-	(75,281)	75,281	-
Warrants lapsed	15	-	-	-	(249,123)	249,123	-
Equity component of CLN	13	-	-	-	1,552	-	1,552
Total transactions with owners, recognised directly in equity		121,532	486,128	-	(322,852)	324,404	609,212
Balance as at 30 June 2024		900,167	17,239,349	(4,134,019)	162,365	(12,448,986)	1,718,876
Prior Year Restatement	25	-	-	-	-	(771,553)	(771,553)
Balance as at 30 June 2024 (restated)		900,167	17,239,349	(4,134,019)	162,365	(13,220,539)	947,323
Loss for the year		-	-	-	-	(2,707,587)	(2,707,587)
Other comprehensive income for the year		-	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-	-	-	-
Currency translation differences		-	-	-	(9,228)	-	(9,228)
Total comprehensive income for the year		-	-	-	(9,228)	(2,707,587)	(2,716,815)
Issue of shares	14	523,863	871,991	-	-	-	1,395,854
Warrants lapsed	15	-	-	-	29,810	(29,810)	-
Shares to be issued	13	-	-	-	20,700	-	20,700
Total transactions with owners, recognised directly in equity		523,863	871,991	-	50,510	(29,810)	1,416,554
Balance as at 30 June 2025		1,424,030	18,111,340	(4,134,019)	203,647	(15,957,936)	(352,938)

The Notes on pages 29 to 55 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

COMPANY STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2025

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Balance as at 1 July 2023		778,635	16,753,221	340,716	(15,131,911)	2,740,661
Loss for the year		-	-	-	(2,011,221)	(2,011,221)
Total comprehensive income for the year		-	-	-	(2,011,221)	(2,011,221)
Issue of shares	14	121,532	486,128	-	-	607,660
Options lapsed	15	-	-	(75,281)	75,281	-
Warrants lapsed	15	-	-	(249,123)	249,123	-
Equity component of CLN	13	-	-	1,552	-	1,552
Total transactions with owners, recognised directly in equity		121,532	486,128	(322,852)	324,404	609,212
Balance as at 30 June 2024		900,167	17,239,349	17,864	(16,818,728)	1,338,652
Prior Year Restatement	25	-	-	-	(771,553)	(771,553)
Balance as at 30 June 2024 (restated)		900,167	17,239,349	17,864	(17,590,281)	567,086
Loss for the year		-	-	-	(2,452,727)	(2,452,727)
Total comprehensive income for the year		-	-	-	(2,452,727)	-
Issue of shares	14	523,863	871,991	-	-	1,395,854
Warrants lapsed	15	-	-	29,810	(29,810)	-
Shares to be issued	13	-	-	20,700	-	20,700
Total transactions with owners, recognised directly in equity		523,863	871,991	50,510	(29,810)	1,416,554
Balance as at 30 June 2025		1,424,030	18,111,340	68,361	(20,072,818)	(469,087)

The Notes on pages 29 to 55 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

STATEMENTS OF CASH FLOWS For the year ended 30 June 2025

	Note	Group		Company	
		Year ended 30 June 2025 £	Year ended 30 June 2024 (restated) £	Year ended 30 June 2025 £	Year ended 30 June 2024 (restated) £
Cash flows from operating activities					
Loss before income tax		(2,707,587)	(1,627,519)	(2,452,742)	(2,782,774)
Adjustments for:					
Provision for bad debt		343,598	211,824	260,801	-
Realised loss on investments		59,937	71,071	-	-
Change in fair value of investments		-	394,009	-	150,354
Change in fair value of convertible debentures		-	3,204	-	3,204
Impairment of loans and debentures		1,416,442	1,418,202	1,416,442	1,334,859
Impairment of intangible assets		-	107,684	-	-
Impairment of investment		428,707	117,260	237,257	411,231
Impairment of intercompany investments		-	-	17,702	1,144,380
Interest income		(200,741)	(262,885)	(200,538)	(199,299)
Finance cost		4,965	177,000	4,965	177,000
Income on consideration shares	6	-	(316,343)	-	(316,343)
Unrealised foreign exchange/(loss)		9,290	(45,753)	10,473	937
Share based payments	17	20,700	-	20,700	-
Increase in trade and other receivables	9	-	(293,998)	-	(187,218)
Increase/(decrease) in trade and other payables	12	216,604	(361,265)	278,911	(182,371)
Net cash used in operating activities		(408,085)	(407,509)	(406,029)	(446,040)
Cash flows from investing activities					
Funds received on sale of investment	6	65,479	255,612	-	-
Funds received on sale of exploration assets	5	-	41,919	-	-
Loans from subsidiaries	6	-	-	163,555	422,140
Interest received		20,646	99,802	20,646	99,802
Net cash generated from (used in) investing activities		86,125	397,333	184,201	521,942
Cash flows from financing activities					
Proceeds from issue of share capital	14	180,000	-	180,000	-
Loans granted		-	(38,741)	-	-
Net cash generated from/(used in) financing activities		180,000	(38,741)	180,000	-
Net (decrease)/increase in cash and cash equivalents		(141,960)	(48,917)	(41,828)	75,902
Cash and cash equivalents at beginning of year	10	195,157	244,074	94,586	18,684
Cash and cash equivalents at end of year		53,197	195,157	52,758	94,586

Non-cash Financing activities

- During the year the Company issued 403,864,936 ordinary shares to certain creditors and debt holders in settlement of those debts. Further details can be found in note 14.

The Notes on pages 29 to 55 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. General information

The Company is a public limited company incorporated and domiciled in England (registered number: 06275976), which is listed on the London Stock Exchange. The registered office of the Company is 167-169 Great Portland Street, Fifth Floor, London, England, W1W 5PF.

2. Summary of significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of preparation of Financial Statements

The Financial Statements have been prepared in accordance with UK-adopted international accounting standards (UK IAS) in accordance with the requirements of the Companies Act 2006. The Financial Statements have also been prepared under the historical cost convention.

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

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

2.2. New and amended standards

- (a) *New and amended standards mandatory for the first time for the financial periods beginning on or after 30 June 2024.*

IAS 1 (Amendments) – Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent.

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable on or after the year ended 30 June 2024 but did not result in any material changes to the financial statements of the Group.

- (b) *New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted.*

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

Standard	Impact on initial application	Effective date
IAS 21 (Amendments)	Lack of Exchangeability	1 January 2025
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 9&7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements to IFRS – Volume 11		1 January 2026

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds.

