ANNUAL REPORT FY 2022

PUBLISHED - 12/07/2023

Company number: 11043077

CAERUS MINERAL RESOURCES PLC

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Contents

Company Information

Directors	Adrian Charles England Christopher Lambert Charles Oliver Long Russell Thomson Dominic Traynor
Company Secretary	Orana Corporate LLP
Registered Office	Eccleston Yards 25 Eccleston Place London SW1W 9NF
Company Number	11043077
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Registrars	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey GU9 7XX
Brokers	Novum Securities Limited 8-10 Grosvenor Gardens Belgravia London SW1W 0DH
Legal	Druces LLP Salisbury House London Wall London EC2M 5PS

Chairman’s Report

2022 was a tumultuous year for Caerus Mineral Resources ("CMR"). The composition of the Board changed significantly, the Company agreed to divest its portfolio of assets, new corporate governance structures and protocols were implemented, and, critically, the Company's strategy was refined.

Following my appointment in May, my primary objective was to ensure that shareholder value was being created. It quickly became apparent that the Company's portfolio of assets faced significant challenges. Accordingly, we initiated an operational and strategic review of the business.

The Company had previously reported positive operational developments regarding the Troulli and Kalavasos assets. However, it was soon clear that these projects faced fundamental and likely unresolvable challenges. The Troulli project, whilst offering good long-term potential, was destined to require extensive capital expenditure and significant management time, which outweighed the potential upside the asset provided. Following a thorough review, it was decided that Troulli was unlikely to be large enough to be sufficiently economically attractive.

The Company’s previous management believed there was significant scope to build a copper resource in the Kalavasos Project, where the Company held four licences. These licenses required approvals from the Cyprus Ministry of Defence (the MOD) to develop the assets, approvals the former management believed would be granted. At the request of the new Board, meetings with the Cypriot Mines Service Department were conducted over the summer of 2022, during which it became apparent the approvals would not be forthcoming as the MOD required the land for long-term purposes.

Further headwinds were experienced as the new management evaluated the governance structures and specific contracts relating to the Company's joint Cypriot venture with Bezant Resources Plc. The Company also reviewed the structure of its arrangement with BMG Resources Limited, a minority shareholder in CMR's subsidiary company TDL. TDL was responsible for maintaining and progressing several Cypriot projects. Evidently, the structure of those agreements, as signed, did not uphold shareholders’ best interests and further justified the need for action regarding the Company’s Cypriot strategy and assets.

The immediate outcome of these investigations was twofold. Firstly, the Company decided to make a strategic change of focus away from its Cyprus assets. This resulted in agreeing to the disposal of the assets in September, with the Company maintaining exposure to potential upside from the development of the Troulli project. Secondly, CMR enhanced its corporate governance and implemented new structures to ensure the Company always operates to high standards with all stakeholders. Reflecting this, and following CMR's investigation into certain actions and commercial decisions made by the previous management, the Company achieved settlement terms with former directors. The outcome of this was the return of most of their CMR shares to the Company for no consideration and the termination of their warrants.

When CMR took ownership with the gifting of the former director's shares, their market value was approximately £600,000. However, IFRS accounting rules do not appear to have conceived of this scenario, so we cannot report a profit on these shares. Similarly, the warrant cancellations under IFRS 2, must be initially fully recognised in the current year P&L as a charge and, despite being cancelled, cannot be reversed in the current year. The total charge of £167,485, in relation to cancelled warrants, was recycled through the profit and loss reserve account and is shown in the ‘Statement of Changes In Equity’. The warrant cancellation also has the advantage of reducing the shareholder's dilution.

Corporate governance has been further enhanced with the recent appointment of Adrian England as our Non-Executive Independent Director and new legal advisors.

Outlook

The Board believes considerable shareholder value can be delivered if the Company remains focused on its strategy of taking opportunities arising from and aligned to supporting the European electric vehicle supply chain and its compliance with increasing global legislation.

CMR is committed to supplying the clean energy sector and will look to maximise opportunities created through the Company's alliance with EV Metals Group plc ("EVM"). However, in addition to the EVM alliance, the board is able to draw on its significant experience within the mining sector and the management's extensive network and deep understanding of the industry’s dynamics. Accordingly, alongside opportunities that emerge from the EVM alliance, the board has been evaluating opportunities from its own network that fit its strategy. As the market recognises the long-term production deficit for commodities required to supply the EV transition, not all vendor valuation expectations meet CMR’s high hurdle of delivering long-term sustainable value. We continue to ensure rigorous financial discipline when evaluating opportunities, and several opportunities in recent months have not progressed. However, in the first six months of the year, the Company has built several new and exciting relationships with owners of high-quality upstream and midstream assets where discussions regarding partnership and investment are ongoing.

In recent weeks, CMR has decided to enter Morocco, which stands out as an extremely attractive jurisdiction for upstream and potentially midstream battery materials projects. With deposits of copper, manganese, nickel and potentially other clean technology metals and minerals, Morocco has proven well-mineralised geology yet is largely under-explored. Morocco’s main trading partner is the European Union, and its modern infrastructure, proximity to Europe and political stability make it an excellent country for CMR to operate in. For a modest sum, CMR has agreed to acquire 80% of a local Moroccan exploration company, led by a highly regarded geologist with extensive knowledge of the region. This will enable CMR to enter into strategic upstream joint ventures in addition to creating its own portfolio of 100% owned projects. I look forward to updating you as our Moroccan portfolio and partnerships progress.

In December, we announced the payment of a deposit of £500,000 to secure the exclusivity of RIWAQ and its portfolio of 146 exploration licences in Saudi Arabia. In May, we completed our review of the RIWAQ portfolio and took the difficult decision not to pursue the opportunity. This was due to several factors, including the early stage of the projects and the very large size of the portfolio, which our Board decided would be too large a drain on CMR’s resources. This deposit was received back post the year end. The Company is not currently planning to draw down on the existing CLN facility which is in place with EVM.

I want to thank the Department of International Trade (DIT) for its help in the U.K. and overseas territories, where we continue to evaluate opportunities. Our success will enable the U.K. market to benefit from the essential commodities we can deliver for the security of a critical supply chain. 2022 was a year of turmoil, though significant progress was made to stabilise the Company and ensure governance failings are not repeated. Beyond the Board and I would like to thank the FCA for assisting us in steering our way through a very difficult path for the Company. I am pleased to report all these issues are behind us now. The Company is now focused on developing excellent opportunities aligned with its clear strategy. Importantly, we are making meaningful progress. I look forward to providing our investors with updates over the next six months that return the Company to growth and value creation for all stakeholders.

Christopher Lambert
Executive Chairman
11 July 2023

Strategic and Corporate Governance Report

The Directors present their Strategic Report and Corporate Governance Report of Caerus Mineral Resources plc for the year ended 31 December 2022.

Principal Activity
The principal activity of the Group is the exploration for, and development of mineral resources and the identification of future acquisition targets in the same industry.

Review of Business and Operations
A review of the Group's Business and Operations is as detailed in the Chairman's Report on pages 4 to 5.

Financial Review and Key Performance Indicators ("KPI")
Loss for the year
The group loss for the year before taxation amounted to £5,526,529 (2021: loss of £987,970). This includes the loss attributable to discontinued operations of £1,439,812 (2021: loss of £335,280) and a one-off impairment charge of £2,918,303 relating to an agreed sale of the Group's assets in Cyprus.

Cashflow and financing
During the year net cash outflow from operating activities was £889,114 (2019: £938,199). The decreased outflow is primarily attributable to the write off of the debt from the Joint Venture and option agreements with Bezant and Jubilee, costs which the Group had to meet without the budgeted partner. Cashflow forecasts are reported to the Board on a monthly basis to ensure progress is in line with budget. Long term forecasts are also provided to ensure that the strategy of the business can be adequately funded.

The Group did not receive any funding from shareholders during the year (2021: £4,050,000) and used its cash reserves to fund both its operations in Cyprus and the deposit of £500,000 to secure the option to acquire the assets from RIWAQ.

As a result, the Group had a £2.4m net decrease in cash and cash equivalents at year end.

Balance Sheet
During 2022, non-current assets decreased to £83,902 (2021: £2,599,329). This was due to the reclassification of assets from non-current to current following the agreed sale of the Group's assets in Cyprus.

Current assets decreased to £1,158,857 (2021: £2,940,347), this was also due to the sale of the Cyprus assets and the impairment charge related to this sale.

The total liabilities increased to £1,399,319 (2021: £588,359). This includes a liability of £1,126,589 which relates to a clause in an amended SPA arising in one of the subsidiaries that is being sold in 2023. More information is provided in note 25 to these financial statements. Management are disputing this liability. This liability has been included on the balance sheet under 'liabilities directly associated with assets classified as held for sale'.

The three main financial KPIs for the Group are as follows. These would normally allow the Group to monitor costs and plan future exploration and development activities, however due to the change of the strategic direction of the Company are only provided for reference purposes:

Continuing and discontinued activities:	**2022**	**2021**
Cash and cash equivalents	£142,018	£2,508,018
Administrative expenses as a percentage of total assets	93.9%	13.6%
Exploration costs capitalised during the year	£1,003,612	£444,625

Cash has been used to fund the Group's operations and facilitate its acquisition of future targets. Administrative expenses are the expenses related to the Group's ability to run the corporate functions to ensure they can perform their operational commitments. Exploration costs capitalised during the year consist of exploration expenditure on the Group's exploration licences.

Section 172(1) statement and stakeholder engagement

The Directors have acted to promote the success of the Company for the benefit of its members as a whole. Members are the shareholders of the Company as listed in its shareholder register as well as underlying shareholders that hold shares through dematerialised nominee accounts. The success of the Company is dependent on strategy and decision making of the Directors, behaviour and actions of its employees and the support of a wide range of stakeholders notably citizens and government departments of the countries in which it operates. Strong relationships with its suppliers and the ability of those suppliers to deliver services as required is also important to long term success.

The Directors also believe the long-term interests of its members is closely aligned to the Company making a positive impact on local communities and minimising the impact on the environment. The Directors are firmly of the belief that, above all else, the quality of its employees including management and contractors defines the Company's interaction with all stakeholders and contributes greatly to success. As a result, the character and core values of its Directors, employees and contractors is paramount to the success of the Company.

Long term decision making

The Company has had a transformative year as it sought to divest its Cyprus assets and align its strategy to the clean technology sector, positioning itself as an upstream supplier of mined raw materials for battery chemical plants and Europe's electric vehicle market. The potential Cyprus Asset sale has nearly completed and the Directors continue to operate the Cyprus subsidiaries until completion, which is currently expected at the end of September 2023. The decision to focus on larger scale battery metals upstream development projects was informed by the growth in demand expected from clean energy technologies such as wind turbines, electric vehicles and battery storage. Rising deployment of these technologies is expected to drive exceptional demand growth especially in certain rare earth metals, nickel and lithium. Copper is also metal of interest although strategically the Directors believe larger scale deposits are more likely to generate long-term member value than small scale projects such as those discovered on its licenses in Cyprus.

	Shareholders	
	The Company publishes regular announcements to ensure shareholders are kept up to date with developments within the Group. Going forward the Directors expect to increase the number of face-to-face meetings with its shareholders and potential investors.	
	Employees and contractors	
	During the period under review the Company directly employed geologists and when required engaged contractors to provide specialist technical services. Management and the Company's Directors maintain regular direct contact with employees to ensure any concerns they have are considered and action taken if necessary.	
	Suppliers	
	Procurement of technical services such as drilling, geophysics, geological and assaying relies on the expertise of management and the availability of those services at the time (both geographically and the supplier's capacity). Relations with suppliers is maintained through regular contact, prompt payment and where necessary ensuring high standards of health and safety are maintained or implemented. Health and safety management by the Company is most important during supplied drilling and geophysics work.	
	Local community	
	At the subsidiary level, management and the Company's employees maintain excellent relationships with the local communities where they operate. During the year under review, the Company used local businesses for the provision of certain services, specifically for water supply, earth works and drilling support. This created and will continue to create increased economic activity in the areas in which the Company operates. Local management also maintains regular dialogue with the local population and mayors to ensure support for and an informed view of its activities.	
	Environment	

	The Company's current activities are restricted to exploration related activities with drilling the most environmentally impactful due to the small-scale earth works required - development of drill pads, water sumps and access roads in some cases. Considerations include right sizing the drill-pads and sumps, managing runoff and post-drilling rehabilitation. As part of Troulli's development, baseline environmental studies were undertaken at Troulli by an independent Cypriot consultancy.	

Business Conduct Standards

The Company has established a range of policies and procedures and continues to develop these as it grows. During the period under review, several policies were updated including its policies and process relating to the Market Abuse Regulation, how and when to maintain insider lists and which software to use as a management and disclosure tool. It has expanded its Board to ensure independence and stable corporate governance. It also follows the QCA rules on corporate governance as disclosed in the Corporate Governance Report which is included in this set of report and financial statements.

Principal Risks and Uncertainties

The principal risks and uncertainties lie in the future investment opportunities being available to the Group to meet its strategy to acquire larger upstream development opportunities in the battery metals sector, aligned to its strategy of supplying the battery chemicals industry. The Directors also consider the key risk for the Group to be the maintenance of its reserves of cash and cash equivalents to meet this strategy.

The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Group's activities and to any investment in the Group. It should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

The risk factors are summarised in the table below:

Description	**Impact**	**Mitigation**
Strategic risks		
• Successful acquisition of future opportunities to build shareholder value, the generation of future income streams or net asset growth may not materialise. • Competitors with significantly greater financial and technical resources will be able to outbid the Company on future upstream opportunities. • Over reliance on a small number of key individuals, in particular the Directors. The Company may be negatively affected by the departure of these individuals.	High	• Board actively seeking to diversify current portfolio risk by acquiring further exploration assets. • Although actively engaged with EVM and pursuing this strategy, the Company is also able to pursue other strategic partners and projects. • The Company has a steady shareholder base and will look to raise further finance as and when new opportunities present themselves. The Company will be able to initially place the 10,685,313 gifted ordinary shares to raise finance. • The Company has issued share option grants to its non-independent directors to incentivise and retain these directors who are considered key to enhancing the future market value of the Company. The premium of the exercise price relative to the share price on the date of issue was added to ensure the directors are only rewarded in line with the creation of shareholder value.

Commodity prices		
• The value of further opportunities, assets and potential earnings, will be affected by fluctuation in metals and minerals prices (e.g. Copper, Lithium, Nickel). • High inflation including of talent are significantly increasing mining costs and this could affect valuations of future acquisitions.	Medium	• The Company monitors commodity pricing trends to ensure new opportunities are regularly reassessed in light of expected price movements to ensure these opportunities continue to offer good value. • Demand for certain commodities is set to increase as sustainability and clean technologies are becoming a bigger focus. The Company will continue to focus on those commodities exposed to renewable energy themes in its strategic plan.
Financial risks		
• Difficulty raising external funding for new investment opportunities and exploration activities in volatile capital markets. The future availability of such financing is uncertain.	High	• Regular review of cashflow, working capital and funding options are performed by the Board to ensure the Company remains a Going Concern. • Build strong and sustainable relationships with key shareholders. Place the gifted shares to avoid unnecessary dilution of the share base. • Prudent approach to budgeting and strong financial stewardship - managing commitments and liquidity to ensure the Group has sufficient capital to meet spending commitments.
Environmental, social and governance risks		
• ESG reporting is constantly evolving and is a risk for the majority of mining and metal companies. The Company must seek to improve diversity, equity and inclusion as well as be aware of the urgent priorities to address climate change. All stakeholders have increased expectations of the Company's ESG reporting and the Company must meet these demands.	Medium	• ESG is part of the Company's longer-term, more strategic view and the Board will consider ESG at each board meeting and understand how their decisions will meet the various stakeholder demands. • Policies and processes are being further enhanced to ensure there is a more rigorous reporting cycle in which requirements are identified and met before giving rise to any issues.
Legal and compliance risks		
• Bribery and corruption. • London Stock Exchange or the Financial Conduct Authority Rule breaches	Medium	• The Company follows the QCA code of corporate governance and this is set out in this annual report and accounts. The Company also has the various policies in place which are overseen by the Audit Committee and reviewed on a regular basis: o Anti Bribery and Corruption Policy o Whistle Blowing Policy o Anti Money Laundering Policy • There have been board changes in the current year and now contains Directors with professional qualifications in law and accounting. It is also able to consult with outside advisers to ensure full compliance.

CORPORATE GOVERNANCE

Introduction:

The Directors recognise the importance of sound corporate governance and seek to apply The Quoted Company Alliance Corporate Governance Code for Small and Medium size Companies (2018) (the 'QCA Code'), which they believe is the most appropriate recognised governance code for a company of the Company's size and with a Standard Listing on the London Stock Exchange. The Directors believe that the QCA Code will provide the Company with the framework to help ensure that a strong level of governance is developed and maintained, enabling the Company to embed a governance culture into its organisation. The QCA code can be found on our website: https://www.caerusmineralresources.com

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the Directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board; and
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Here follows a short explanation of how the Company applies each of the principles, including where applicable any deviation from those principles.

Principle One

Business Model and Strategy

The Board believes that considerable shareholder value can be delivered if the Company remains focused on its strategy of taking opportunities aligned to the European Electric Vehicle supply chain and its compliance with increasing global legislation. As a result of this focus, the Company is in early-stage discussions with several key projects that offer exposure to clean energy commodities. In our efforts to enhance the supply chain for the ever-growing demand for electric vehicles and drawing on the expertise of the Board, we have also established a solid network of key strategic partners to assist us in achieving our goals.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Virtual roadshows have been held during the year and the Directors have met with shareholders to discuss issues and provide feedback over the Group's evolving strategy. In addition, all shareholders were invited to attend the annual AGM that was held in 2022 and are again encouraged to attend the next AGM that will be held in June 2023. Investors also have access to current information on the Group through its website, www.caerusmineralresources.com

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: employees, investee companies, shareholders, contractors, suppliers, regulators and other stakeholders. The Group has an ongoing relationship with a broad range of its stakeholders and has regular and direct interaction where it provides these stakeholders with opportunities to raise issues and provide feedback to the Group.

Principle Four

Risk Management

The Board is responsible for ensuring that procedures are in place and being implemented effectively to identify, evaluate and manage the significant risks faced by the Group. It has an established framework of internal financial controls to address financial risk and is regularly reviewing the non-financial risks to ensure all exposures are adequately managed. The Group maintains appropriate insurance cover in respect of legal actions against the Directors as well as against material loss or claims against the Group. The principal risks and uncertainties are as set out in the Strategic Report. An internal audit function is not considered necessary or practical due to the size of the Group and the close control exercised by the Board as a whole.

Principle Five

A Well Functioning Board of Directors

The Board currently comprises of the Executive Chair, Chris Lambert, the Chief Executive, Charlie Long, and three non-executive Directors, Russell Thomson, Dominic Traynor and Adrian England. Adrian England is considered to be a fully independent director. Further information about the directors can be found on the company website at www.caerusmineralresources.com.

The Chairman, Chris Lambert has a background in financial services and commodity trading in London over a career spanning 25 years. He was head of global trading operations for a number of major banks and commodity houses. He has extensive experience in non-executive and executive Chairman roles for public companies and of asset identification and acquisition in the natural resources sector.

Charlie Long is a mining specialist with industry and financial services experience. He started his career in mining over 20 years ago as the founder of a building materials quarrying company in China. He has worked as a sell-side mining analyst for over 10 years, including at Singer Capital Markets, Sanlam Securities and finnCap. Charlie was business development manager for AIM-listed Avesoro Resources and more recently CFO for Audere Solutions, a UK based risk management advisory group.

Russell Thomson is a professional accountant (CPA) with over 30 years working experience in the construction, engineering, railway, energy, natural resources and mining industries in Australia, SE Asia, USA and South Africa. He has been a Director and CFO of EV Metals Group plc since 2014 and is a director of all EV Metal subsidiaries. Russell was formerly the CFO and Director of ASX-listed Podium Minerals Limited.

Dominic Traynor is a capital markets solicitor and company director with extensive experience in the public markets and corporate governance. He is a partner at City law firm, Druces LLP and was a founding director of both EV Metals Group plc and EV Metals UK Ltd. His other corporate positions include director of Prism Group AG, an investment firm focussed on Fintech and money services and MAST Energy Developments plc where he is a non-executive director and chairman of the audit committee. He was also a founding director of AIM-listed SigmaRoc plc.

Adrian England has been in practice since 1982 when he started his professional life as a solicitor. His areas of expertise include commercial litigation, property litigation, employment and business law. Over the course of over 20 years, Adrian has represented numerous public limited companies in substantial commercial litigation matters and undertakes most of his client's advocacy in court.

All Directors are subject to re-election in accordance with both the requirements of the UK Companies Act and the Company's articles of association ("Articles"). The Company's Articles state that Directors are subject to re-election at intervals of no more than three years. The letters of appointment for all Directors stipulate the time commitment that each Director is expected to provide to the Company. The executive Directors are contracted to provide these services on an exclusive basis, though board approval may be given to engage in outside paid work. The non-executive Directors acknowledge in their letter of appointment that the nature of the role makes it impossible to be specific on maximum time commitment, but that there will be a minimum of 2-3 days a month, which will include preparation for and attendance at monthly board meetings. The Board Chairman serves as chair of every meeting of the Board of Directors.

The Board is expected to meet at least 6 times per year. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that decisions on appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Board considers that this is appropriate given the Group's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward.

Attendance at Board and Committee Meetings
The Group will report annually in the Directors' Report on the number of Board and committee meetings held during the year and the attendance record of individual Directors. Directors meet formally and informally both in person and by telephone. To date there have been at least bi-monthly informal meetings of the Board and 17 formal meetings during 2022/3, and the volume and frequency of such meetings is expected to continue at this rate.

Director	*Number of formal board meetings with possible attendance record in 2022/3*
Adrian England	1/1 (and 1/1 Audit Committee Meeting)
Christopher Lambert	8/8
Charles Long	9/9
Russell Thomson	4/8 (and 2/2 Remuneration Committee Meetings and 2/2 Audit Committee Meetings)
Dominic Traynor	7/8 (and 2/2 Remuneration Committee Meetings and 2/2 Audit Committee Meetings)
Martyn Churchouse	4/4
Andrew Daniels	4/4 (and 1/1 Remuneration Committee Meeting)
Michael Johnson	4/4 (and 1/1 Remuneration Committee Meeting)

Principle Six
Appropriate Skills and Experience of the Directors
The Board currently consists of five Directors and, in addition, the Company has employed the outsourced services of Orana Corporate LLP to act as the Company Secretary. The Company believes that the Directors have wide ranging experience working for, and, or advising businesses operating within the natural resources sector. They also have an extensive network of relationships to reach key decision-makers to help achieve their strategy.

The Board recognises that it currently has a limited, all male, Board and does not have a Finance Director. This will form a part of any future recruitment consideration if the Board concludes that replacement or additional Directors are required. The Board is aware, that as it grows, it will look to recruit and develop a diverse and gender-balanced team.

There is no formal process to keep Directors' skill sets up-to-date given their wealth of experience. However, the Company's lawyers, auditors and broker provide regular updates on governance, financial reporting and Listing rules and the Board is able to obtain advice from other external bodies when necessary.

Hill Dickinson LLP, a commercial law firm, were engaged during the year to support the Board into an investigation into the former Board and various corporate governance issues. The outcome of which was a settlement with the former directors resulting in the cancellation of 1.1 million warrants and the gifting of 10.7 million shares back to the Company.

Principle Seven
Evaluation of Board Performance
Internal evaluation of the Board, the Committees and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

Principle Eight
Corporate Culture
The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike

throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Directors consider that at present the Group has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, with effect from the date on which its shares were admitted to the LSE's main market for listed securities, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on this main market and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Issues of bribery and corruption are taken seriously. The Group has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employment contract specifies that the employee will comply with the policies. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine

Maintenance of Governance Structures and Processes

The Group's governance structures are appropriate for a company of its size. The Board also meets regularly and the Directors continuously maintain an informal dialogue between themselves. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while the execution of the Group's investment strategy is a matter reserved for the Chief Executive. The current Governance structure is outlined below:

Audit committee – This is led by Adrian England (Chair). Russell Thomson and Dominic Traynor are also on the committee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets at least twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration committee – This is led by Russell Thomson (Chair). Adrian England and Dominic Traynor are also on the committee. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options/warrants pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the LSE's Main Market. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors.

Investors also have access to current information on the Company through its website, www.caerusmineralresources.com, and via Chris Lambert, Executive Chairman, who is available to answer investor relations enquiries.

Report of the Audit Committee

This report is prepared in accordance with the Quoted Companies Alliance (QCA) corporate governance code for small and mid-sized quoted companies, revised in April 2018. A summary of the Committee's role and membership can be found in the Governance section of this Annual Report. Committee meetings are held at least twice a year, and the external accountant is invited to attend together with the external auditor. During the 2022, two meetings of the Committee were held during the year, and the following significant issues were considered:

Significant issue	Summary of significant issue	Actions and Conclusion
Going concern	Assessment of the Group's ability to continue as a going concern as part of the preparation of the financial statements. This assessment of going concern covers a period of at least 12 months from the date of signing the financial statements.	On 30 September 2022, the Board announced the renewal of the EV Metals Strategic Alliance. Although this strategy has not progressed as expected the Company is still expecting to receive a total of £312,300 in commission from the placing of EVM shares as part of the Settlement Agreement with previous Directors. The Directors are confident that various fund raising opportunities are available in the coming months and therefore the Committee, whilst they draw attention to the material uncertainty that exists at the date of these accounts, nevertheless consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements. The going concern statement is detailed in full in note 3 of the consolidated financial statements.
Fair value of the assets held for resale	The assets held for resale as per the Sales and Purchase Agreement signed on 25 January 2023 were assessed under the requirements of IFRS 5.	Management concluded the fair value of the assets held for resale should be recorded as £424,328. This resulted in an impairment as set out in note 13 to the consolidated financial statements.
Treasury shares	10,685,313 shares were gifted back to the Company following the settlement with the former Board. There is no specific accounting treatment for gifted shares.	Management concluded that the accounting treatment in IAS 32 for Treasury Shares should be followed as set out in note 20 to the consolidated financial statements.
Share-based payments	The Company issued share option grants to its non independent Directors. These were assessed in accordance with IFRS 2 and the charge will be calculated using market based conditions including share price volatility, risk free rate, and expected life.	Management used inputs from impartial external sources in order to appropriately calculate share-based payments reserve postings and share based payments expense during the year. Calculations are set out in note 23 to the consolidated financial statements.

External Auditor's Fees

There was no significant non-audit work carried out by PKF subsequent to their appointment. Full details of fees paid during the year may be found in note 6 to the financial statements.

Objectivity and Independence

The Committee continues to monitor the Auditor's objectivity and independence and is satisfied that PKF and the Company have appropriate policies and procedures in place to ensure that these requirements are not compromised.

Re-appointment of External Auditor

The Committee recommends to the Board the re-appointment of PKF Littlejohn LLP as Auditor at the forthcoming 2023 annual general meeting (AGM), and PKF Littlejohn LLP has expressed its willingness to continue in office.

Internal controls/audit

The Directors acknowledge their responsibility for the Groups' system of internal control and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and ensure the reliability of financial information for both internal use and external publication. Whilst the Directors are aware no system can provide absolute assurance against material misstatement or loss, regular review or internal controls are undertaken to ensure that they are adequate and effective.

The Group does not currently have an internal audit function due to the small size of the Group and limited resources available. To date, the Committee has decided that an internal audit function is not required but will continue to assess the situation on a regular basis.

Going Concern

The Directors, whilst they draw attention to the material uncertainty that exists at the date of these financial statements, nevertheless consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements. The going concern statement is detailed in full in note 2 of the consolidated financial statements.

Environment, Social and Governance Statement

The Group is committed to providing a safe working environment for all its employees and to responsibly manage all of the environmental interactions of its business. Its objective is to perform and achieve at a level notably in excess of the regulatory minima required by the host countries in which it does business.

To meet these objectives, the Group has defined and adopted a Health, Safety, Environment, and Community ("HSEC") policy that applies to all Group activities in Cyprus and elsewhere.

The Group is committed to the implementation of a high standard of HSEC management and delivery from exploration through production to eventual mine closure. Its field staff are accountable for delivery of the HSEC policy and its Directors, Officers and Employees are responsible for compliance with the expected high standards of HSEC performance.

The following specific commitments are made as regards HSEC matters:

Health & Safety

- Provision of health and safety training to all employees;
- All necessary measures are taken to minimise workplace injuries, and
- Establishment of management and advisory programmes for the prevention of transmissible diseases.

Environment

The Group prides itself on being a skilled and responsible developer. It functions with the clear mandate of being in full compliance with corporate standards, applicable environmental laws, regulations and permit requirements. It has an internal monitoring programme in place that plays a critical role in continuously improving its environmental performance. This is reported to the Board annually.

The Group strives to minimise its environmental effects wherever and to:

- Comply with applicable laws, regulations and commitments wherever it operates;
- Ensure it has the necessary resources, procedures, training programmes and responsibilities in place to achieve its environmental objectives;
- Strive to protect air and water quality, minimise consumption of water and energy, and protect natural habitats and biodiversity;
- Promote an ongoing environmental dialogue with its stakeholders in the communities where it conducts business;
- Collaborate with stakeholders to define environmental priorities and to protect the environment, and
- Consider the requirement for environmental protection in all aspects of exploration and development.

Communities

As well as recognising the need to protect the natural environment the Group will follow best practices in:

- its interactions with local communities,
- respecting customs and cultural practices, and
- minimising intrusion upon lifestyles and traditions.

The Group will not violate human rights and will, wherever possible, favour employment for local people when it recruits. It will strive to be recognised as a socially aware and responsible business.

Climate-Related Financial Disclosures

The Group recognises that climate change represents one of the most significant challenges facing the world today. Under the Listing Rules compliance with the Task Force on Climate-Related Financial Disclosures (TCFD) is required for premium and standard listed companies on a comply or disclose basis. These new listing rules came into effect on 1st January 2021 for UK premium listed companies and 1st January 2022 for those on the standard list.

TCFD Purpose

In contrast to the Streamlined Energy and Carbon Reporting disclosures which requires listed companies to disclose their greenhouse gases emissions, CO_2 and energy usage, TCFD is primarily designed to protect shareholders from the impacts of climate change by ensuring companies adapt to the risks and opportunities that climate change presents. In the mining industry an example would be a brown thermal coal exploration company presented with reduced market demand over the next 25 years.