2.3. Basis of Consolidation

The Consolidated Financial Statements consolidate the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

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

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

2.4. Going concern

These financial statements have been prepared on the going concern basis, which assumes the Group and the company will continue to be able to meet its liabilities as they fall due, within 12 months of the date of approval of these financial statements.

The Directors note the net current liability and net liability position of the Group and Company and the losses incurred in the current and previous years. The Group's operating strategy has changed from one reliant on cashflows from its investments to one of developing a portfolio of early stage Gold exploration and evaluation assets. As such, the Board have prepared cash flow forecasts covering a period of 12 months from the date of this report and considered the cash requirements of the Group during that period. The nature of its planned operations for the foreseeable future, namely the development of these assets through various exploration and evaluation work programmes, mean that the Group will need to raise additional funds in order to carry out these works. The precise levels and timing of funding will depend on a variety of factors and will be guided by results of exploration and evaluation work carried out and the requirements of the next steps of that development work. Consequently, The Board believe that the Group will have the ability to meet its ongoing commitments in a timely fashion, and these financial statements have been prepared on the going concern basis.

The Group successfully raised £900,000 through two equity placings subsequent to the year end in August 2025. Early results from the work carried out on its projects have been positive and this has been reflected in the share price of the Company. Therefore, while recognising that there can be no certainty over the availability of further funding in the future, the Board are confident that there will continue to be sufficient investor appetite to fund further work programmes as and when the funding needs arise. As the forecast for the Group and Company to raise additional funds is yet to be achieved, it is possible that the Group and Company may not be able to raise such funds. This therefore indicates the existence of a material uncertainty that may cast significant doubt on the Group and company's ability to continue as a going concern, without raising the additional funds. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern. The auditors report references the material uncertainty in this respect.

2.5. Foreign currencies

a) Functional and presentation currency

Items included in the Financial Information are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the parent company is Pounds Sterling as is the functional currency of the UK subsidiary which is Imperial Minerals (UK) Limited. The functional currency of the Canadian subsidiary, Cloudbreak Exploration Inc. is Canadian Dollars. The functional currency of the US subsidiaries, Cloudbreak Discovery (US) Ltd. and Cloudbreak Energy (US) Ltd. is US Dollars. The Financial Information in The Group's overseas subsidiaries are translated in accordance with IAS 21 – The Effect of Changes in Foreign Exchange Rates.

During the year ended 30 June 2024, the Company disposed of Kudu Resources and Kudu Resources Guinea as part of a settlement agreement.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement in other comprehensive income. The financial statements are presented in Pounds Sterling (£), the functional currency of Cloudbreak Discovery Plc is Pounds Sterling, as is the functional currency of the UK subsidiary which is Imperial Minerals (UK) Limited.

2.6. Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

2.7. Finance Income

Interest income is recognised using the effective interest method.

2.8. Other income

The other income of the Group comprises royalty income. It is measured at the fair value of the consideration received or receivable after deducting discounts and other withholding tax. The royalty income becomes receivable on extraction and sale of the relevant underlying commodity, and by determination of the relevant royalty agreement.

2.9. Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

2.10. Trade and other receivables and prepaids

Trade receivables are amounts due from third parties in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.11. Royalty assets at fair value through profit and loss

Royalty financial assets are recognised or derecognised on completion date where a purchase or sale of the royalty is under a contract, and are initially measured at fair value, including transaction costs. All of the Group's royalty financial assets have been designated as at fair value through profit and loss ("FVTPL"). The royalty financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the 'revaluation of royalty financial assets' line item of the income statement.

2.12. Investments in subsidiaries

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

2.13. Intangible assets

Exploration and evaluation assets

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

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

Exploration and evaluation assets are recorded and held at cost

Exploration and evaluation assets are not subject to amortisation, as such at the year-end all intangibles held have an indefinite life but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ('CGU's'), which are based on specific projects or geographical areas. The CGU's are then assessed for indicators of impairment using the criteria specified in IFRS 6. Where indicators of impairment are identified a full impairment review is undertaken in accordance with IAS 36.

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

Exploration and evaluation assets recorded at fair-value on business combination

Exploration assets which are acquired as part of a business combination are recognised at fair value in accordance with IFRS 3. When a business combination results in the acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

2.14. Impairment of non-financial assets

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

2.15. 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:

Fair Value through Profit or Loss (FVTPL)

Non-derivative financial assets comprising the Group's strategic financial investments in entities not qualifying as subsidiaries or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

Due to the nature of these assets being unlisted investments or held for the longer term, the investment period is likely to be greater than 12 months and therefore these financial assets are shown as non-current assets in the Statement of financial position.

Amortised Cost

These assets comprise the types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest.

The Group's financial assets measured at amortised cost comprise trade and other receivables, convertible debenture receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts.

CLouDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

(a) Recognition and measurement

Amortised cost

Regular purchases and sales of financial assets are recognised on the trade date at cost – the date on which the Group commits to purchasing or selling the asset. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Fair value through the profit or loss

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined by using market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

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

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

The Group measures its investments in quoted shares using the quoted market price. For shares held in unlisted entities, the share price is based on the current financial and operational performance, as well as taking the potential of future plans into account. Unlisted investments whose fair value cannot be measured reliably, are measured at cost less impairment.

(b) Impairment of financial assets

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

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

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

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

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

(d) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

2.16. Financial Investments

Non-derivative financial assets comprising the Group's strategic financial investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

Listed investments are valued at closing bid price on 30 June 2025.

2.17. Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Reverse asset acquisition reserve" represents the retained losses of the Company before acquisition and the Company equity at reverse acquisition.
- "Other reserves" represents the foreign currency translation reserve, warrant reserve and share option reserve where;
 - "Foreign currency translation reserve" represents the translation differences arising from translating the financial statement items from functional currency to presentational currency;
 - "Warrant reserve" represents share warrants awarded by the Group;
 - "Share option reserve" represents share options awarded by the Group;
- "Retained deficit or losses" represents retained losses.

2.18. Share based payments

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

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

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

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

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

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

2.19. Taxation

No current tax is payable for the year ended 30 June 2025 in view of the losses to date for all entities in the Group (2024: £nil).

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

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

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

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

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

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

Deferred tax assets and liabilities are not discounted.

3. Financial risk management

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

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

3.1. Treasury policy and financial instruments

During the years under review, the financial instruments were cash and cash equivalents, shares in listed and unlisted companies and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Unlisted investments

The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Market risk & foreign currency risk

The Group is exposed to market risk, primarily relating to interest rate and foreign exchange movements. The Group does not hedge against market or foreign exchange risks as the exposure is not deemed sufficient to enter into forwards or similar contracts.

Credit risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

Liquidity risk and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Group in the day-to-day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

4. Critical accounting estimates and judgements

The preparation of the Financial Information in conformity with UK adopted IASs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Information and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce this Financial Information.

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

Significant items subject to such estimates and assumptions include, but are not limited to:

Estimated impairment of convertible loan notes receivable & Convertible debenture receivables

Anglo African Minerals Plc ('AAM')

The Group has assessed whether the AAM convertible loan notes receivable which has been previously fully impaired in the prior year, should remain impaired in the current year or be reversed. They have reassessed this asset and determined that there are no conditions to reverse the impairment.

G2 Energy Corp. ("G2")

The Group also assessed whether the G2 convertible debenture receivable should be impaired. The Board noted that there had been significant changes during the period to the outlook of G2. At the beginning of the period, the G2 Board presented the Cloudbreak Board with a forecast and budget. The budget included capital requirements to invest into the infrastructure to increase production and G2 was proposing to raise money locally on its own listing for such purposes. The Company continued to review the forecasts against actuals for G2, as the revenue figures and repayment schedules were not being met. Unfortunately, the oil sector globally was going against the operators, and the oil price was dropping. For investment purposes oil was not an attractive sector and as a result G2 was unable to raise the required capital to make the necessary infrastructure improvements.

Based on the production levels achieved during the period and the difficulties in G2 securing sufficient funding for necessary production improvements, and in light of the difficult Oil market in the US and globally, the Board undertook a review of the asset and concluded that a sale of the investment, including the Debenture, was in the best interest of the Company and its Shareholders. Subsequent to the period end, in August 2025 the Company completed the sale of this Debenture for a total consideration of £175,000, comprising of an upfront payment of £50,000, 5 monthly deferred payments of £10,000 each, and the elimination of a debt owed by the Company of £75,000. As a result, the value of the debenture has been written down to the sales value of £175,000 at the 30 June 2025.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Unlisted investments

The Group is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any fair value movement required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents the entities financial and operational performance, as well as their future potential. This valuation method was considered the most appropriate by management due to the limited information available related to the unlisted investments as at 30 June 2025. Management have assessed whether any fair value movement on the unlisted investments is required at 30 June 2025 and have fully impaired their investments due to the lack of reported activity and updates from the company.

Valuation of exploration and evaluation assets

Exploration and evaluation costs had a carrying value of £80,870 at the start of the period.

The Directors have undertaken a review to assess whether circumstances exist which could indicate the existence of impairment as follows:

- The Group no longer has title to mineral leases or the title will expire in the near future and is not expected to be renewed.
- A decision has been taken by the Board to discontinue exploration due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the costs incurred will not be fully recovered from future development and participation.
- No further exploration or evaluation is planned or budgeted.

Following their assessment, the Directors concluded that the remaining value of the Bobcat and Elk Creek Exploration and Evaluation Assets be fully impaired, given the lack of investment interest on those properties and the shift in the Group's investment focus. Given the change in strategy announced on 27 May 2025 these are no longer the focus of the Company.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

5. Intangible assets

As at June 30, 2025, the Group's exploration and evaluation assets are as follows:

	Group	
	30 June 2025	30 June 2024
Exploration & Evaluation Assets	£	£
South Timmins, British Columbia	-	1
Atlin West Property	-	1
Yak Property	-	1
Rizz Property	-	1
Icefall Property	-	1
Northern Treasure Property	-	-
Rupert Property, British Columbia	-	1
Apple Bay Property, British Columbia	-	1
Foggy Mountain, British Columbia	-	-
Bobcat Property, Idaho	-	46,733
Elk Creek, Pennsylvania	-	34,130
As at June 30	-	80,870

As at June 30, 2025, the Group's reconciliation of exploration and evaluation assets are as follows:

	Group	
	30 June 2025	30 June 2024
Exploration & Evaluation Assets	£	£
Cost		
As at 1 July	80,870	236,518
Additions	-	-
Disposals	-	(41,919)
Impairments	(74,522)	(107,684)
Forex movement	(6,348)	(6,045)
As at June 30	-	80,870

Bobcat, United States

On 6 December 2022, the Group entered a holding and cost share agreement with Longford Capital Corp pertaining to the holding, exploration, operations and development of the Bob Cat property in Idaho. The Group acquired 50% interest in the property for \$60,000 USD (£47,517). During the year ended 30 June 2025, Management took the decision to fully impair the remaining value of this project given the lack of investment interest in the project and the Group's shift in investment strategy announced in May 2025.

Elk Creek, United States

On 21 November 2022, the Group acquired an oil and gas lease for \$43,157 USD (£34,178), for a property based in Pennsylvania, USA. The lease gives the Group full permission to conduct any and all due diligence on the leased premises, which includes inspections, tests, environmental assessments, soil studies, surveys and more. During the year ended 30 June 2025, Management took the decision to fully impair the remaining value of this project given the lack of investment interest in the project and the Group's shift in investment strategy announced in May 2025.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

6. Investments in subsidiary undertakings

	Company	
	30 June 2025 £	30 June 2024 £
Shares in Group Undertakings		
At beginning of period	19,296	1,997,048
Shares transferred to CEI	-	-
Impairments	(19,278)	(1,555,612)
At end of period	18	441,436
(Repayments)/Loans to group undertakings	-	(422,140)
Total	18	19,296

Investments held by Company

	Company	
	30 June 2025 £	30 June 2024 £
At beginning of the period	256,560	43,046
Additions	-	363,868
Impairments	(237,257)	-
Fair value movement	(7,110)	(150,354)
Total	12,193	256,560

The impairment in the year relates primarily to the Lonestar Lithium investment, details of which are included in this note. Management have reviewed this investment at the 30 June 2025 and concluded that, given the lack further investment and activity in the Company and in light of the change in the Lithium market conditions there is likely to be little future value in these shares, and the Company has fully impaired this investment accordingly.