TCFD adherence requires disclosure of greenhouse gas emissions as part of the Metrics and Targets section. This creates a degree of overlap with SECR requirements, however TCFD's focus is understanding how GHG emissions may expose a company to future changes in law, regulation or market dynamics which penalise higher polluting industry sectors, sub sectors or companies.

Climate change risks and opportunities

The following table includes our TCFD disclosures and where necessary explanations why the Company has not fully met and the board's plans to implement these in future.

Caerus Mineral Resources' Governance, Strategy, Risk Management, Metrics and Targets

Governance	
Board of director's oversight	The company does not currently have a risk or climate risk committee although climate risk is discussed at board meetings when relevant. A climate risk committee will be implemented when deemed necessary, most likely once a development project reaches the Bankable Feasibility Stage. Since our strategy and business plan are to capitalise on climate change by investing in Clean Technology raw materials, climate change opportunity is embedded in our activity.
Assessment and management	Climate related issues identified and discussed during the period include the availability of water for a potential mining operation in Cyprus (risk) and the availability of improved solar technology for mine power (opportunity). The environmental consultant engaged in Cyprus reports to the subsidiary level director who reports directly to the board. A Director has also met the environmental consultant.

Strategy	
Risks and opportunities	Climate related issues identified and discussed include: 1. the availability of water due to changes in precipitation patterns for a potential mining operation in Cyprus (risk) and; 2. the improving technology and lower cost of renewable solar energy to power a mining operation (opportunity). In the medium term, the directors believe that demand for Clean Technologies will increase demand for a range of metals and minerals including copper, nickel, aluminium and lithium. This provides an opportunity which is the basis for the Company's strategy.
Strategy	The company's strategy is to acquire and develop mining projects directly exposed to the Clean Technology economy of the future. The company's historical and future acquisitions, investments and operating costs are intended to deliver the strategy of developing Clean Technology metals and minerals. Under all climate change scenarios, the board anticipates an increase in Clean Technology demand and therefore the metals and minerals that make these technologies possible.
Risk Management	
Risk identification	The company has identified key climate change related risks as follows: 1. Supplier disruption. 2. Competition for clean technology related metals and minerals projects. 3. Competition for equity capital between similar upstream companies in the clean technology metals sub sector. 4. Climate change physical impacts on jurisdiction and regions where metals and minerals deposits are located. 5. Potential for higher input costs, notably for fossil fuels and building materials such as cement and steel. 6. Reduced demand for metal concentrates which have been produced using higher than average GHG emissions energy such as coal fired power.
Processes and management	The company's strategy is to acquire and develop mining projects directly exposed to Clean Technology industries. A key part of the mine development process are the Pre-Feasibility and Bankable Feasibility studies, both of which include investigations into mine emissions (gases and fluids) and waste (including tailings). The PFS and BFS studies also include: 1. Investigations into the use of new technologies (especially renewable sources of energy such as solar). 2. Environmental baseline studies. 3. Water supply studies, rainfall pattern change, and regional hydrogeology. 4. Climate and weather patterns including average monthly temperatures. The PFS and BFS studies are authored by independent technical experts and managed by senior management and board members.

	For new project acquisitions, the company's due diligence processes include a desktop review which cover all the above potential risks and opportunities.
Metrics and Targets	
GHG metrics	The company's greenhouse gas emissions are currently low due to the nature of operations. During the period under review the main GHG emitters were: 1. Short distance travel in Cyprus. 2. Employee / contractor accommodation and associated energy use. 3. Exploration drilling and associated logistics. As noted in the Company's SECR disclosure below, energy usage was below 40,000 kWh and as a result complete Scope 1, 2 and 3 GHG data was not collected. During 2023 the Company will implement improved GHG data collection methodology at the Company and subsidiary levels although it expects GHG emissions and energy usage to remain relatively low.
Climate related physical risks	The Company's exposure to physical risk relates to changes to the environment where its development operations are based. The principal physical risk identified in Cyprus is the potential for reduced rainfall and how this impacts water supply at a future operation. The Company is working on a metric which fairly quantifies this and other physical risks.

At the UK Company level, the directors ensure that climate change risks and opportunities are embedded in strategy. The directors are of the view that the successful acquisition and development of Clean Technology metals projects is aligned to TCFD opportunities and will result in share price appreciation. As a result, at this stage through an option scheme, the executive directors are incentivised to deliver share price appreciation which is the only KPI for Directors.

Where it works with host communities, the Company aims to help build their understanding of how to minimise greenhouse gas and other emissions.

The Board will ensure that in its strategic plans climate related risks and opportunities are identified over the short, medium and long term and the impact of these risks are included in financial and scenario planning. This will principally be achieved through understanding how risks and opportunities are likely to affect the company's development projects and planning accordingly.

Governance will be strengthened to ensure reporting on these climate related risks is meaningful and transparent. Risk Management will include a process for identifying, assessing, and managing climate-related risks and the Group will establish various metrics and targets to assess climate-related risks and opportunities.

Streamlined Energy and Carbon Reporting

The Group's current operations are limited to exploration activities in Cyprus and due diligence activities in various other jurisdictions where it has and will continue to assess potential development projects for investment. During 2022 the Company estimated journey distance in miles based on average daily mileage at the Cyprus operations, this was used to estimate fuel consumption. A similar approach was used to estimate the energy use in the rented accommodation. The Cyprus operations employed three geologists who shared accommodation and a vehicle. Other significant GHG emissions related to contractor drilling activity which consisted of one drill rig for two relatively short periods during FY23.

One of the requirements of the Streamlined Energy and Carbon Reporting (SECR) initiative is to report energy use that is used to calculate the GHG emissions reported in the Directors' Report. This needs to be provided in kilowatt hours (kWh). However, only quoted companies and large unquoted companies that have consumed more than 40,000 kilowatt-hours (kWh) of energy in the reporting period must include energy and carbon information within their directors' report. The Group does not currently exceed this threshold and is therefore presently exempt from the SECR reporting requirements.

The Group works to minimise its contribution to greenhouse gas emissions in Cyprus and will maintain this focus at all future operations. The Group intends to publish GHG and energy emissions data in line with the SECR regulations as the Group's projects develop. As explained in the TCFD disclosure the company will be implementing improved GHG data collection processes throughout the Group during 2023.

Whistleblowing

The Group has adopted a formal whistleblowing policy which aims to promote a very open dialogue with all its employees which gives every opportunity for employees to raise concerns about possible improprieties in financial reporting or other matters.

Diversity

The Board are aware of its lack of diversity in its Board and senior management. It has an all-white, male Board and therefore do not meet any of the board diversity targets as detailed out in Policy Statement PS 22/3 of the Listing Rules and DTR requirements, on gender or ethnicity. The Board will address these issues going forward, however, the Board is conscious that the Group is small, with no employees except Directors and the recruitment of a diverse Board in the immediate future may not be feasible owing to the necessary expertise required.

Events after the reporting date

Events after the reporting date are as described in the Chairman's Report and Note 28 to the financial statements.

Market Abuse Regulations

The Group is required to comply with article 18(2) of the Market Abuse Regulation ("MAR") with reference to insider dealing and unlawful disclosure of inside information. The LSE requires traded companies to maintain insider lists as set out in the MAR. The Board has put in place a MAR compliance process and this and the Company's regulatory announcements are overseen by the Board of Directors.

This report was approved by the Board on 11 July 2023 and signed on its behalf by:

Charlie Long
Director

Report Of The Directors

The Directors present their report, together with audited consolidated financial statements for the year ended 31 December 2022 (with comparative figures for the twelve month period ended 31 December 2021).

Caerus Mineral Resources plc ("the Company") is incorporated and domiciled in England and Wales, with Registered Number 11043077, under the Companies Act 2006. The Company was incorporated on 1 November 2017 under the name Leopard Mineral Investments Limited as a private limited company and subsequently re-registered as a public limited company on 9 January 2018; and changed its name to Caerus Mineral Resources plc on 18 September 2018.

The Company's registered office is at Eccleston Yards, 25 Eccleston Place, London SW1W 9NF.

Principal Activities

The principal activity of the Group is the exploration for, and development of mineral resources, including in Cyprus, and the identification of future acquisition targets in the same industry.

Results and Dividends

The total loss for the Group for the year ended 31 December 2022 was £5,526,529 (2021: loss of £987,970) which included a one-off impairment of £2,918,303 which was incurred due to the proposed sale of the assets in Cyprus. Cash held by the Group as at 31 December 2022 was £142,018 (2021: £2,508,108).

The Directors do not recommend the payment of a dividend (2021: £Nil). The nature of the Group's business means that it is unlikely that the Directors will recommend a dividend in the coming years. The Directors believe the Group should seek to generate capital growth for its Shareholders. The Group may recommend distributions at some future date when it becomes commercially prudent to do so, having regard to the availability of the Group's distributable profits and the retention of funds required to finance future growth.

Directors' and Officers' Indemnity Insurance

During the financial year, the Group maintained insurance cover for its Directors and Officers under a Directors' and Officers' liability insurance policy. The Group has not provided any qualifying indemnity cover for the Directors.

Business Review, Future Developments and Key Performance Indicators

A review of the business, future developments and key performance indicators are outlined in the Chairman's Report and the Strategic and Corporate Governance Report.

Directors

The Directors who held office during the year under review, and as at the date of this report, were as follows:

Adrian Charles England (appointed 1 December 2022)
Christopher Lambert (appointed 25 May 2022)
Charles Oliver Long (appointed 16 May 2022)
Russell Thomson (appointed 25 May 2022)
Dominic Traynor (appointed 25 May 2022)
Martyn John Churchouse (resigned 16 May 2022)
Prof Michael Stephen Johnson (resigned 16 May 2022)
Harold Andrew Daniels (resigned 11 July 2022)
Richard Hawken (appointed 16 May 2022, resigned 25 May 2022)
Brian Rowbotham (appointed 16 May 2022, resigned 25 May 2022)

Directors' interests

The beneficial interests of the Directors who held office at 31 December 2022 and their connected parties in the share capital of the Company is included in the Remuneration report on pages 24-28.

Substantial shareholders

The Company has been notified of the following interests of 3 per cent. or more in its issued share capital as at 17 May 2023 (as calculated using the TVR holding):

	Number of Ordinary shares	Percentage of TVR** holding	Percentage of overall holding
Caerus Mineral Resources Plc*	10,685,313	N/A	17.5%
EV Metals Group Plc	10,000,000	19.8%	16.3%
Hargreaves Lansdown (Nominees) Limited	7,511,318	14.9%	12.3%
Interactive Investor Service Nominees Limited	6,425,440	12.7%	10.5%
Jason Cropper	7,220,000	14.3%	11.8%
Indo European Mining PR Ltd	4,240,987	8.4%	6.9%

***Purchase of own shares**
During the year the Company were gifted 10,685,313 Ordinary Shares ("Returned Shares") with a nominal value of £0.01. Nil consideration was paid by the Company for these shares as they were gifted back to the Company by former directors as part of a settlement negotiated for the loss of value in the Company due to previous management decisions.

****Total Voting Rights ("TVR")**
The Returned Shares are registered in the name of the Company and are non-voting shares, they are not capable of being voted on by the Company in respect of any resolutions put forward at any future General Meeting or Annual General Meeting. Therefore the TVR in the Company has been reduced to 50,525,945 Ordinary Shares carrying one vote per share and each shareholders voting rights will be increased on a pro-rata basis. The Company's issued share capital, inclusive of the gifted shares held by the Company, will remain at 61,211,258.

Directors' remuneration

Directors' remuneration is disclosed in the Directors' Remuneration Report on pages 24-28.

Going concern

The financial statements have been prepared under the going concern assumption. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for at least the 12 month period from the date of Board approval of the financial statements, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. The Group is not currently generating revenues and therefore an operating loss has been reported and is expected in the 12 months subsequent to the date of these financial statements.

On 10 May 2023, the Company received the return of a £500,000 deposit relating to the decision not to pursue a potential acquisition. The Company is in addition expecting a receipt of £312,300 in relation to commission payments received from EV Metals Group for the placing of their shares as part of the settlement terms agreed with a former director.

The Company has the ability to place the approximately 10.7 million shares held by itself to raise additional finance without dilution to the current shareholders.

The Company has performed a review of its financial resources taking into account, the cash currently available to the Company which includes the following sources of funding, which though not available at the date of the signing of these consolidated financial statements are expected to be available in the immediate future.

- The Company announced the sale of the Cyprus Assets and is expecting to receive a further \$428,001 in final payment by 30 September 2023.
- The Company has agreed to acquire 80% of a Moroccan company 'Atlantic Research Minerals' and will be seeking to raise finance in the short term to fund the building of its exploration portfolio.

The Company has included these funds in its cash flow projections for the twelve month period from the date of this report, and based on this review, and after considering reasonably possible operational downside sensitivities and uncertainties, the Board, whilst acknowledging this material uncertainty, remains confident of raising finance and therefore have concluded that there is a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

Post Balance Sheet Events

These are detailed out in note 28 to the financial statements.

Financial Risk Management

These are detailed out in note 26 to the financial statements.

Provision of Information to Auditors

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are individually aware, there is no relevant audit information of which the Group's auditor is unaware; and each Director has taken all the steps that they ought to have taken as Director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

PKF Littlejohn LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Corporate Governance

A report on Corporate Governance is set out in the Strategic Report.

Annual General Meeting

The Company will hold its Annual General Meeting for 2022 on 29 June 2023.

Listing

The Company's ordinary shares have been traded on the standard segment of the Main market Listing of the LSE since 19 March 2021. Novum Securities Limited is the Company's broker.

Streamlined Energy and Carbon Reporting

This is referred to in the Strategic and Governance Report on pages 18-19.

Political and charitable contributions

The Company made a charitable donation of £100 in 2022 (2020 £575). No political donations were made in either year.

Statement of Directors Responsibilities

The Directors are responsible for preparing the Annual Report, Report of the Directors, Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare consolidated financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent financial statements in accordance with UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the 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 international accounting standards 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 Company will continue in business.

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

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

Directors' Responsibility Statement Pursuant to Disclosure and Transparent Rules

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

- The Financial Statements prepared in accordance with UK adopted international accounting standards and 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.

This report was approved and authorised for issue by the Board on 11 July 2023 and signed on its behalf by:

Charlie Long
Director

Directors' Remuneration Report

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

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

Statement of Caerus Mineral Resources Plc's policy on directors' remuneration by the chair of the Remuneration Committee
As chair of the Remuneration Committee I am pleased to introduce our Directors' Remuneration Report. One of the Remuneration Committee's aims is to provide clear, transparent remuneration reporting for our shareholders which adheres to the best practice corporate governance principles that are required for listed organisations.

The Directors' Remuneration Policy, is set out below.

Directors' remuneration packages are designed to motivate and retain Directors, as well as have regard for similar jobs in comparable companies. They also take into consideration reward for individual performance and enhancing value to shareholders. The performance of the Directors will be reviewed annually and an increase in salary is awarded in line with this evaluation. The current Board of Directors are all newly appointed in the year and therefore no annual review has taken place.

The executive Directors' remuneration package includes a basic annual salary, a minimum contribution to the Company's stakeholder pension plan, an award of options in line with individual performances.

The key activities of the Remuneration Committee are:

• to determine and agree with the Board the framework or broad policy for the remuneration of the Company's chair, chief executive, and such other members of the executive management as it is designated to consider;
• in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements;
• recommend and monitor the level and structure of remuneration for senior management;
• when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company, and review the on-going appropriateness and relevance of the remuneration policy;
• obtain reliable, up-to-date information about remuneration in other companies;
• approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
• ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
• oversee any major changes in employee benefits structures throughout the Company.