Subsidiaries

Details of the subsidiary undertakings at 30 June 2025 are as follows:

Name of subsidiary	Registered office address	Country of incorporation and place of business	Proportion of ordinary shares held by parent (%)	Proportion of ordinary shares held by the Group (%)	Nature of business
Imperial Minerals (UK) Limited	6th Floor, 60 Gracechurch Street, London, EC3V 0HR	United Kingdom	100%	100%	Dormant
Cloudbreak Exploration Inc.	Suite 520/999 West Hastings Street, Vancouver BC V6C2W2	Canada	100%	100%	A mineral property project generator
Cloudbreak Discovery (US) Ltd.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801	USA	100%	100%	Mineral exploration projects
Cloudbreak Energy (US) Ltd.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801	USA	100%	100%	Oil and Gas acquisitions

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

During the year ended 30 June 2024, Kudu Resources Limited and Kudu Resources Guinea were disposed as part of a settlement agreement with Cronin Services. The terms of the agreement also included the transfer of 950,000 Temas Resources shares, 1,700,000 shares in Buscando Resources Corp., in addition to the Foggy Mountain property being transferred.

During the years ended 30 June 2025 and 30 June 2024, the loan and investment balances of the Company held in Cloudbreak Exploration Inc. ('CEI') were impaired by a total of £17,702 and £1,555,611 respectively. This was agreed after reviewing the net asset value of the subsidiary and adjusting the value of the investment and loan balance with CEI accordingly.

Investments held by Group

Financial assets at fair value through profit or loss are as follows:

	Level 1 £	Level 2 £	Level 3 £	Total £
30 June 2024	179,917	-	237,300	417,217
Additions	-	-	-	-
Disposals	(88,465)	-	-	(88,465)
Fair value changes	(31,962)	-	-	(31,962)
Realised loss on investments	-	-	-	-
Foreign exchange	(15,243)	-	-	(15,243)
Impairment	(12,441)	-	(237,257)	(249,698)
30 June 2025	31,806	-	43	31,849

As at June 30, 2025, investments were classified as held for trading and recorded at their fair values based on quoted market prices (if available). Investments that do not have quoted market prices are measured at cost less impairment due to the limited amount of information available related to the fair value of the investments.

Calidus Resources Corp. and Lonestar Lithium Ltd are Level 3 investments, all other investments listed below are Level 1. The investment in Lonestar Lithium Ltd was incorrectly classified as a Level 1 investment in the previous year and this classification has been amended in the opening position in the table above accordingly.

Buscando Resources Corp.

During the year ended 30 June 2025 the Group sold 550,000 shares in Buscando Resources Corp. generating sales proceeds of CAD\$64,312 and a realised loss of CAD\$27,086 versus the value at 30 June 2024. At the year end the Group held 60,000 shares with a market value of CAD8,700 (£4,635).

Calidus Resources Corp.

On September 1, 2021, the Group received 500,000 shares from Calidus Resources Corp. for the option agreement for the South Timmins property for \$500 CAD (£320).

This is a level 3 investment, with no public information available so management have kept the value at cost, which management believes represents the best estimate of its fair value.

Volt Lithium Corp (formerly known as Allied Copper Corp.)

On 3 February 2022, the Group received 1,000,000 shares from Volt Lithium Corp. from the option agreement for the Klondike project for \$225,000 (£130,661).

During the year ended 30 June 2024, the Group sold 959,500 shares in Volt Lithium Corp. for a total of \$249,082 CAD (£148,758).

At 30 June 2024, fair value of the Volt Lithium Corp. shares was \$75,530 CAD (£45,029).

During the year ended 30 June 2025, the Group sold all of their shares in Volt Lithium Corp. for a total of \$70,170 CAD (£40,574).

CLouDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Lithos Energy Inc. (formerly known as Alchemist Mining Inc.)

At the 30 June 2024 the Group held 330,500 shares in Lithos Energy Inc. with a fair value of CAD\$94,193. During the year ended 30 June 2025, 227,500 shares were sold for proceeds of CAD\$48,524. Subsequently, a 10:1 consolidation was undertaken. At 30 June 2025 the Group held 10,300 shares, with a fair value of CAD\$1,390 (£741).

1311516 B.C. Ltd

On 3 March 2022, the Group received 3,000,000 shares from 1311516 B.C. Ltd from the option agreement for the Rizz property for \$5,010 CAD (£2,963).

On 9 March 2022, the Group received 2,000,000 shares from 1311516 B.C. Ltd from the option agreement for the Icefall property for \$3,340 CAD (£1,978).

Management assessed the value at year end and concluded there is likely to be no future value in these shares, and has fully impaired their value at 30 June 2025 accordingly.

G2 Energy Corp.

During the year ended 30 June 2023, the Group received 6,017,000 shares from G2 Energy Corp. 5,110,000 of these shares were received in place of the quarterly interest that was due to be paid to the Group as part of the debenture agreement entered on 31 May 2022, and 907,000 of the shares were received for legal fees covered by the Group, for G2.

During the year ended 30 June 2025, G2 Energy Corp had a share consolidation with a ratio of 5:1. At 30 June 2025, fair value of the G2 Energy Corp. shares is \$22,852CAD (£12,176).

Lonestar Lithium Ltd

During the year ended 30 June 2024 the Company acquired 2,000,000 shares in Lonestar Lithium Ltd at a valued price of \$0.2 USD per share as part of sale of the Group's knowledge and lithium datasets in the USA (Pennsylvania and Texas). Management have reviewed this investment at the 30 June 2025 and concluded that, given the lack further investment and activity in the Company and in light of the change in the Lithium market conditions there is likely to be little future value in these shares, and the Company has fully impaired this investment accordingly

Power Group Projects Corp.

At the 30 June 2024 the Group held 1,535,000 shares in Power Group Projects Corp. with a fair value of CAD\$68,400. During the year ended 30 June 2025, 220,000 shares were sold for proceeds of CAD\$10,060. At 30 June 2025 the Group held 1,315,000 shares, with a fair value of CAD\$39,450 (£21,018).

7. Debentures Receivable

	Group	
	30 June 2025	30 June 2024
	£	£
Opening	1,581,428	1,059,060
Additions	-	-
Fair Value Movement	10,014	(3,204)
Impairment	(1,416,442)	(474,428)
At end of period	175,000	1,581,428

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Masten Unit, United States

On 31 May 2022, the Group entered into an agreement with G2 Energy Corp. ('G2') on the Masten Unit Energy Project located in Cochran County Texas, United States. Whereby the Company provided G2 with a \$2,000,000 USD debenture on a two-year term in exchange for a 3.25% Overriding Royalty Interest in the Project. G2 will pay 12% per annum interest to the Company, calculated and paid quarterly in cash or shares at the discretion of the Company. As part of the agreement, the Group received 6,500,000 warrants for G2, however management have deemed that these warrants have no value at this stage as the assets held by G2 are predominantly made up of the early-stage exploration assets on which they have received from the Company.

The Group also assessed whether the G2 convertible debenture receivable should be impaired. The Board noted that there had been significant changes during the period to the outlook of G2. At the beginning of the period, the G2 Board presented the Cloudbreak Board with a forecast and budget. The budget included capital requirements to invest into the infrastructure to increase production and G2 was proposing to raise money locally on its own listing for such purposes. The Company continued to review the forecasts against actuals for G2, as the revenue figures and repayment schedules were not being met. Unfortunately, the oil sector globally was going against the operators, and the oil price was dropping. For investment purposes oil was not an attractive sector and as a result G2 was unable to raise the required capital to make the necessary infrastructure improvements.

Based on the production levels achieved during the period and the difficulties in G2 securing sufficient funding for necessary production improvements, and in light of the difficult Oil market in the US and globally, the Board undertook a review of the asset and concluded that a sale of the investment, including the Debenture, was in the best interest of the Company and its Shareholders. Subsequent to the period end, in August 2025 the Company completed the sale of this Debenture for a total consideration of £175,000, comprising of an upfront payment of £50,000, 5 monthly deferred payments of £10,000 each, and the elimination of a debt owed by the Company of £75,000. As a result, the value of the debenture has been written down to the sales value of £175,000 at the 30 June 2025.

8. Convertible loans

		Group	
		30 June 2025	30 June 2024
		£	£
Convertible loan note	\$500,000 USD (£395,975)	82,194	82,194
Convertible loan note	\$420,000 USD (£332,668)	48,930	48,930
Convertible loan note	\$49,790 USD (£39,437)	10,358	10,358
Convertible loan note	\$250,000 USD (£6,573)	30,739	30,739
Impairment provision		(172,221)	(172,221)
		-	-

On March 20, 2019, the Group issued a \$500,000 USD (£361,847) unsecured convertible loan note to Anglo-African Minerals plc ("AAM"). The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had an original maturity date of September 20, 2019. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. The maturity date of the convertible loan note was subsequently extended to March 20, 2020, and the Group was issued 21,029,978 AAM warrants per the terms of the extension. These warrants have a strike price of \$0.025 USD per share, with an expiry date of September 19, 2021. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful. For the year ended 30 June 2025, management decided not to accrue any further interest in relation to this loan note given the previous full impairment of both the value of the loan and previously accrued interest.

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM from Cronin Services Ltd., a company controlled by the former Chairman and CEO of the Group, that had a principal value of \$420,000 USD (£303,744) and accrued interest of \$61,261 (£44,304) for total value of \$481,261 USD (£348,048). The Group issued 14,166,790 ordinary shares and 7,083,395 share purchase warrants to acquire this note. Each share purchase warrant may be converted into one ordinary share of the Group at £0.05 per ordinary share and expires June 2, 2025. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had a maturity date of May 31, 2021. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful. For the year ended 30 June 2025, management decided not to accrue any further interest in relation to this loan note given the previous full impairment of both the value of the loan and previously accrued interest.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM from Cronin Capital Corp., a company controlled by the former Chairman and CEO of the Group, that had a principal value of \$49,790 USD (£35,949) and accrued interest of \$9,826 USD (£7,094) for total value of \$59,617 USD (£43,043). The Group issued 1,630,832 ordinary shares and 1,630,832 share purchase warrants to acquire this note. Each share purchase warrant may be converted into one ordinary share of the Group at £0.05 per ordinary share and expires 2025 June 2. The convertible loan note bears interest at 15% per annum and compounds monthly, is unsecured, and had a maturity date of 30 September 2020. The convertible loan note is convertible into common shares of AAM at \$0.005 USD per share. For the year ended 30 June 2025, management decided not to accrue any further interest in relation to this loan note given the previous full impairment of both the value of the loan and previously accrued interest.

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM by Reykers Nominees Limited that had a principal value of \$250,000 USD (£180,500) and accrued interest of \$52,776 (£38,104) for total value of \$302,776 USD (£218,604). The Group also acquired 12,500,000 AAM share purchase warrants that had a conversion price of \$0.03 USD and expiry date of July 1, 2021 and acquired 11,000,000 AAM ordinary shares. The Group issued 8,912,756 ordinary shares to acquire this convertible note, 1,200,000 ordinary shares to acquire the 12,500,000 AAM share purchase warrants and 3,520,000 ordinary shares to acquire the 11,000,000 AAM ordinary shares. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had a maturity date of 30 June 2020. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability of the convertible loan was considered doubtful and the shares and warrants impaired. For the year ended 30 June 2025, management decided not to accrue any further interest in relation to this loan note given the previous full impairment of both the value of the loan and previously accrued interest.

9. Trade and other receivables

The following table sets out the fair values of financial assets within Trade and other receivables.

	Group		Company	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	£	£	£	£
Other Receivables	1,358	89,139	6,530	324
Tax Receivables	-	17,203	-	-
Sundry Receivables	140,000	225,874	140,000	225,874
Trade Receivables	323,307	350,987	-	-
Prepayments	-	1,599	-	1,599
Provision for bad debt	(463,307)	(498,877)	(140,000)	(140,000)
	1,358	185,925	6,530	87,797

The fair value of all current receivables is as stated above.

Included in sundry receivables is an amount of £140,000 (2024: £140,000) as at 30 June 2025 in respect of unpaid ordinary share capital issued on 3 June 2021. A provision of £140,000 has been included for this after review from management.