The Remuneration Committee comprises all three non-executive directors, with the Chair being Russell Thomson.

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

• Base salaries
• Pension and other benefits
• Share incentive arrangements

The Remuneration Committee do not consider it necessary to have maximum amounts of each remuneration component.

The executive Chair's remuneration package includes a basic annual salary, a car allowance and an award of share options in line with individual performance. No other payments are made for compensation for loss of office.

The Company has previously established a workplace pension scheme, however, there are currently no active members of this scheme. The Company has not paid out any excess retirement benefits to any Directors or past Directors. The Company has not paid any compensation to past Directors. Amounts paid by the Group in respect of Directors' services and options issued for performance are shown in note 23 to the financial statements.

Recruitment Policy
Base salary levels will take into account market data for the relevant role, internal relativities, their individual experience and their current base salary. For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

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

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

Service Agreements and letters of appointment
The Executive Chairman's (Chris Lambert) service agreement , dated 22 August 2022, is not for a fixed term and may be terminated by the Company or the Executive Director by giving 6 months' notice. The current salary is set at £144,000 per annum.

The Executive Director's (Charlie Long) service agreement , dated 22 October 2022, is not for a fixed term and may be terminated by the Company or the Executive Director by giving 6 months' notice. The current salary is set at £125,000 per annum.

The Non-Executive Directors (Russell Thomson, Dominic Traynor and Adrian England), have service agreements, dated 10 October 2022, 10 October 2022 and 1 December 2022, respectively, with an appointment period of minimum three years, and thereafter until terminated by either party not giving less than one months' prior written notice. The current salary is set at £40,000 per annum.

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

Director's remuneration - (audited)

The table below sets out the remuneration received by the Directors for the year ended 31 December 2022 and 31 December 2021:

	Year ended 31 December 2022				Year ended 31 December 2021
	Salary/Fees	**Pensions**	**Share-based payments**	**Total**	**Fees**
	£	**£**	**£**	**£**	**£**
Executive directors:					
Chris Lambert	86,727	-	9,521	96,248	-
Charlie Long	78,536	-	7,141	85,677	-
Martyn Churchouse[1]	48,125	1,027	314[3]	49,466	116,005
	213,388	**1,027**	**16,976**	**231,391**	**116,005**
Non-executive directors:					
Adrian England	3,333	-	-	3,333	-
Russell Thomson	24,091	-	2,142	26,233	-
Dominic Traynor	24,088	-	2,142	26,230	-
Professor Michael Johnson[1]	-	-	116,013[3]	116,013	10,593
Harold Andrew Daniels[2]	38,727	-	-	38,727	70,701
	90,239	**-**	**120,297**	**210,536**	**81,294**
TOTAL[4]	**303,627**	**1,027**	**137,273**	**441,927**	**197,299**

[1]Resigned as a Director on 16 May 2022

[2]Resigned as a Director on 11 July2022

[3]The warrants associated with these charges were cancelled in the year, there was no cashflow associated with this cost.

[4]Richard Hawken and Brian Rowbotham received nil consideration for their directors' services during either year.

No percentage change from the preceding financial year in respect of each Director or in respect of the employees has been shown as none of the Directors have remained in position for a consistent period to permit a meaningful comparison.

Statement of Directors' shareholding and share interests (audited)

The beneficial interests of the Directors who held office at any time during the year and their connected parties in the share capital of the Company is shown below:

	2022 number of Ordinary shares	**2021 number of Ordinary shares**	**2022 number of share options**	**2021 number of share options**	**2022 number of warrants**	**2021 number of warrants**
Adrian Charles England	-	-	-	-	-	-
Christopher Lambert	-	-	2,000,000	-	-	-
Charles Oliver Long	-	-	1,500,000	-	-	-
Russell Thomson	-	-	450,000	-	-	-
Dominic Traynor	650,000	650,000	450,000	-	250,000	250,000
Martyn Churchouse	-	850,000	-	-	-	2,350,000
Professor Michael Johnson[1]	1,430,000	3,413,306	-	-	-	7,750,000
Harold Andrew Daniels[1]	656,695	6,422,007	-	-	-	-

[1]these shares and warrants include those held through a connected person or Company

Share options
On 25 November 2022, the Company granted options over a total of 4,400,000 Ordinary shares of 1 pence each in the capital of the Company with an exercise price of 7.5 pence per Ordinary share.

The Options will vest in three instalments and will have an exercise period of five years. The first tranche will vest when the closing mid-market share price reaches 7.5 pence or above for three consecutive trading days. The second tranche will vest when the share price reaches 12.5 pence. The third tranche will vest when the share price reaches 17.5 pence.

The Remuneration Committee approved the issuance of these share option grants to incentivise and retain the Directors, who are considered key to enhancing the future market value of the Company and notes the premium of the exercise price relative to the current share price.

Relative importance of spend on pay
The table below illustrates the year-on-year change in total remuneration compared to distributions to shareholders and operational cash flow for the financial periods ended 31 December 2022 and 2021:

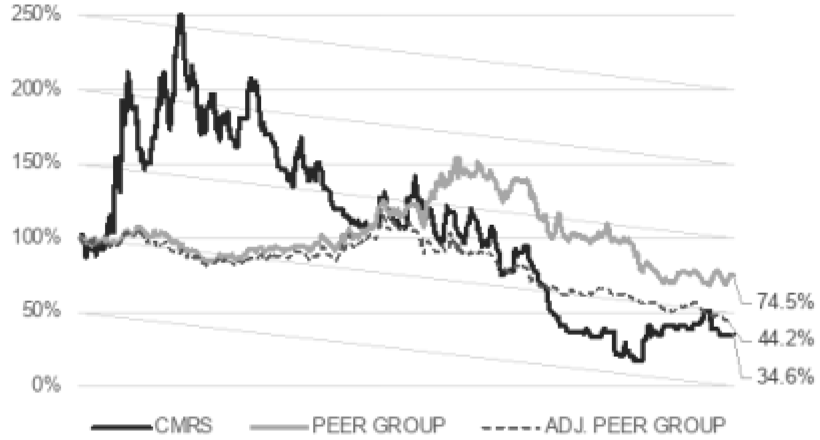
	Distributions to shareholders £	Total directors and employee pay £	Operational cash outflow £
Year ended 31 December 2022	Nil	527,285	1,107,750
Year ended 31 December 2021	Nil	213,126	938,199

Total employee pay includes wages and salaries, social security costs and pension cost for employees in continuing operations. Further details on Employee remuneration are provided in note 8. Operational cash outflow has been shown in the table above as cash flow monitoring and forecasting is an important consideration for the Remuneration Committee and Board of Directors when determining cash-based remuneration for directors and employees.

Historical Share Price Performance Comparison
The Directors have considered the requirement for a UK performance graph comparing the Company's relative shareholder return with that of a comparable indicator. The comparable indicator chosen is a peer group index compiled by the Company, consisting of companies in the same industry classification on London's AIM and Standard Main Market lists.

The peer group index has the following constituents: Mkango Resources LTD, Condor Gold PLC, Kore Potash PLC, Xtract Resources PLC, Beowulf Mining PLC, Chesterfield Resources PLC, Power Metal Resources PLC, Keras Resources PLC and Harvest Minerals Limited, all mining exploration and development companies under £30m market value.

The chart below illustrates the Company's share price performance since its listing on 19 March 2021, compared to this relevant small cap mining peer group index. The adjusted peer group index excludes Harvest Minerals PLC which performed exceptionally well during this period. Note that Harvest Minerals PLC and Keras Resources PLC are the only two producers in the peer group.



Consideration of shareholder views

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

Approved on behalf of the Board of Directors.

Russell Thomson
Chair of Remuneration Committee
11 July 2023

Independent Auditor's Report To The Members Of Caerus Mineral Resources Plc

Opinion

We have audited the financial statements of Caerus Mineral Resources PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which indicates that the group's current cash resources are insufficient to enable the group to meet its recurring outgoings for the twelve months from the date of approval of the financial statements. The group incurred a net loss of £5.5m during the year ended 31 December 2022. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. The group is reliant on a commission receivable from EV Metals Group, an external fundraise, and the proceeds from the sale of its Cypriot assets to fund its recurring outgoings for the twelve months from the date that the financial statements are approved. Our opinion is not modified in respect of this matter.

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

- reviewing the cashflow forecast and budgets for the period to 30 November 2024 and the corresponding assumptions used. This included the expected cash receipt in relation to the sale of Cypriot assets, commission received on the placing of shares in a related party;

- reviewing advice received by the parent company confirming that the possible liability of AU$2 million to BMG, which the directors do not believe to be enforceable in any event, should not affect the liabilities payable of the parent company;
- vouching the return of the £500,000 deposit previously paid to RIWAQ for due diligence access;
- discussions with management regarding the future plans of the group; and
- challenging management's assumptions of forecast income and committed costs as well as the reduction in forecast costs.

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. Materiality applied to the group financial statements was £94,000 (2021: £110,000) with performance materiality set at £65,800 (2021: £77,000). This amount has been determined by using a blended rate of 5% net assets and 10% loss before tax. Our determination was considered appropriate given that the net assets represents the shareholder's equity and the loss before tax is important to measure the operating cash flows on the areas of significant audit risk identified, including the exploration and evaluation assets and cash and cash equivalents.

We agreed with the audit committee that we would report to them all audit differences identified during the course of our audit in excess of £4,700 (2021: £6,100) for the group. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality applied to the parent company's financial statements was £89,000 (2021: £105,000), with performance materiality set at £62,300 (2021: £73,500). This amount has been determined by using a blended rate of 5% net assets and 10% loss before tax. Our determination was considered appropriate given that the net assets represents the shareholder's equity and the loss before tax is important to measure the operating cash flows on the areas of significant audit risk identified, including the investment in subsidiaries and cash and cash equivalents. We agreed with the audit committee that we would report all individual audit differences identified during the course of our audit in excess of £4,450 (2021: £5,520) together with any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

The audits of New Cyprus Copper Limited, Treasure Development Limited and Gold Mines Cyprus Ltd were performed by component auditors, with materiality set by us at £19,000 (2021: £70,000), £45,000 (2021: £44,000) and £35,000 respectively. In the prior year group performance materiality was used for Gold Mines Cyprus Ltd.

A benchmark of 70% for performance materiality during our audit of the group and parent company was applied as we believe that this would provide sufficient coverage of significant and residual risks.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we assessed the areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates and judgements including the carrying value of evaluation and exploration assets, intra-group balances and investments in subsidiaries and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

An audit was performed on the financial information of the group's material operating components which, for the period ended 31 December 2022, were located in the United Kingdom and Cyprus. The components in Cyprus were audited by a firm within our PKF network operating under our instruction. We interacted regularly with the component audit team during all stages of the audit and we were responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company financial statements.

New Cyprus Copper Limited and Treasure Development Limited have been assessed as significant components of the group and therefore we designed procedures focused on exploration cost capitalisation and valuation of the exploration assets in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. This work was significant in addressing our key audit matter in respect of capitalised exploration costs and valuation of explorations assets in which the group's exploration costs are recorded.

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.

Key Audit Matter	How our scope addressed this matter
Management override of controls	
Under ISA (UK) 240 "*The Auditor's responsibilities relating to fraud in an audit of financial statements*", there is a presumed significant fraud risk of management override of controls. **In addition, following the parent company's RNS announcement on 5 September 2022 and others during the year we noted that there was a possibility of an instance whereby controls and governance procedures in respect of disclosure to auditors and the market may have been lacking in 2021. There was therefore deemed to be an enhanced risk in relation to management override of controls. We needed to consider whether this would have affected the previously published results of the prior financial year. Refer to notes 11, 21 and 25.**	Our work in this area included: • Testing the appropriateness of manual or automated journals processed during the period, including those made at the end of the period and post-closing entries, to determine whether these were appropriate. This also included inquiries of individuals with different levels of responsibility involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journals. • Reviewing accounting estimates, judgements, and assumptions within the financial statements for evidence of management bias, and agreeing to appropriate supporting documentation. In this context we viewed the key estimates as being the carrying value of intangibles, the valuation of investments and recoverability of intragroup loans, valuation of share-based payments and the valuation of the BMG liability. • Evaluating whether there is a clear business rationale to support any significant cash transactions outside the normal course of the business of the entity, or transactions which otherwise appear to be unusual. • Evaluating the judgements made in the prior year by previous governance, with emphasis on the valuation of intangibles, completeness of liabilities, and recoverability of amounts from Bezant, to assess whether any misstatements arose and therefore the need for any prior year adjustments; • Reviewing and assessing the third party documentation with respect to Corporate Governance; and

	• Assessment of the potential liability from the disputed SPA agreement with BMG Resources as documented below in a separate Key Audit Matter. Based on the audit procedure performed, nothing has come to our attention that would indicate the existence of management override of controls.
Fair value of investments and intragroup balances (parent company)	
The parent company has material investments of £424k in its statement of financial position relating to its subsidiary undertakings. During the year, the group decided to change its strategy and signed terms of agreement to sell the Cypriot assets. **Therefore, there is a risk that the investments in subsidiaries (where the intangibles are the main asset) could be overstated. Refer to note 13.**	Our work in this area included: • Verifying the ownership of the investment in subsidiaries as at 31 December 2022; • Obtaining and reviewing the key terms of the sales purchase agreements in relation to the sale of subsidiaries; • Vouching cash receipts received post year end to bank statements with respect to payment terms of the agreed sales prices post year end; • Obtaining, reviewing and assessing the assessment performed by management to ensure it is in line with the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, with specific reference to the sales price and deferred consideration dependent on a new JORC resource at Troulli; • Reviewing the component's auditor's response in relation to the subsidiaries and ensuring there are no other factors which impact on the sales price; • Reviewing management's assessment of the write off of intragroup loans in the year; • Reviewing post year end correspondence between the Company and purchaser regarding the timing of payment of the Consideration; and • Assessing the appropriateness of the accounting policies and disclosures included in the financial statements. Based on the audit procedures performed, we consider management's judgements in its assessment of impairment to be reasonable and there was no indication at year end that the remaining balance will not be received from the purchaser. Should this not be paid there could be a further impairment to the investment carrying value. The contingent asset in relation to the deferred consideration on sale of the Cypriot asset has not been included in the investment valuation at 31 December 2022 in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IFRS 9 *Financial Instruments*, but has been appropriately disclosed.
Classification and valuation of Cypriot intangible assets	

<table>
<tr>
<td>The group has material intangible assets of £411k in relation to capitalised exploration costs in respect of mining activities in Cyprus. During the year the group decided to change its strategy and signed terms of agreement to sell the Cypriot assets.

Therefore, there is a risk that the carrying value of the intangible assets is overstated, above the agreed sales price, less direct costs to sell. There is also a risk that costs have been incorrectly capitalised in accordance with IFRS 6 during the year, prior to the decision to sell. There is also a risk that the intangible assets at year end, being classified as held for sale, have not been accounted for or disclosed in accordance with IFRS 5.