The maximum exposure to credit risk at the year-end date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Trade and other receivables are all denominated in £ sterling and US dollars.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

	Group		Company	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	£	£	£	£
UK Pounds	1,349	89,146	6,530	87,797
Canadian Dollars	-	96,770	-	-
US Dollars	9	9	-	-
	1,358	185,925	6,530	87,797

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

10. Cash and cash equivalents

	Group		Company	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	£	£	£	£
Cash at bank and in hand	53,197	195,157	52,758	94,586

The majority of the entities' cash at bank is held with institutions with at least a AA- credit rating. A bank account in the UK which holds a small percentage of cash is held with institutions whose credit rating is unknown.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	£	£	£	£
UK Pounds	52,742	84,389	52,742	84,389
US Dollars	439	10,197	-	10,197
Canadian Dollars	-	100,571	-	-
Australian Dollars	16	-	16	-
	53,197	195,157	52,758	94,586

11. Financial Instruments by Category

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group reports in Sterling. Internal and external funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group does not use derivative financial instruments such as forward currency contracts, interest rate and currency swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

Capital management

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

The capital structure of the Group consists of total shareholders' equity as set out in the 'Statement of Changes in Equity'. All working capital requirements are financed from existing cash resources.

Capital is managed on a day-to-day basis to ensure that all entities in the Group are able to operate as a going concern. Operating cash flow is primarily used to cover the overhead costs associated with operating as a main market-listed company.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Whilst the Group's payables exceed the cash at bank, the Directors are confident they can raise the funds required to meet its obligations.

The Board receives forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date, the Group had cash balances of £53,197 and the financial forecasts indicated that the Group is expected to raise funds to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft or other borrowing facilities.

Interest rate risk

As the Group only has borrowings in the form of convertible loan notes, which are not impacted by varied interest rates, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Group's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Group might suffer through holding its financial investment portfolio in the face of market movements, which was a maximum of £30,161 (2024: £417,217).

The investments in equity of quoted companies that the Group holds are less frequently traded than shares in more widely traded securities. Consequently, the valuations of these investments can be more volatile.

Market price risk sensitivity

The table below shows the impact on the return and net assets of the Group if there were to be a 20% movement in overall share prices of the financial investments held at 30 June 2025.

	2025	2024
	Other comprehensive income and Net assets	Other comprehensive income and Net assets
	£	£
Decrease if overall share price falls by 20%, with all other variables held constant	(6,032)	(83,443)
Decrease in other comprehensive earnings and net asset value per Ordinary share (in pence)	-	(0.45)
Increase if overall share price rises by 20%, with all other variables held constant	6,032	83,443
Increase in other comprehensive earnings and net asset value per Ordinary share (in pence)	-	0.45

The impact of a change of 20% has been selected as this is considered reasonable given the current level of volatility observed and assumes a market value is attainable for the Group's unlisted investments.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

Currency risk

The Directors consider that there is minimal significant currency risk faced by the Group. The current foreign currency transactions the Group enters are denominated in CAD\$ and USD\$ in relation to transactions associated with exploration and evaluation option payments and property expenditures. The Group maintains minimal foreign currency holdings to minimize this risk.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Group. The Group's maximum exposure to credit risk is:

	2025 £	2024 £
Cash at bank	53,197	195,157
Other receivables	1,358	185,925
Convertible debenture receivable	175,000	1,581,428
	229,555	1,962,510

The Group's cash balances are held in accounts with HSBC, BLK.FX, Bank of Montreal and with its Investment Broker accounts.

Fair value of financial assets and liabilities

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

The fair values are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade and other receivables

The following table sets out the fair values of financial assets within Trade and other receivables.

	2025 £	2024 £
Financial assets		
Trade and other receivables - Non interest earning	1,358	185,925

There are no financial assets which are past due and for which no provision for bad or doubtful debts has been made.

Trade and other payables

The following table sets out financial liabilities within Trade and other payables. These financial liabilities are predominantly non-interest bearing, excluding the existing convertible loan notes. Other liabilities include tax and social security payables and provisions which do not constitute contractual obligations to deliver cash or other financial assets.

	2025 £	2024 restated £
Financial liabilities		
Trade and other payables – Non interest earning	546,794	1,498,938

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

12. Trade and other payables

The following table sets out the fair values of financial liabilities within trade and other payables.

	Group		Company	
	30 June 2025	30 June 2024 (restated)	30 June 2025	30 June 2024 (restated)
	£	£	£	£
Trade payables	477,527	489,420	465,524	419,937
Accruals	78,307	90,115	78,307	90,115
Other Creditors	10,460	919,403	123,707	919,268
Trade and other payables	566,294	1,498,938	667,538	1,429,320

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	Group		Company	
	30 June 2025	30 June 2024 (restated)	30 June 2025	30 June 2024 (restated)
	£	£	£	£
UK Pounds	554,292	1,429,320	667,538	1,429,320
Canadian Dollars	12,002	69,618	-	-
	566,294	1,498,938	667,538	1,429,320

13. Convertible loan notes

During the year two Convertible Loan Notes were outstanding to Thomas Solomon and Paul Gurney. The loan notes have an annual interest rate of 12%.

	CLN 3	CLN 4	30 June 2025
	£	£	£
Convertible loan note	25,000	15,000	40,000
Interest			
Accrued interest	6,000	3,600	9,600
Total	31,000	18,600	49,600
Equity			
Amount classified as equity	1,023	529	1,552
Total	1,023	529	1,552

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

14. Share capital and premium

	Number of shares	Share capital £	Share premium £	Total £
As at 30 June 2023	607,678,805	778,635	16,753,221	17,531,856
Issue of new shares – 20 May 2024	121,531,891	121,532	486,128	607,660
As at 30 June 2024	729,210,696	900,167	17,239,349	18,139,516
Issue of new shares – 25 July 2024	16,652,055	16,652	49,956	66,608
Issue of new shares – 25 July 2024	305,832,210	305,832	601,878	907,710
Issue of new shares – 25 July 2024	81,380,671	81,379	160,157	241,536
Issue of new shares – 30 May 2025	120,000,000	120,000	60,000	180,000
As at 30 June 2025	1,253,075,632	1,424,030	18,111,340	19,535,370

On 25 July 2024, the Company issued 403,864,936 new ordinary shares of £0.001 each as follows:

- 16,652,055 new ordinary shares issued at a price of £0.004 per Share, to correct the position created by the conversion of convertible loan notes on 22 May 2024, where too few ordinary shares were issued as a result of the miscalculation of the conversion price;
- 305,832,210 new ordinary shares issued at a price of £0.002968 per Share, pursuant to the conversion of an outstanding debt owed by the Company to the value of £907,710; and
- 81,380,671 new ordinary shares issued at a price of £0.002968 per Share to certain creditors of the Company to capitalise amounts owed to them for the provision of their services to the Company

On 30 May 2025, the Company issued 120,000,000 new ordinary shares of £0.001 each at a price of £0.0015 to raise £180,000.

15. Share based payments

The outstanding share options and warrants as at 30 June 2025 are shown below:

	Options	Warrants	Weighted average exercise price (£)
As at 30 June 2023	21,750,000	18,244,724	0.04
Options – Lapsed	(13,100,000)	-	0.03
Warrants – Lapsed	-	(8,714,227)	0.05
Warrants - Expired	-	(9,530,497)	0.04
As at 30 June 2024	8,650,000	-	0.04
As at 30 June 2025	8,650,000	-	0.04

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

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

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

	2021 Options	2022 Options	2023 Options
Granted on:	2/06/2020	25/8/2021	9/8/2022
Original Number of options	5,050,000	11,250,000	7,250,000
Life (years)	3.08 years	4 years	3 years
Share price (pence per share)	0.025p	0.03p	0.025p
Risk free rate	0.64%	0.62%	1.78%
Expected volatility	100%	20.55%	51.43%
Expected dividend yield	-	-	-
Original Total fair value	£99,572	£11,238	£36,723
Current expiry date	28/05/2030	25/08/2025	05/08/2025

The expected volatility of the options is based on historical volatility for the six months prior to the date of granting. No options or warrants were granted during the year ended 30 June 2025.

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.

A reconciliation of options and warrants granted over the year to 30 June 2025 is shown below:

2025						2024			
Range of exercise prices (£)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	
0 – 0.029	-	-	-	-	0.02	5,550,000	3.510	3.510	
0.03 – 0.049	-	-	-	-	0.03	3,100,000	1.150	1.150	
0.05 – 0.099	-	-	-	-	-	-	-	-	-
0.10 – 0.15	-	-	-	-	-	-	-	-	-

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

16. Other reserves

Group – year ended 30 June 2024					
	Share based payment reserve £	Warrant option reserve £	Foreign currency translation reserve £	Contingent share reserve £	Total £
At 30 June 2023	121,390	219,313	178,342	-	519,045
Currency translation differences	-	-	(33,828)	-	(33,828)
Lapsed options	(75,281)	-	-	-	(75,281)
Lapsed warrants	-	(249,123)	-	-	(249,123)
Equity component of convertible loan note	-	-	-	1,552	1,552
At 30 June 2024	46,109	(29,810)	144,514	1,552	162,365

Group – year ended 30 June 2025					
	Share based payment reserve £	Warrant option reserve £	Foreign currency translation reserve £	Contingent share reserve £	Total £
At 30 June 2024	46,109	(29,810)	144,514	1,552	162,365
Currency translation differences	-	-	(9,228)	-	(9,228)
Lapsed options	-	-	-	-	-
Lapsed warrants	-	29,810	-	-	29,810
Shares to issue - Share Based Payments	20,700	-	-	-	20,700
At 30 June 2025	66,809	-	135,286	1,552	203,647

The Share Based Payments issue in the period represents the value of shares awarded to Directors during the period that have yet to be issued.

17. Employee benefit expense

The total number of Directors who served in the year was 5 (2024: 3). There are no employees of the Group.

The following amounts were accrued or paid during the year to Directors:

	Group	
	Year ended 30 June 2025 £	Year ended 30 June 2024 £
Staff costs		
Directors Fees, salaries and Consulting Fees	93,500	216,000
Share based payments	20,700	-
	114,200	216,000

Details of fees paid to Companies and Partnerships of which the Directors detailed above are Directors and Partners have been disclosed in Note 27.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

18. Directors' remuneration

	Year ended 30 June 2025		
	Short-term benefits	Share based payments	Total
	£	£	£
Directors			
Paul Gurney	-	-	-
Emma Priestley	24,000	-	24,000
Andrew Male*	50,000	-	50,000
Thomas Evans	2,000	6,300	8,300
Peter Huljich	17,500	14,400	31,900
	93,500	20,700	114,200

Remuneration hasn't been paid in full to all directors, the amounts referenced above have either been accrued or partially paid. Refer to note 27 for amounts still owing to the Directors.

Share based payments relate to contractual rights to be issued shares by the Company. These shares have been valued based on the price of the Company's shares on the grant date, being the date of the relevant employment contract. The shares accrued monthly under the terms of the contract. At the 30 June 2025 shares accrued to that date had yet to be issued.

*Andrew Male's remuneration also includes his consulting fees related to his Company; Westridge Management International Limited.

	Year ended 30 June 2024	
	Short-term benefits	Total
	£	£
Directors		
Paul Gurney	33,000	33,000
Emma Priestley	33,000	33,000
Andrew Male*	150,000	150,000
	216,000	216,000

19. Finance income

	Group	
	Year ended 30 June 2025	Year ended 30 June 2024
	£	£
Interest income on convertible loan	-	153,400
G2 Technology – debenture interest	175,130	190,798
Finance Income	175,130	344,198

The interest income on the convertible loan in the previous year was interest on the AAM convertible loans. This interest was subsequently impaired. Refer to note 9 for further information.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

20. Other gains

	Group	
	Year ended 30 June 2025	Year ended 30 June 2024 (restated)
	£	£
Other (losses)	(390,202)	(138,440)
Other (losses)	(390,202)	(138,440)

Other losses in the period relate primarily to the impairment of debenture interest due but not received on the G2 Debenture of £265,923 (refer to note 7 for further details relating to the G2 Debenture), a loss realised on the settlement of certain debts relating to Cronin of £66,608 (refer to note 25 for further details relating to the Cronin debt), and the write down of certain other historic receivables amounting to £57,671.

21. Loss on disposal of investments

	Group	
	Year ended 30 June 2025	Year ended 30 June 2024
	£	£
Realised loss on disposal of investments	13,285	71,071
Loss on disposal of investments	13,285	71,071

The realised loss on investment comes from the loss realised after the Group disposed of the shares they previously owned during the year ended 30 June 2025.

22. Income tax expense

No charge to taxation arises due to the losses incurred.

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

	Group	
	Year ended 30 June 2025	Year ended 30 June 2024 restated
	£	£
Loss before tax	(2,707,587)	(1,627,519)
Tax at the applicable rate of 15.9% (2024: 15.9%)	(430,506)	(258,776)
Effects of:		
Expenditure not deductible for tax purposes	-	-
Net tax effect of losses carried forward	430,506	258,776
Tax (charge)/refund	-	-

The weighted average applicable tax rate of 15.9% (2024: 18%) used is a combination of the 19% standard rate of corporation tax in the UK, 15% Canadian corporation tax and 21% US corporation tax.