Refer to note 11.</td>
<td>Our work in this area included:
Obtaining and reviewing the key terms of the sales purchase agreements in relation to the sale of subsidiaries;
Vouching post year end cash receipts to bank statements with respect to the sales consideration as set out in the Share Purchase Agreement;
Obtaining, reviewing and assessing the assessment performed by management to ensure it is in line with the requirements of IFRS 5, with specific reference to the sales price and deferred consideration dependent on a new JORC resource at Troulli;
Reviewing component auditor’s work over capitalised costs during the year relating to the licences of the Cyprus subsidiaries. This includes considerations in respect of the recognition criteria within IFRS 6;
Reviewing post year end correspondence between the Company and purchaser regarding the timing of payment of the Consideration;
Confirming through review of the component auditor’s files that the subsidiaries hold good title to its exploration licences as one of the key terms in determining the valuation of the exploration and evaluation assets as required by IFRS 6 prior to classification as an asset held for sale; and
Assessing the appropriateness of the accounting policies and disclosures included in the financial statements.
Based on the audit procedures performed, we consider management's judgements in its assessment of impairment to be reasonable and there was no indication at year end that the remaining balance will not be received from the purchaser. Should this not be paid there could be a further impairment to the investment carrying value. The contingent asset in relation to the deferred consideration on sale of the Cypriot asset has not been included in the investment valuation at 31 December 2022 in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRS 9 Financial Instruments, but has been appropriately disclosed.</td>
</tr>
<tr>
<td>Completeness of liabilities recognised and disclosed</td>
<td></td>
</tr>
<tr>
<td>During the year, there has been disclosure of a potential liability within New Cyprus Copper Limited of AU$2m with respect to an amended clause in dispute with BMG Resources (“BMG”). This relates to the</td>
<td>Our work in this area included:
Obtaining and reviewing the amendment to the original share purchase agreement of NCC;</td>
</tr>
</table>

amendment to the original share purchase agreement between NCC and BMG. **There is a risk that the exercised option is not disclosed or accounted for correctly.** **Refer to notes 21 and 25.**	• Obtaining management's assessment of the amendment and whether they believe a liability arises as a result of the exercised put option; • Reviewing the third-party documentation prepared by the parent company's lawyers; • Reviewing latest financial statements of BMG to assess whether they believe a liability exists; • Reviewing the component auditor's work over the liability, including communication with the subsidiaries' local lawyers; and • Assessing the appropriateness of the accounting policies and disclosures included in the financial statements. Notwithstanding that the directors of the group have queries as to whether the put option should be enforceable, it was noted that BMG exercised their put option in March 2022 in accordance with the amended share purchase agreement and therefore the AU$2m became a recognised liability under IFRS during the current financial year.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about and potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry of a similar size.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - Listing Rules as applicable to Standard Segment of the LSE;
    - Disclosure Guidance and Transparency Rules ("DTR");
    - Local industry regulations in Cyprus where exploration activity took place in the year;
    - Local tax and employment law in the UK and Cyprus;
    - Anti-Bribery and Money Laundering Regulations; and
    - QCA Corporate Governance Code.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management;
    - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
    - Review of minutes of meetings of those charged with governance and RNS announcements; and

- Review of accounting ledgers for any unusual journal entries which may indicate non-compliance.

- 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 carrying value of the intangible assets and the investments in subsidiaries and the accounting for the contingent liability as described in the Key Audit Matters section above. 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 reviewing transactions through the banks statements to identify potentially large or unusual transactions that do not appear to be in line with our understanding of business operations.
- As part of the group audit, we have communicated with component auditor the risks associated with the components of the group, including the risk of fraud as a result of management override of controls. To ensure that this has been completed, we have reviewed component auditor working papers in this area and obtained responses to our group instructions from the component auditors.

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.

Other matters which we are required to address

We were appointed by the directors of Caerus Mineral Resources PLC on 9 February 2021 to audit the financial statements for the period ending 30 November 2018 and subsequent financial periods. Our total uninterrupted period of engagement is 5 years, covering the periods ending 30 November 2018 to 31 December 2022.

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

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

Use of our report

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

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

15 Westferry Circus
Canary Wharf
London E14 4HD

11 July 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021* £
Continuing operations:			
Administrative expenses	6	(1,168,034)	(640,427)
Net impairment losses on disposal of assets	11	(2,918,303)	-
Finance costs	7	(380)	(12,263)
Operating loss and loss before income tax		**(4,086,717)**	(652,690)
Income tax expense	9	-	-
Loss after taxation		**(4,086,717)**	(652,690)
Total loss from continuing operations		**(4,086,717)**	(652,690)
Loss from discontinued operations	21	(1,439,812)	(335,280)
Loss for the year		**(5,526,529)**	(987,970)
Total loss is attributable to:			
Owners of Caerus Mineral Resources plc		(5,511,542)	(821,801)
Non-controlling interests		(14,987)	(166,169)
		(5,526,529)	(987,970)
Other comprehensive income:			
Items that may be reclassified to profit and loss:			
Exchange differences on translation of discontinued operations	22	232,772	(14,264)
Other comprehensive profit (loss) for the period arising from discontinued operations		**232,772**	(14,264)
Total comprehensive loss for the year		**(5,293,757)**	(1,002,234)
Total comprehensive loss is attributable to:			
Owners of Caerus Mineral Resources plc		(5,279,620)	(827,235)
Non-controlling interests		(14,137)	(174,999)
		(5,293,757)	(1,002,234)
Total comprehensive loss attributable to Owners of Caerus Mineral Resources plc:			
Continuing operations		(1,153,427)	(652,690)
Discontinued operations		(4,126,193)	(174,545)
		(5,279,620)	(827,235)
Earnings per share:			
Total basic and diluted loss per share (£):			
Continuing operations	10	(0.019)	(0.013)
Continued and discontinued operations	10	(0.092)	(0.020)

*Restated to show discontinued operations as comparative

The accounting policies and notes on pages 44 to 68 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

		As at 31 December 2022	As at 31 December 2021
ASSETS	**Notes**	**£**	**£**
Non-current assets			
Intangible fixed assets	11	-	2,578,529
Tangible fixed assets	12	83,902	20,800
Total non-current assets		**83,902**	**2,599,329**
Current assets			
Other receivables	14	527,237	432,239
Cash and cash equivalents		115,824	2,508,108
		643,061	**2,940,347**
Assets classified as held for sale	21	515,796	-
Total current assets		**1,158,857**	**2,940,347**
Total assets		**1,242,759**	**5,539,676**
LIABILITIES			
Non-current liabilities			
Borrowings		-	(504)
Deferred tax liabilities	18	-	(246,840)
Lease liabilities	17	(23,717)	-
Financial liability – contingent consideration	15	-	(186,916)
Total non-current liabilities		**(23,717)**	**(434,260)**
Current liabilities			
Trade and other payables	16	(95,826)	(154,099)
Lease liabilities	12	(61,718)	-
Deferred tax liabilities	18	-	-
		(157,544)	**(154,099)**
Liabilities directly associated with assets classified as held for sale	21	(1,218,058)	-
Total current liabilities		**(1,375,602)**	**(154,099)**
Total liabilities		**(1,399,319)**	**(588,359)**
Net (liabilities)/assets		**(156,560)**	**4,951,317**
EQUITY			
Share capital	19	612,113	612,113
Share premium	19	5,840,002	5,840,002
Other equity	20	-	-
Share-based payments reserve		68,706	98,917
Foreign exchange reserve	22	212,323	(19,599)
Retained earnings		(6,856,948)	(1,512,891)
Capital and reserves attributable to owners of Caerus Mineral Resources plc		**(123,804)**	**5,018,542**
Non-controlling interests		**(32,756)**	**(67,225)**
Total equity		**(156,560)**	**4,951,317**

The accounting policies and notes on pages 44 to 68 form part of these consolidated financial statements.

The Financial Statements were approved and authorised for issue by the Board on 11 July 2023 and were signed on its behalf by:

Charlie Long, Director

Parent Company Statement of Financial Position
Company number: 11043077

	Notes	As at 31 December 2022 £	As at 31 December 2021 £
ASSETS			
Non-current assets			
Tangible fixed assets	12	83,902	-
Investments in subsidiary	13	-	1,458,923
Loans to subsidiaries	14	-	1,057,750
Total non-current assets		**83,902**	**2,516,673**
Current assets			
Other receivables	14	527,237	378,656
Cash and cash equivalents		115,824	2,426,498
		643,061	**2,805,154**
Assets classified as held for sale	13	424,328	-
Total current assets		**1,067,389**	**2,805,154**
Total assets		**1,151,291**	**5,321,827**
LIABILITIES			
Non-current liabilities			
Lease liabilities	17	(23,717)	-
Financial liability – contingent consideration	15	-	(186,916)
Total non-current liabilities		**(23,717)**	**(186,916)**
Current liabilities			
Trade and other payables	16	(95,826)	(125,139)
Lease liabilities	12	(61,718)	-
Total current liabilities		**(157,544)**	**(125,139)**
Total liabilities		**(181,261)**	**(312,055)**
Net assets		**970,030**	**5,009,772**
EQUITY			
Share capital	19	612,113	612,113
Share premium	19	5,840,002	5,840,002
Other equity	20	-	-
Share-based payments reserve		68,706	98,917
Retained earnings		(5,550,791)	(1,541,260)
Capital and reserves attributable to owners of Caerus Mineral Resources plc		970,030	5,009,772
Total equity		**970,030**	**5,009,772**

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 by choosing not to present its individual Statement of Comprehensive Income and related notes that form part of these approved financial statements.

The Company's loss for the period from operations is £4,177,016 (2021: loss of £895,438).

The accounting policies and notes on pages 44 to 68 form part of these financial statements.

The Financial Statements were approved and authorised for issue by the Board on 11 July 2023 and were signed on its behalf by:

Charlie Long, Director

Consolidated Statement of Changes in Equity

	Share capital £	Share premium £	Share-based payment reserve £	Shares paid not issued £	Retained earnings £	Foreign exchange reserve £	Non-controlling interests £	Total £
Balance at 1 January 2021	**239,000**	**1,627,665**	**-**	**100,000**	**(691,090)**	**(14,165)**	**107,774**	**1,369,184**
Comprehensive income								
Loss for the period	-	-	-	-	(821,801)	-	(166,169)	(987,970)
Exchange differences on translation of foreign operations	-	-	-	-	-	(5,434)	(8,830)	(14,264)
Total comprehensive income for the period	-	-	-	-	***(821,801)***	***(5,434)***	***(174,999)***	***(1,002,234)***
Transactions with owners in their capacity as owners								
Issue of shares	373,113	4,526,887		(100,000)	-	-	-	4,800,000
Cost of shares issued	-	(314,550)	29,530	-	-	-	-	(285,020)
Share-based payments	-	-	69,387	-	-	-	-	69,387
Total transactions with owners recognised directly in equity	***373,113***	***4,212,337***	***98,917***	***(100,000)***	-	-	-	***4,584,367***
Balance as at 31 December 2021	**612,113**	**5,840,002**	**98,917**	**-**	**(1,512,891)**	**(19,599)**	**(67,225)**	**4,951,317**
Comprehensive income								
Loss for the year	-	-	-	-	(5,511,542)	-	(14,987)	(5,526,529)
Exchange differences on translation of foreign operations	-	-	-	-	-	231,922	850	232,772
Total comprehensive income for the year	-	-	-	-	***(5,511,542)***	***231,922***	***(14,137)***	***(5,293,757)***
Transactions with owners in their capacity as owners								
Transactions with NCI	-	-	-	-	-	-	48,606	48,606
Share-based payments	-	-	137,274	-	-	-	-	137,274
Cancelled warrants	-	-	(167,485)	-	167,485	-	-	-
Total transactions with owners recognised directly in equity	-	-	***(30,211)***	-	***167,485***	-	***48,606***	***185,880***
Balance as at 31 December 2022	**612,113**	**5,840,002**	**68,706**	**-**	**(6,856,948)**	**212,323**	**(32,756)**	**(156,560)**

Parent Company Statement of Changes in Equity

	Share capital £	Share premium £	Share-based payment reserve £	Shares paid not issued £	Retained earnings £	Total £
Balance at 1 January 2021	**239,000**	**1,627,665**	**-**	**100,000**	**(645,822)**	**1,320,843**
Comprehensive income						
Loss for the year	-	-	-	-	(895,438)	(895,438)
Total comprehensive income for the year	-	-	-	-	***(895,438)***	***(895,438)***
Transactions with owners recognised directly in equity						
Issue of shares	373,113	4,526,887	-	(100,000)	-	4,800,000
Cost of shares issued	-	(314,550)	29,530	-	-	(285,020)
Share-based payments	-	-	69,387	-	-	69,387
Total transactions with owners recognised directly in equity	***373,113***	***4,212,337***	***98,917***	***(100,000)***	-	***4,584,367***
Balance as at 31 December 2021	**612,113**	**5,840,002**	**98,917**	**-**	**(1,541,260)**	**5,009,772**
Comprehensive income						
Loss for the year	-	-	-	-	(4,177,016)	(4,177,016)
Total comprehensive income for the year	-	-	-	-	***(4,177,016)***	***(4,177,016)***
Transactions with owners recognised directly in equity						
Share-based payments	-	-	137,274	-	-	137,274
Cancelled warrants	-	-	(167,485)	-	167,485	-
Total transactions with owners recognised directly in equity	-	-	***(30,211)***	-	***167,485***	***137,274***
Balance as at 31 December 2022	**612,113**	**5,840,002**	**68,706**	**-**	**(5,550,791)**	**970,030**

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flow from operating activities			
Loss for the period before taxation		(5,526,529)	(987,970)
Adjustments for:			
Interest paid		380	35
Foreign exchange movements		18,003	46,198
Share-based payments		137,274	69,387
Impairment of intangible assets	11	3,067,298	118,690
Bad debt written off		302,886	-
Liability in subsidiary	25	1,126,589	-
Depreciation	12	45,592	5,147
Operating cash flows before movements in working capital		**(828,507)**	**(748,513)**
Increase in trade and other receivables		(31,948)	(187,039)
Decrease in trade and other payables		(28,659)	(2,647)
Net cash used in operating activities		**(889,114)**	**(938,199)**
Cash flow from investing activities			
Payment for acquisition of subsidiary	13	-	(284,230)
Proceeds from sale of subsidiary	13	100,000	300,000
Deposit on potential acquisition		(500,000)	-
Expenditure on fixed assets		(37,032)	(25,947)
Expenditure on intangible assets	11	(1,003,612)	(444,625)
Net cash used in investing activities		**(1,440,644)**	**(454,802)**
Cash flow from financing activities			
Proceeds from the issue of shares		-	4,050,000
Cost of share issue		-	(285,020)
Finance lease payments		(31,420)	-
Interest paid		(380)	(35)
Net cash (outflow)/inflow from financing activities		**(31,800)**	**3,764,945**
Net (decrease)/increase in cash and cash equivalents		**(2,361,558)**	**2,371,944**
Cash and cash equivalent at beginning of period		2,508,108	137,906
Foreign exchange effect of cash movements		(4,532)	(1,742)
Cash and cash equivalent at end of period		**142,018**	**2,508,108**

Significant non-cash transactions

The significant non-cash transactions were the shares received back by the Company as detailed in note 20 and the cancelled warrants as detailed in note 23.

The accounting policies and notes on pages 44 to 68 form part of these financial statements.