The Company has tax losses of approximately £3,413,752 (2024: £2,989,637) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 30 June 2025**

23. Earnings per share

Group

The calculation of the basic loss per share of 0.2 pence (2024: 0.1 pence) is based on the loss the loss attributable to equity owners of the group of £2,667,387 (2024: loss of £1,627,519), and on the weighted average number of ordinary shares of 1,115,605,431 (2023: 621,330,333) in issue during the period.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 16.

24. Expenses by nature

	Group	
	Year ended 30 June 2025	Year ended 30 June 2024
	£	£
Professional fees	417,527	308,546
Consulting fees	-	154,654
Employees and Contractors	114,200	216,000
Travel	63,756	473
Insurance	2,915	33,651
IT & Software services	1,148	783
Public Relations	1,450	48,117
Premises and Office costs	10,685	9,481
Other expenses	-	171,597
Total administrative expenses	611,681	943,302

Included within professional fees are Audit fees amounting to £111,280 (2024: £72,000).

25. Prior period adjustment

The Group and Company has corrected a prior period error relating to the accounting of the purchase and assignment of debt relating to certain management services and other agreements provided by the Cronin parties following a settlement in the prior year and issuance of shares in respect to this debt during the year ended 30 June 2025. Management noted that the write-off of the creditors amount owed to Cronin in the previous year was made in error as the debt had not legally been released following the settlement agreements. Subsequent to the prior year end, share capital was issued in respect of the settlement of this amount outstanding. As a result, a prior period adjustment has been made to re-recognise the debt amount at 30 June 2024, which was subsequently settled through the issue of shares in the year ended 30 June 2025. Details of the impact on the balance sheet and Profit and loss account is shown below. There is no impact on the Statement of Cashflows arising from this adjustment:

Balance Sheet Impact

	Group		
	30 June 2024	Restatement	30 June 2024 (restated)
	£	£	£
Trade payables	489,420	-	489,420
Accruals	90,115	-	90,115
Other Creditors	147,850	771,553	919,403
Trade and other payables	727,385	771,553	1,498,938

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2025

Statement of Comprehensive Income Impact

	Group		30 June 2024 (restated)
	30 June 2024	Restatement	
	£	£	£
Other gains and losses	633,113	(771,553)	(138,440)
(Loss) before tax	(855,975)	(771,553)	(1,627,519)

26. Commitments

License commitments

At the 30 June 2025 the Group had no committed licence expenditure requirements (2024: £554,299).

27. Related party transactions

Details of the Directors' remuneration can be found in Note 18. Key Management Personnel are considered to be the Directors.

At 30 June 2025 the following fees had accrued or were owed to existing Directors:

Peter Huljich - £17,500

Thomas Evans - £2,000

Emma Priestley - £24,000

During the year, Westridge Management International Ltd (Westridge) charged the Group £50,000 (2024: £110,724). Westridge is a company controlled by Andrew Male, a Director of the group until his resignation in May 2025. £57,200 (2024: £90,276) was owed to Westridge at the year end.

On 3 July 2023, the Company issued a convertible loan note (CLN) to Paul Gurney. The gross proceeds totalled £15,000 and the loan had an annual interest rate of 12%. The loan remained outstanding, including accrued interest, at 30 June 2025.

28. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

29. Contingent liability

There is an ongoing dispute between Cloudbreak Discovery Exploration (subsidiary) and the Canada Revenue Agency ("CRA") related to an incorrect tax being charged to the subsidiary for their 2021 tax return. The CRA claimed that an outstanding liability of \$304,597 CAD is due in relation to the return, which the Group disagree with due to their loss-making position over the previous years. An amended return has been sent by the subsidiary to the CRA to correct this amount and management have been engaging with the CRA to resolve the matter. During the year a financial advisor was appointed to assist with resolving this matter.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2025

30. Events after the reporting date

Exploration Activity Commencement

In July 2025, Cloudbreak announced the commencement of exploration activities at Darlot West, including geological mapping and rock-chip sampling.

The data collected during these programmes will be used to refine the structural interpretation and inform the design of future geophysical and drilling campaigns.

Darlot West Project – Option Exercise and Phase 1 Acquisition

On 22 September 2025, the Company announced it had exercised its option to acquire Phase 1 of the Darlot West Gold Project in Western Australia, covering approximately 60.6 square kilometres.

The option exercise followed the completion of initial fieldwork, sampling, and geological mapping across the licence area. The transaction represents a strategic expansion of Cloudbreak's gold exploration portfolio and advances the Company's transition from project generation to direct exploration activities. The Company has commenced follow-up work programmes, including soil sampling, structural mapping, and high-resolution magnetics to delineate drill targets.

As at the date of this report, the Company is preparing the documentation required to issue shares to the vendor in accordance with the option terms.

Paterson Gold-Copper-Molybdenum Project Acquisition

On 9 September 2025, Cloudbreak announced that it had entered into an agreement to acquire a 100% interest (or option to acquire) in the Paterson Project, comprising approximately 888 km² of exploration tenure in the Paterson Province, Western Australia. The project lies approximately 40 kilometres southwest of the Telfer gold-copper mine and provides exposure to a district-scale mineralised system prospective for gold, copper, and molybdenum.

This transaction reflects Cloudbreak's continued focus on developing a diversified portfolio of high-potential mineral exploration assets in Tier-1 jurisdictions.

Equity Placings

On 22 August 2025, the Company announced a placing to raise gross proceeds of £300,000, through the issue of 120,000,000 new ordinary shares at a placing price of 0.25pence per share.

On 28 August 2025, the Company announced a placing to raise gross proceeds of £600,000, through the issue of 126,315,790 new ordinary shares at a placing price of 0.475 pence per share.

The net proceeds will be used primarily to fund exploration and field programmes at the Darlot West Project and to provide additional working capital for the Group's corporate activities.

This fundraising materially improved the Company's liquidity position post year-end and underpins its near-term exploration commitments.

Sale of US Oil Assets

On 22 August 2025 the Company announced the completion of the sale of its US assets, consisting of the G2 Energy Corp Debenture for an initial consideration of £50,000 plus deferred consideration of a further £50,000 over the subsequent 5 months, and the removal of £75,000 of liabilities from the Company's books.