Parent Company Statement of Cash Flows

	Notes	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flow from operating activities			
Loss for the period before taxation		(4,177,016)	(895,438)
Adjustments for:			
Finance and service income		(115,726)	(107,251)
Interest paid		380	35
Depreciation	12	32,586	-
Loss on sale of subsidiary		-	350,000
Bad debt written off		302,886	-
Share-based payments		137,274	69,387
Foreign exchange movement		(95,081)	33,305
Write off of investment in subsidiaries		3,243,312	-
Operating cash flows before movements in working capital		**(671,385)**	**(549,962)**
Increase in trade and other receivables		(51,466)	(44,165)
(Decrease)/increase in trade and other payables		(28,947)	6,559
Net cash used in operating activities		**(751,798)**	**(587,568)**
Cash flow from investing activities			
Investment in subsidiaries through cash advances		(1,127,076)	(903,658)
Payment for acquisition of subsidiary	13	-	(262,734)
Deposit on potential acquisition		(500,000)	-
Proceeds from sale of subsidiary	13	100,000	300,000
Net cash used in investing activities		**(1,527,076)**	**(866,392)**
Cash flow from financing activities			
Proceeds from the issue of shares		-	4,050,000
Finance lease payments		(31,420)	-
Interest paid		(380)	(35)
Share issue costs		-	(285,020)
Net cash (outflow)/ inflow from financing activities		**(31,800)**	**3,764,945**
Net (decrease)/ increase in cash and cash equivalents		**(2,310,674)**	**2,310,985**
Cash and cash equivalent at beginning of period		2,426,498	115,513
Cash and cash equivalent at end of period		**115,824**	**2,426,498**

Significant non-cash transactions
The significant non-cash transactions were the shares received back by the Company as detailed in note 20 and the cancelled warrants as detailed in note 23.

The accounting policies and notes on pages 44 to 68 form part of these financial statements.

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

Caerus Mineral Resources plc (the "Company") is incorporated and domiciled in England and Wales with Registered Number 11043077 under the Companies Act 2006. The Company was incorporated on 1 November 2017 under the name Leopard Mineral Investments Limited as a private limited company and subsequently re-registered as a public limited company on 9 January 2018; and changed its name to Caerus Mineral Resources plc on 18 September 2018.

The principal activity of the Group is the exploration for, and development of mineral resources, including in Cyprus, and the identification of future acquisition targets in the same industry. The Company's registered office is at Eccleston Yards, 25 Eccleston Place, London, SW1W 9NF.

In the prior year, the Company acquired the entire share capital of PR Ploutonic Resources Ltd ("PRL") on 11 June 2021 and transferred its three licences into New Cyprus Copper P.A Ltd ("NCC"). Licences, which were not considered to be in line with the Group's future strategy were then moved from another subsidiary company into PRL, and then PRL was sold, on 5 November 2021. On 10 August 2021, the Company acquired the entire share capital of Cyprus Gold Mines Ltd ("CGML"). Both of these acquisitions were treated as asset acquisitions.

On 26 January 2023, the Company announced it had signed a Share Purchase Agreement (the "SPA") with PM Ploutonic Metals ltd ("Ploutonic") and Indo-European Mining PR Ltd ("Indo") for the sale of the Company's Cyprus subsidiaries. This was in line with the Heads of agreement that was announced on 7 December 2022. The carrying value of these investments have been revalued, in line with IFRS 5, at the fair value less costs to sell, at £424,328, resulting in an impairment of investments of £1,034,595 at the year end. The fair value less costs to sell is based on the agreed consideration for the Cypriot asses as per the SPA with the vendor. This is a Level 3 on the fair value hierarchy.

The Directors are required to and have prepared Group financial statements which include the results of the acquired subsidiaries from the date that the acquisitions took place. As the acquisitions were not considered to meet the definition of a business combination under IFRS 3, the Group financial statements are prepared as though the Company has acquired assets.

On 19 March 2021, the Company announced its admission to the Main Market of the London Stock Exchange under the Standard Segment of the Official List under the ticker "LSE:CMRS".

2. ADOPTION OF NEW AND REVISED STANDARDS

(a) New standards, amendments and interpretations adopted by the Group.
There were no new or amended accounting standards that required the Group to change its accounting policies for the year ended 31 December 2022 and no new standards, amendments or interpretations were adopted by the Group

(b) New standards, amendments and interpretations not yet adopted by the Group.
The standards and interpretations that are relevant to the Group, issued, but not yet effective, up to the date of the Financial Statements are listed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IFRS 10 and IAS 28 (Amendments)	Long term interests in associates and joint ventures	Unknown
Amendments to IAS 1	Classification of Liabilities as current or non-current	1 January 2023

Standard	Impact on initial application	Effective date
Amendments to IAS 1	Disclosure of material rather than significant accounting policies.	I January 2023
Amendments to IAS 8	Clarification on how companies should distinguish between changed in accounting policies and accounting estimates	1 January 2023
Amendments to IFRS 12	Deferred Tax assets and Liabilities arising from a single transaction	1 January 2023

The Directors have evaluated the impact of transition to the above standards and do not consider that there will be a material impact of transition on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These polices have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and requirements of the Companies Act 2006. The Financial Statements have also been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the parent company Caerus is Pounds Sterling (£) as this is the currency that finance is raised in. The functional currency of NCC, TDL and CGML is the Euro as this is the currency that mainly influences labour, material and other costs of providing services. The Group has chosen to present its consolidated financial statements in Pounds Sterling (£), as the Directors believe it is a more convenient presentational currency for users of the consolidated financial statements. Foreign operations are included in accordance with the policies set out below.

The preparation of financial statements in accordance with UK-adopted International accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in Note 4.

Going concern

The financial statements have been prepared under the going concern assumption. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for at least the 12 month period from the date of Board approval of the financial statements, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. The Group is not currently generating revenues and therefore an operating loss has been reported and is expected in the 12 months subsequent to the date of these financial statements.

On 10 May 2023, the Company received the return of a £500,000 deposit relating to the decision not to pursue a potential acquisition. The Company is in addition expecting a receipt of £312,300 in relation to commission payments received from EV Metals Group for the placing of their shares as part of the settlement terms agreed with a former director.

The Company has the ability to place the approximately 10.7 million Ordinary shares held by itself to raise additional finance without dilution to the current shareholders.

The Company has performed a review of its financial resources taking into account, the cash currently available to the Company which includes the following sources of funding, which though not available at the date of the signing of these consolidated financial statements are expected to be available in the immediate future.

- The Company announced the sale of the Cyprus Assets and is expecting to receive a further $428,001 in final payment by 30 September 2023.
- The Company has agreed to acquire 80% of a Moroccan company 'Atlantic Research Minerals' and will be seeking to raise finance in the short term to fund the building of its exploration portfolio.

The Company has included these funds in its cash flow projections for the twelve month period from the date of this report, and based on this review, and after considering reasonably possible operational downside sensitivities and uncertainties, the Board, whilst acknowledging this material uncertainty, remains confident of raising finance and therefore have concluded that there is a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. In the event of lack of funds, the Directors would implement temporary reductions in salaries. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Per IFRS 10, control is achieved when the Company:

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

The Company reassesses 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 listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

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

The Group recognises any non-controlling interest in the acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Foreign currencies

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

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief decision-maker. The chief decision-maker has been identified as the Executive Board, at which level strategic decisions are made.

An operating segment is a component of the Group:

- That engages in business activities from which it may earn revenues and earn expenses,
- Whose operating results are regularly reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and assess its performance, and
- For which discrete financial information is available.

Intangible assets – exploration and evaluation expenditure
Mineral exploration and evaluation expenditure relates to costs incurred in the exploration and evaluation of potential mineral resources and includes exploration and mineral licences, researching and analysing historical exploration data, exploratory drilling, trenching, sampling and the costs of pre-feasibility studies.

Exploration and evaluation expenditure for each area of interest, other than that acquired from another entity, is charged to the consolidated statement of income as incurred except when the expenditure is expected to be recouped from future exploitation or sale of the area of interest and it is planned to continue with active and significant operations in relation to the area, or at the reporting period end, the activity has not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves, in which case the expenditure is capitalised. Purchased exploration and evaluation assets are recognised at their fair value at acquisition. As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.

Exploration and evaluation assets have an indefinite useful life and are assessed for impairment annually or when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. IFRS 6 permits impairments of exploration and evaluation expenditure to be reversed should the conditions which led to the impairment improve. The Group continually monitors the position of the projects capitalised and impaired.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement. Following the agreement to sell the Cypriot assets, the Company valued these assets in accordance with IFRS 5 at their fair value less costs to sell. The difference has been recorded as an impairment in the Group accounts.

Tangible fixed assets – Property, plant and equipment
Property, plant, and equipment are stated at cost, less accumulated depreciation, and any provision for impairment losses.

Depreciation is charged on each part of an item of property, plant, and equipment to write off the cost of assets less the residual value over their estimated useful lives, using the straight–line method. Depreciation is charged to the income statement. The estimated useful lives are as follows:

Office equipment - 5 years
Office lease – 1 year
Vehicles – 5 years

Leases
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments less any lease incentive receivable.
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date, and
- Amounts expected to be payable by the group under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of -use assets are measured at cost comprising the following:

- The amounts of the initial measurement of lease liability;
- Any lease payments made at or before the commence date less any lease incentives received, and
- And initial direct costs.

Depreciation is charged over the shorter of the lease term and the related leased asset as per the Group's tangible fixed asset policy.

Financial Instruments

Financial assets

Classification

The Group's financial assets consist of financial assets held at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets held at amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in the profit or loss and presented in other gain/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. The Group's financial assets at amortised cost comprise trade and other current assets and cash and cash equivalents at the year end.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchasing or selling the asset. Financial assets are initially measured at fair value plus transaction costs. Financial assets are de-recognised 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.

Financial assets are subsequently carried at amortised cost using the effective interest method.

Other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. The other receivables in the accounts do not contain significant financing components.

Impairment of financial assets

The Group assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost. For trade and other receivable due within 12 months the Group applies the simplified approach permitted by IFS 9. Therefore, the Group does not track changes in credit risk, but rather recognises a loss allowance based on the financial asset's lifetime expected credit losses at each reporting date.

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal repayments;

- The Group, for economic or legal reasons relating the borrower's financial difficulty, granting the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Financial liabilities at amortised cost
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-currently liabilities.

Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities are initially measured at fair value. They are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are de-recognised when the Group's contractual obligations expire or are discharged or cancelled.

Cash and cash equivalents
The Group considers any cash on short-term deposits and other short term investments to be cash equivalents.

Investment and loans in subsidiaries
Subsidiary fixed asset investments are valued at cost less provision for impairment. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all investment and loans in subsidiaries.

Non-current assets (or disposal groups) held for sale and discontinued operations
Non- current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other liabilities in the notes to the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statements of profit or loss and the prior year is restated to the enable prior year comparatives.

Equity Instruments
An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received net of direct issue costs.

Share capital represents the amount subscribed for shares at nominal value.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Any bonus issues are also deducted from share premium.

The share-based payments reserve represents equity-settled shared-based employee remuneration for the fair value of the warrants issued. It also includes the warrants issued for services rendered accounted for in accordance with IFRS 2.

Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income, less dividends paid to the owners of the Company.

Treasury Shares
Treasury shares are presented within other equity at the consideration paid for them. No gain or loss on the purchase, sale, issue or cancellation is recognised. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Share-based compensation (Employee based benefits)
The Group operates an equity-settled share-based compensation plan, in that it issues share options and warrants to its employees in recognition of their services. The fair value of these is recognised as an employee expense with a corresponding charge to the share-based payment reserve. The total amount to be expensed is determined by reference to the fair value of the options or warrants granted:

- Including any market performance condition (such as the entity’s share price).
- Excluding the impact of any service and non-market performance vesting conditions.
- Including the impact of any non-vesting conditions (such as the requirement to hold shares for a specific time).

The fair value of these share options and warrants is determined using an adjusted form of the Black-Scholes option pricing model which includes a Monte Carlo simulation model. The assumptions are included in note 23 to the financial statements.

Share-based payments
The Group has two types of share-based payments other than employee compensation.

Warrants issued for services rendered which are accounted for in accordance with IFRS 2 recognising either the costs of the service if it can be reliably measured or the fair value of the warrant (using Black-Scholes option pricing models – see note 23).

Warrants issued as part of share issues have been determined as equity instruments under IAS 32. Since the fair value of the shares issued at the same time is equal to the price paid, these warrants, by deduction, are considered to have been issued at nil value.

Current and deferred income tax
Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the consolidated statement of financial position date, and any adjustment to tax in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In applying the Group's accounting policies, which are described in note 3, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in these financial statements.

Recoverability of exploration and evaluation assets (*see Note 11*)
As of 31 December 2022 the value of these assets have been written down to the fair value less cost to sale. The Directors have assessed the recoverability of these assets and have judged them as recoverable up to the fair value amount. The Company has also written down its investment in its subsidiaries to the same fair value and all intragroup loans have been written down to nil and expensed in the current year Company only profit and loss account. The fair value is equivalent to the Purchase Price as set out in the Share Purchase Agreement (the "SPA") with PM Ploutonic Metals ltd ("Ploutonic") and Indo-European Mining PR Ltd ("Indo") for the sale of the Company's Cyprus subsidiaries, including NCC, as signed on 26 January 2023.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Share-based payments (*see Note 23*)
The Group has issued share options to its directors to provide long-term incentives to deliver long-term shareholder returns. Participants are granted options which only vest if certain performance standards are met. The amounts of options that will vest depends on the Company's share price growth. Once vested the options remain exercisable for a period of five years. These are valued in accordance with IFRS 2 "Share-based payments". In calculating the related charge on the options granted in 2022, the Company will use a variety of estimates and judgements in respect of inputs used including share price volatility, risk free rate, and expected life. These are set out in note 23 to the accounts. Changes to these inputs may impact the related charge.

Fair Value of assets held for sale less cost to sell (*see Note 21*)
On 26 January 2023, the Company announced it had signed a Share and Purchase Agreement (the "SPA") with PM Ploutonic Metals ltd ("Ploutonic") and Indo-European Mining PR Ltd ("Indo") for the sale of the Company's Cyprus subsidiaries. This was in line with the Heads of Agreement that was announced on 7 December 2022. These subsidiaries were consolidated at year end, as the Company still exerted control over its subsidiaries at year end. However, in line with IFRS 5, the Company was required to value the disposal group at its fair value (as per the SPA) less costs to sell as this is lower than its carrying value. In calculating this amount the Directors included the Purchase Price and made the judgement that none of the contingent consideration value, as included in the SPA, should be recognised. This is because the future amount includes various unknown factors such as the prevailing copper price and unknown geological results. Should the full amount of contingent consideration have been recognised the fair value would have increased by a further £357,000.

5. SEGMENTAL REPORTING

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The Directors are of the opinion that the business of the Group focused on two reportable segments as follows:

- Head office, corporate and administrative, including parent company activities of raising finance and seeking new investment opportunities, all based in the UK and
- Mineral exploration, all based in Cyprus (all discontinued operations and disclosed in this note as the CODM have continued to review the results of this segment for the year).

The geographical information is the same as the operational segmental information shown below – the segments have not been combined as only the Corporate and Administrative relates to continuing operations.

Year ending 31 December 2022	*(Continuing operations)* **Corporate and Administrative (UK)** **£**	*(Discontinued operations)* **Mineral exploration (CYPRUS)** **£**
Operating loss from total operations before and after taxation	(1,168,414)	(4,358,115)
Segment total assets – (net of investments in subsidiaries)	726,963	515,796
Segment liabilities	(181,261)	(1,218,058)

Year ending 31 December 2021	**Corporate and Administrative (UK)** **£**	**Mineral exploration (CYPRUS)** **£**
Operating loss from total operations before and after taxation	(590,341)	(397,629)
Segment total assets – (net of investments in subsidiaries)	2,805,154	2,734,522
Segment liabilities	(312,053)	(276,306)

6. EXPENSES BY NATURE

(Continuing operations)	**Year ended 31 December 2022** **£**	**Year ended 31 December 2021*** **£**
Wages and salaries (see note 8)	314,011	89,067
Share-based payment	137,274	69,388
Legal and professional fees	217,239	151,507
IPO costs	-	132,182
Travel	42,791	24,612
Office and sundry expenditure	40,557	67,282
Insurance	34,413	22,874
Regulatory fees	46,277	83,515
Bad debts	302,886	-
Depreciation	32,586	-
	1,168,034	640,427

**restated to show only continuing operations*

The intangible assets held by the Group were written down to their recoverable amount of £428,328 which was determined by reference to the fair value less cost to sell as set out in the Sale and Purchase Agreement. This total impairment charge of £2,918,303 has been separately disclosed in the statement of profit and loss due to the materiality of this impairment.

During the year the Group obtained the following services from their auditors and its associates:

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Fees payable to the Company's auditor and its associates in relation to the audit of the parent company and consolidated financial statements	48,000	35,000
Fees payable to the Company's auditor and its associates in relation to the audit of the Company's subsidiaries	9,500	7,897
Fees payable to the Company's auditor for other services:		
- Reporting Accountant services in respect to IPO	-	30,000
	57,500	**72,897**

7. FINANCE COSTS

	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Interest payable	380	35
Unwinding of Financial Liability (see note 15)	-	12,228
	380	**12,263**

8. DIRECTORS AND EMPLOYEES

The monthly average number of people employed by the Group, including Executive Directors, was:

	2022	2021
Operations	2	2
Corporate and administration	3	1
	5	**3**

The Directors were the key management personnel. Remuneration in respect of these Directors and Employees was:

	Year ended 31 December 2022 £	Year ended 31 December 2021* £
Wages and salaries	276,498	62,001
Social security costs	34,640	8,145
Pension costs	2,873	921
Share-based payments	137,274	51,158
	451,285	**122,225**

**restated to show only continuing operations*

9. INCOME TAX

No charge to taxation arises due to the losses incurred.

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

GROUP	**Year ended 31 December 2022 £**	**Year ended 31 December 2021 £**
Loss before tax	(5,526,529)	(987,970)
Tax at the applicable rate of 17.2% (2021:17.3%)	(949,458)	(170,919)
Disallowed expenses (including impairment) at 19%	555,825	169,149
Losses for which no deferred tax is recognised	(393,633)	(1,770)
Total tax charge	-	-

The weighted average applicable tax rate of 17.2% (2021: 17.3%) used is a combination of the 19% standard rate of corporation tax in the UK and 12.5% Cypriot corporation tax.

The Group has total tax losses of £4,038,559 to carry forward against future profits (2021: £1,437,424 losses carried forward). No deferred tax asset on losses carried forward has been recognised on the grounds of uncertainty as to when profits will be generated against which to relieve said amount**.**

10. EARNINGS PER SHARE

The calculation for earnings per Ordinary Share (basic and diluted) is based on the consolidated loss attributable to the equity shareholders of the Company is as follows:

Continuing operations:	**Year ended 31 December 2022**	**Year ended 31 December 2021***
Total loss for the year (£)	(1,168,414)	(652,690)
Weighted average number of Ordinary shares**	60,178,208	48,366,261
Total Loss per Ordinary share (£)	**(0.019)**	**(0.013)**
Continuing and discontinued operations:		
Total loss for the year (£)	(5,526,529)	(987,970)
Weighted average number of Ordinary shares	60,178,208	48,366,261
Total Loss per Ordinary share (£)	**(0.092)**	**(0.020)**

*Restated to show discontinued operations as comparative

Earnings and diluted earnings per Ordinary share are calculated using the weighted average number of Ordinary shares in issue during the period. There were no dilutive potential Ordinary shares outstanding during the period.

**Shares held by the Company at year end of 10,685,313 have been excluded from the weighted average number of Ordinary shares calculation from the date of gift.

11. INTANGIBLE ASSETS

Group	Exploration and Evaluation assets
Cost and Carrying Value	**£**
At 1 January 2021	1,690,536
Exploration and evaluation assets acquired at fair value (*note 13*):	
Licences acquired via acquisition of PRL	754,292
Licences acquired via acquisition of CGML	335,062
Additions	444,625
Disposals of assets	(517,966)
Impairment on licence disposal	(118,690)
Foreign exchange movements	(9,330)
At 31 December 2021	**2,578,529**
Additions	1,003,612
Foreign exchange movements	(104,132)
Impairment in subsidiaries	(148,995)
Group impairment charge on discontinued operations	(2,918,303)
Assets classified as held for sale and other disposal	(410,711)
At 31 December 2022	-

In accordance with IFRS 6, the Directors undertook an assessment of the following areas and circumstances which could indicate the existence of impairment:

- The Group's right to explore in an area has expired, or will expire in the near future without renewal.
- No further exploration or evaluation is planned or budgeted for.
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the book value may not be fully recovered from future development and production.

An impairment charge was made in regard to the intangible assets as the Board has taken a decision to discontinue the operations in Cyprus and therefore an impairment charge of £2,918,303 has been included in the accounts to write down the value of the intangible assets to their Fair value less cost to sell. This fair value has been calculated from the Sales and Purchase Agreement, recognising only the Purchase Price of US$528,001.

A 10% movement either way in the US/GBP exchange rate would change the fair value by £73,500.

12. TANGIBLE FIXED ASSETS

Group	Office leases & Equipment	Vehicles	Total Assets
	£	**£**	**£**
Cost			
At 1 January 2022	9,087	16,860	25,947
Additions	106,601	46,921	153,522
At 31 December 2022	**115,688**	**63,781**	**179,469**

Accumulated depreciation

At 1 January 2022	(1,802)	(3,345)	(5,147)
Depreciation charge for the year	(36,223)	(9,369)	(45,592)
At 31 December 2022	**(38,025)**	**(12,714)**	**(50,739)**
Net book value			
Assets classified as held for resale	(29,303)	(15,525)	(44,828)
At 31 December 2021	7,285	13,515	20,800
At 31 December 2022	**48,360**	**35,542**	**83,902**

Company	**Office leases**	**Vehicles**	**Total Assets**
	£	**£**	**£**
Cost			
At 1 January 2022	-	-	-
Additions	76,570	39,918	116,488
At 31 December 2022	**76,570**	**39,918**	**116,488**
Accumulated depreciation			
At 1 January 2022	-	-	-
Depreciation charge for the year	(28,210)	(4,376)	(32,586)
At 31 December 2022	**(28,210)**	**(4,376)**	**(32,586)**
Net book value			
At 31 December 2021	-	-	-
At 31 December 2022	**48,360**	**35,542**	**83,902**

Right-of-use assets: The Company only assets relate to an office lease and a vehicle which have both been accounted for as finance leases under IFRS 16. Additions to the right-of use assets during 2022 financial year were £116,488 (2021: Nil) and the depreciation charge was £32,586 (2021: Nil).

Lease liabilities
Current £61,718 (2021: £nil)
Non-current £23,717 (2021: £nil)
The office lease was renewed on 7 November 2022 and its term ends on 5 December 2022. The liability related to this is all included in the current lease liabilities.

13. INVESTMENTS IN SUBSIDIARIES/ASSETS HELD FOR SALE

Company	**£**
Cost and net book amount	
At 1 January 2021	1,174,693
Additions	1,034,230
Disposals	(750,000)
At 31 December 2021	**1,458,923**
Write down of investments	(1,034,595)
At 31 December 2022	**424,328**

On 26 January 2023, the Company announced it had signed a Share Purchase Agreement (the "SPA") with PM Ploutonic Metals ltd ("Ploutonic") and Indo-European Mining PR Ltd ("Indo") for the sale of the Company's Cyprus subsidiaries. This was in line with the Heads of Agreement that was announced on 7 December 2022. The carrying value of these investments have been revalued, in line with IFRS 5, at the fair value less costs to sell, at £424,328, resulting in an impairment of investments of £1,034,595 at the year end. The fair value less costs to sell is based on the agreed consideration for the

Cypriot asses as per the SPA with the vendor. This is Level 3 on the fair value hierarchy.

This valuation does not include the "Revised Valuation Amount" of $432,000 which becomes payable, by the acquirer, if a new JORC or NI 43-101 compliant Troulli mineral resource estimate of 7.75 million tonnes or more at a 0.5% Copper equivalent or higher is reported. The Board, will disclose this as a Contingent Asset after the completion of the sale of the Cypriot assets.

Information about the composition of the Group at the end of the reporting period is as follows:

Name	**Principal activity**	**Place of incorporation and operation**	**% owned subsidiary**
New Cyprus Copper P.A. Ltd ("NCC")	Mineral exploration	Cyprus	100%
Treasure Development Limited ("TDL")	Mineral exploration	Cyprus	90%
GC Gold Mines (Cyprus) Ltd ("CGML")*	Mineral exploration	Cyprus	100%

On 11 May 2022 NCC increased its shareholding in TDL to 90% based on meeting the agreed expenditure commitments of the original SPA with BMG Resources Limited. No consideration was paid for this increase in shareholding. NCC has not recognised the ownership of the final 10% of TDL as this additional shareholding is in dispute (see note 25) and no share ownership documents have been signed as at the date of these accounts.

On 9 August 2021, the Company acquired 100% of the issued share capital of CGML for a total cash consideration of £284,230. The investment provides Caerus with the opportunity to expand its mineral exploration programme.

On 5 November 2021, the Company sold its subsidiary PR Ploutonic Resources Ltd for a consideration of £400,000. The final amount of £100,000 was received for this disposal in 2022.

*Changed its name from P. Von-De-Tsianos Gold Mines Ltd (Cyprus) Ltd to GC Gold Mines (Cyprus) Ltd on 4 July 2021.

The registered office of NCC, TDL and CGML is 10 Tyrnavou Street, Quality Tower C, 3rd Floor, Office C32, 6037 Larnaca, Cyprus.

14. RECEIVABLES

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
Current:	**£**	**£**	**£**	**£**
Other receivables	527,237	432,239	527,237	378,656
Total current receivables	**527,237**	**432,239**	**527,237**	**378,656**
Non current:				
Loans to subsidiary companies	-	-	-	1,057,750
Total non-current receivables	-	-	-	**1,057,750**

Loans to subsidiary companies have been fully written down at year end due to the sale of the subsidiaries as these amounts will not be repaid.

Other receivables includes a sum of £500,000 which was paid on the 13 December 2022 to EV Metals Group Plc, as a fully refundable deposit, in return for an extendable three month due diligence period to enter into an exclusive option agreement to acquire 90% of RIWAQ Al Mawarid for Mining. This deposit was returned on 10 May – see note 28.

15. FINANCIAL LIABILITY – CONTINGENT CONSIDERATION

	2022	**2021**
	£	**£**
Contingent liability brought forward	186,916	174,688
Provision unwound	(186,916)	12,228
	-	**186,916**

The Group recorded a contingent consideration liability relating to the acquisition of the NCC group in 2020 which was payable upon publication of a JORC compliant resource on the licences related to this acquisition. This liability has now been unwound as the assets that it relates to are being held as assets for sale and no JORC compliant resource had been published at the balance sheet date.

16. TRADE CREDITORS AND OTHER PAYABLES

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Trade payables	21,311	84,245	21,311	67,609
Accruals	60,800	57,324	60,800	45,000
Taxes and social security	13,715	12,530	13,715	12,530
Trade and other payables	**95,826**	**154,099**	**95,826**	**125,139**

The carrying value of these liabilities is deemed to equate to their fair value, due to their short-term nature.

17. NON-CURRENT LIABILITIES

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	£	**£**	**£**	**£**
Lease liabilities	**23,717**	**-**	**23,717**	-
Long term loans	-	504	-	-
	23,717	**504**	**23,717**	**-**

During the year, the Company leased a vehicle in the year for a fixed period of 4 years.

18. DEFERRED TAX

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

	Group	
	2022	**2021**
	£	**£**
Deferred tax liability brought forward	246,840	125,801
(Impairment)/acquisition of subsidiaries	(201,205)	121,039
	45,635	246,840
Less liabilities held for resale	(45,635)	-
Deferred tax liability carried forward	**-**	**246,840**

The deferred tax liability has arisen following the acquisitions in the prior year which have been accounted for as asset acquisitions. Therefore a deferred tax liability has been recognised on the Fair Value uplift of the assets acquired, which has been calculated at a rate of 12.5% of the uplift of asset value being the applicable Cypriot tax rate. This has been reduced and reclassified into current liabilities in the current year to reflect the impairment of these assets which are held for sale and the associated reduced value in deferred tax.

19. SHARE CAPITAL AND SHARE PREMIUM

	Number of Ordinary shares	Share capital £	Share premium £	Total £
As at 31 December 2020	**23,900,000**	**239,000**	**1,627,665**	**1,866,665**
Issued 19 March 2021	26,500,000	265,000	2,385,000	2,650,000
Issued 11 June 2021	3,311,258	33,113	716,887	750,000
Issued 5 October 2021	7,500,000	75,000	1,425,000	1,500,000
	61,211,258	**612,113**	**6,154,552**	**6,766,665**
Less share issue costs	-	-	(314,550)	(314,550)
As at 31 December 2021	**61,211,258**	**612,113**	**5,840,002**	**6,452,115**
As at 31 December 2022	**61,211,258**	**612,113**	**5,840,002**	**6,452,115**

On 19 March 2021, the Company completed a placing of 21,000,000 new Ordinary shares of £0.01 each at a price of £0.10 per share, a Subscription Agreement for an aggregate 1,500,000 new Ordinary Shares at a price of £0.10 and issued a further 4,000,000 shares to EV Metals Limited in return for a further £400,000 investment in the Company. (£100,000 of the cash received for the issue of shares was received in the prior year and was recorded in the Company balance sheet under 'Shares paid not issued'). In total this raised a cumulative £2.25 million (gross proceeds).

On 11 June 2021, the Company issued 3,311,258 new Ordinary shares of £0.01 each at a deemed price of £0.23 per share to the owners of PRL as part of the consideration for the acquisition of said company.

On 5 October 2021, the Company completed a placing of 7,500,000 new Ordinary shares of £0.01 each at a price of £0.20 per share to raise £1.5m (gross proceeds).

20. OTHER EQUITY

Other equity consists of "Treasury Shares" in Caerus Mineral Resources Plc that are held by the Company. These were gifted back to the Company for nil consideration and are therefore recognised in other equity at nil value. These have accounted for as Treasury shares, though they are not legally considered to be Treasury Shares as they were not "purchased" by the Company.

The number of shares gifted back to the Company amounts to 10,685,313 Ordinary shares and if recognised at fair value, at the listed price on day of transfer, would be stated at a fair value of £620,745.

21. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

The following information relates to Cypriot assets which are being held for sale and the investments held by the parent Company – see note 13 for further details:

	2022
	£
Operating losses	1,439,812
Impairment loss	2,918,303
Employment relating to discontinued operations	75,834
Cash outflows from discontinued operations	
Cash outflow from operating activities	(96,824)
Cash outflow from investing activities	(1,040,644)
Cash outflow from financing activities	-
Net cash outflow for the year	**(1,137,468)**
Assets and liabilities of disposal group held for sale	
Intangible assets	410,711
Property, plant and equipment	44,828
Trade and other receivables	34,063
Cash and cash equivalents	26,194
Assets held for sale	**515,796**
Trade and other payables	(45,834)
Deferred tax liabilities	(45,635)
	(91,469)
Liability in subsidiary	(1,126,589)
Liabilities directly associated with the assets held for sale	**(1,218,058)**
Fair value of assets held for resale	**424,328**

The Group is required to recognise a liability of £1,126,589 in its loss from discontinued activities in relation to the Amendment dated 20 May 2021 to the SPA dated 14 April 2016 between NCC and BMG. This liability has been recorded at its full value based on an undiscounted translation of an A$2 million possible payment that could arise for NCC from this disputed contract. The Group has disclaimed the liability and will defend any action taken against it in this matter.

The Board of NCC maintains that the intention behind the Amendment dated 20 May 2021 was for NCC to retain its ability to elect to pay the balance payment via a smelter royalty, as had been the case under the SPA. The fair value of assets held for resale do not include this liability– see note 25 for further details.

22. FOREIGN EXCHANGE TRANSLATION RESERVE

	£
As at 31 December 2020	**(14,165)**
Exchange differences on translating the net assets of foreign operations	(14,264)
Exchange movements associated with the NCI	8,830
As at 31 December 2021	**(19,599)**
Exchange differences on translating the net assets of foreign operations	232,772
Exchange movements associated with the NCI	(850)
As at 31 December 2022	**212,323**

23. WARRANTS AND SHARE-BASED PAYMENTS

The following table sets out the movement of warrants during the year, no warrants were exercised during either year:

	Number of warrants	Exercise price (pence)
As at 31 December 2020	**5,400,000**	**5.0p**
Issued in the year	11,983,174	12.5p to 30.0p
As at 31 December 2021	**17,383,174**	**5.0p to 30.0p**
Issued in the year	1,000,000	5.0p
Cancelled in the year	(10,100,000)	5.0p to 25.0p
As at 31 December 2022	**8,283,174**	**5.0p to 30.0p**

The weighted average exercise price of the warrants at the year end is £0.21 (2021: £0.16). The weighted average life of the warrants at the year end is 0.58 years (2021: 1.49 years).

Cancelled warrants
The cancelled warrants were part of the settlement agreement with the former directors. The Company has transferred the amount of £167,485, which was initially recognised in the share-based payment reserve in relation to these cancelled warrants into retained earnings.

On 7 January 2022, 1,000,000 Bonus (2025) warrants were issued to Professor Michael Johnson at a price of 7.5p per share with an expiry date of 7 January 2025. These were issued in lieu of salary. The exercise price was subsequently reduced on 28 April 2022 to 5p per share. The warrants were valued, after repricing, at £47,942. These warrants were subsequently cancelled on 16 November 2022.

On 10 January 2022, the exercise price of the 2,000,000 Performance warrants, issued to Martyn Churchouse in 2021, was reduced to 12.5p and the expiry date was extended to 10 January 2025. On 3 May 2022, the exercise price of the 2,000,000 Bonus (2023) warrants, previously issued to Professor Michael Johnson was reduced to 5p. The original fair value of these warrants as recognised in prior year was £51,158. The value of this change £68,385, was debited to the profit and loss account in the current year. These warrants were subsequently cancelled on 16 November 2022.

1,800,000 Founder warrants, 2,300,000 Seed warrants and 1,000,000 Investor warrants were also cancelled on 16 November 2022, however as they have been determined as equity instruments under IAS 32 their cancellation had nil effect on the profit and loss reserve.

Current warrants
The Group has issued the following warrants, which are still in force at the balance sheet date.

Date of Issue	**Reason for issue**	**No. of warrants**	**Exercise price pence per share**	**Life in years**
25/01/2018	Founder warrants – dated from Admission	300,000	5.0p	1.2
19/03/2021	Broker warrants A– Share Issue	3,360,000	12.5p	0.2
16/06/2021	Introduction warrants – Cost of Services	441,174	17.0p	0.5
05/10/2021	Placing warrants – Share Issue	3,750,000	30.0p	1.8
05/10/2021	Broker warrants B – Cost of Services	432,000	20.0p	1.8
		8,283,174		

The Founder and Placing warrants have been determined as equity instruments under IAS 32 and as such have been issued at nil cost.
In the prior year the Broker warrants, A and B, have been fair valued at £29,530 in accordance with IFRS 2 and are measured at the fair value of the services received. This amount is attributable to the cost of shares issued and therefore has been accounted for in the Share Premium reserve.

The remaining warrants are valued in accordance with IFRS 2, as equity settled share-based payment transactions. £18,230 was recognised as the fair value of Broker Introduction services received during the prior year. The fair value was calculated using the Black Scholes model with inputs as detailed below:

	Bonus (2025)	Bonus (2023)	Performance	Broker (A) warrants	Introduction warrants	Broker (B) warrants
Share price	14.3p	10p	24p	10p	24p	19.3p
Share price (repriced)	12.5p	12.8p	14.3p	-	-	-
Exercise price	7.5p	12.5p	25p	12.5p	17p	20p
Exercise price (repriced)	5p	5p	12.5p	-	-	-
Expected life	3 years	1.5 years	1.5 years	1.5 years	1.5 years	2.5 years
Volatility	40%	38%	38%	38%	38%	48%
Volatility (repriced)	40%	48%	48%	-	-	-
Risk-Free Interest rate	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%
Expected dividends	-	-	-	-	-	-
Fair Values	-	£10,593	£40,565	£17,797	£18,229	£11,733
Fair Values (repriced)	£47,942	£68,071	£314	-	-	-

Expected volatility has been based on an evaluation of the historical volatility of similar Company's share prices in the same industry and listed on the same Exchange. The fair value has been discounted by 50% to account for the early stage development of the Company and limited liquidity due to its small cap nature.

SHARE OPTIONS

On 25 November 2022, the Company granted options over a total of 4,400,000 Ordinary shares of 1 pence each in the capital of the Company with an exercise price of 7.5 pence per Ordinary share.

The Options will vest in three instalments and will have an exercise period of five years. The first tranche will vest when the closing mid-market share price reaches 7.5 pence or above for three consecutive trading days. The second tranche will vest when the share price reaches 12.5 pence. The third tranche will vest when the share price reaches 17.5 pence.

The Board approved the issuance of these share option grants to incentivise and retain the Directors, who are considered key to enhancing the future market value of the Company and notes the premium of the exercise price relative to the current share price.

These options are valued in accordance with IFRS2, as equity settled share-based payment transactions. £104,734 has been recognised as the fair value of employee compensation and this will be charged over a period of 5 years in the profit and loss account (£20,947 per annum). The fair value was calculated using the Black Scholes model for inputs and a Monte Carlo simulation; this application simulates the stock's share price for a specified number of days. The inputs are shown in the table below.

	Share Options
Share price	5.5p
Exercise price	7.5p
Expected life	5 years
Volatility	83%
Risk-Free Interest rate	3.04 %
Expected dividends	-
Fair Values	£104,734

24. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Amounts owed to the parent company by subsidiaries are as follows:

New Cyprus Copper P.A. Ltd £nil (2021: £1,015,270)
Treasure Development Limited £nil (2021: £28,085)
Cyprus Gold Mine Ltd £nil (2021: £14,395)

Funding provided directly to the subsidiaries by the parent company during the year are as follows:

New Cyprus Copper P.A. Ltd £988,871 (2021: £849,445)

In prior year, CMR acquired PRL, one of the owners of this company is the Director Andrew Daniels who was issued 1,931,457 shares, fair valued at £437,475 for his 58.33% ownership in this company. The valuation of this company was carried out independently of said director and is viewed by the Board as an arms length transaction.

In prior year, PM Ploutonic Metals Ltd ("Ploutonic"), a company owned wholly by the Director, Andrew Daniels, was paid £79,245 in cash for his share in the subsidiary NCC.

During year, £1,052 (2021: £4,969) was paid to Ploutonic for the hire of a field vehicle. Also during the year £75,834 (2021: £52,240) was paid to T.Bear Contracting Limited (a company owned wholly by the Director Andrew Daniels) for Consultancy and office expenses.

Transactions with Directors:
Remuneration paid and share options granted to the Directors is disclosed in the Remuneration Report on pages 24 to 28.

Transactions with Other Related Parties:
On 26 January 2023, the Company signed the share purchase agreement (the "**SPA**") with PM Ploutonic Metals Ltd ("**Ploutonic**") and Indo-European Mining PR Ltd ("**Indo**") for the sale of the Company's Cyprus subsidiaries. Ploutonic and Indo are shareholders of the Company, holding as at the date of this announcement 1.3 and 8.39 per cent. respectively of the voting rights of the Company. The beneficial owner of Ploutonic is Andrew Daniels, a previous Non-Executive Director of the Company, and the beneficial owner of Indo is Pierre Richard. The independent directors of the Company have determined that the terms of the proposed transaction are fair and reasonable and in the best interest of its shareholders.

On 13 December 2022, the Company announced it had entered into an exclusive option agreement (including a deposit of £500,000) with EV Metals Group Plc ("**EVM**") to acquire 90% of RIWAQ Al Mawarid for Mining ("**RIWAQ**"). EVM is a significant shareholder of the Company holding as at the date of this announcement approximately 16.34 per cent. of the voting rights of the Company.

Mr Russell Thomson is a statutory director of EVM and Mr Dominic Traynor is corporate secretary to EVM. Mr Thomson and Mr Traynor did not form part of the quorum and did not vote on the proposal to approve the terms of the MOU. The independent directors of the Company have determined that the terms of the MOU are fair and reasonable and in the best interest of its shareholders other than EVM.

Mr Dominic Traynor is a Partner at Druces LLP who have provided the Company with legal services during the year costing £16,884 (2021: £125,192) and the balance due to Druces LLP at year end was £6,323 (2021: £nil). Since being appointed as a Director of the Company Dominic has not been part of the legal team providing services to the Company.

25. COMMITMENTS, PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

On 12 July 2022, the Company announced that BMG Resources Limited ("BMG") (a minority shareholder in TDL), had notified NCC that it had defaulted on a A$2m payment based upon BMG's interpretation of an amendment to the original share and purchase agreement between BMG, NCC and TDL dated 14 April 2016 (the "Original SPA"), *inter alia*, granting a put-option to BMG in respect of the acquisition of the balance 10% shares of TDL (the "Amendment"). BMG expressed its interest in exercising the put-option and NCC confirmed it elected to revert to payment through a net smelter royalty on 4 July 2022. The Board of NCC maintains that the intention behind the Amendment dated 20 May 2021 was for NCC to retain its ability to elect to pay the balance payment via a smelter royalty. BMG has invoked the dispute resolution process with NCC under the Original SPA.
The Group has disclaimed the liability and will defend any action taken against it in this matter. However, the Group is required to recognise this potential liability in full and therefore has included an undiscounted liability of £1,126,589 in their accounts under 'loss from discontinued activities' in the consolidated profit and loss account and within 'liabilities directly associated with assets classified as held for sale' in the consolidated statement of financial position. This recognition of a liability should not be taken as an acknowledgement of the merits of the claim being asserted by BMG in this matter.

On 26 January 2023, the Company announced it had signed a Share Purchase Agreement (the "SPA") with PM Ploutonic Metals ltd ("Ploutonic") and Indo-European Mining PR Ltd ("Indo") for the sale of the Company's Cyprus subsidiaries, including NCC. The carrying value of these investments have been valued at £424,328. This valuation does not include the "Revised Valuation Amount" of £360,000 ($432,000) which becomes payable if a new JORC or NI43-101 compliant Troulli mineral resource estimate of 7.75 million tonnes or more at a 0.5% Copper equivalent or higher is reported. As this is a known potential asset but the Board are not certain that this gain will materialise it has been determined as a contingent asset in line with the guidance in IAS 37.

Except for the RIWAQ option agreement referred to in note 24, the Group had not entered into any material capital commitments as at 31 December 2022 (2021: £nil).

In the current year the Group held obligations with the Mines Department in Cyprus for a minimum annual spend of (£140,000) (2021: £655,000) on its respective permits and licences.

26. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

Capital risk management

The Directors' 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. At the date of these financial statements, the Group had been financed from equity and borrowings.

The Group is exposed through its operations to a number of risks, the most significant of which are credit risk, liquidity risk and foreign exchange risks. In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Financial instruments

Categories of financial assets and liabilities

The carrying amounts presented in the Consolidated and Company Statement of financial position relate to the following categories of assets and liabilities:

	Group		Company	
	As at 31 December 2022 £	**As at 31 December 2021 £**	**As at 31 December 2022 £**	**As at 31 December 2021 £**
Financial assets measured at amortised cost:				
Trade and other receivables	561,302	379,720	527,237	1,436,406
Cash and cash equivalents	142,017	2,508,108	115,824	2,426,498
	703,319	**2,887,828**	**643,061**	**3,826,904**
Financial liabilities measured at amortised cost:				
Trade and other payables	83,861	96,775	120,461	80,139
Liability in subsidiary	1,126,589	-	-	-
	1,210,450	**96,775**	**120,461**	**80,139**

Financial risk management
The risk associated with the cash and cash equivalents is that the Group's banks will enter financial distress and be unable to repay the Group its cash on deposit. To mitigate this risk, cash and cash equivalents are only lodged with independent financial institutions designated with minimum rating "A" in the UK and only required working capital for a 2 month period is retained at the Bank of Cyprus with a rating "B".

The risk associated with the other payables is that the Group will not have sufficient funds to settle the liability when it falls due.

General objectives, policies and processes
The Directors have overall responsibility for the determination of the Group's risk management objectives and policies. Further details regarding these policies are set out below:

Credit risk
The Group's credit risk arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted in the UK. The Group banks with Coutts & Co, part of the NatWest group, who have a Fitch Credit rating of A and therefore the credit risk is not considered material.

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

The Group is disposing of its assets in Cyprus and the ongoing working capital requirements in relation to these assets. The Group also has a CLN with EVM which is still unused at the date of these accounts. Therefore this is not considered a material risk and no further sensitive analyses were considered necessary by the Group.

Maturities of financial liabilities
The table below analyse the Group's financial liabilities in relation to continuing operations based on their undiscounted contractual maturities (cashflow):

	Within 12 months	*Between 1 and 2 years*	*Between 2 and 5 years*
Lease liabilities	£	£	£
Vehicles	10,503	10,503	45,519
Office lease	48,660	-	-
	59,163	10,503	45,519

Currency risk
Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group reports in Pounds Sterling, but the functional currency of its subsidiaries is the Euro. The Group does not currently hedge its exposure to other currencies. The Group's cash and cash equivalents are held in Pounds Sterling and Euros. At 31 December 2022, only 19% (2021: 3%) of the Group's cash and cash equivalent were held in Euros. A 10% increase in the strength of Sterling against the Euro would cause an estimated increase of £2,698 (2021: £8,161) on the loss after tax of the Group for the year ended 31 December 2022, with a 10% weakening causing an equal and opposite decrease.

27. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

28. EVENTS AFTER THE REPORTING DATE

After the year end the Company made the decision that it would no longer be pursuing the RIWAQ acquisition and on 10 May 2023, the £500,000 deposit was returned.

On 26 January 2023, the Company announced it had signed a Share Purchase Agreement (the "SPA") with PM Ploutonic Metals ltd ("Ploutonic") and Indo-European Mining PR Ltd ("Indo") for the sale of the Company's Cyprus subsidiaries. This was in line with the Heads of agreement that was announced on 7 December 2022 and is set out in further detail in note 11.

On 24 June 2023, the Company entered into a binding MOU for the acquisition of 80% of Atlantic Research Minerals SARL.