

Critical Metals plc / EPIC: CRTM / Market: Main Market

3 November 2023

**Critical Metals plc**

("Critical Metals" or the "Company")

**Final Results**

Critical Metals plc, a mining company established to acquire mining opportunities in the critical and strategic metals sector, currently developing an ex-producing copper cobalt mine in the Democratic Republic of Congo ("DRC"), is pleased to announce its Final Results for the year ended 30 June 2023.

A copy of this announcement and the Annual Report for the year ended 30 June 2023 will be made available on the Company's website at [www.criticalmetals.co.uk](http://www.criticalmetals.co.uk).

**Highlights**

- Readmitted to the Main Market of the London Stock Exchange in September 2022
- Increased indirect ownership of the Molulu project from 40% to 70%, streamlining the corporate structure.
- Raised £600,000 at a price of 25p per share and raised a further £1.3 million at 25p per share from existing shareholders.
- Built a strong onsite team of experienced mining professionals with the appointment of a mine manager and DRC field manager. Undertook a range of activities at Molulu including road rehabilitation and the construction of bridge.
- Commenced copper ore pre-production at Molulu in January 2023.
- Post period, the Company announced a US\$3 million non-dilutive debt facility with a major international financial institution. Also post period, the Company announced the rental and proposed acquisition of 100% of the Kastro plant assets for the processing of Molulu ore into copper cathode and cobalt hydroxide.
- In October 2023, the Company announced that it had entered into an off-take agreement with O.M Metal & Resources S.A.R.L, for a minimum of 20,000 tonnes of copper oxide ore.

**For further information contact:**

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Dear Shareholder,

I am pleased to present the consolidated financial statements for Critical Metals plc (the "Group" or "Critical Metals") for the year ended 30 June 2023. During the year under review, the Group has been transformed from an explorer into the next copper producer in the Democratic Republic of Congo ("DRC").

Since our readmission in September 2022 with no employees in the DRC, your Board has worked tirelessly to create value for all shareholders. As of the end of our financial year, your Group employed fifty-one (51) (on a contractual basis) in the DRC, of which forty-nine (49) are DRC citizens.

During the mining build up, we simplified the Group's corporate structure and increased our indirect holding in the exciting Molulu Project from 40% to 70%, providing shareholders with a greater percentage of any future cashflows. Copper ore pre-production began in January 2023 with the goal of producing 10,000 tonnes per month of oxide ore. Seasonal rains highlighted areas where more groundwork was needed to achieve this goal, such as road rehabilitation and the requirement to build a robust bridge across the river.

The period from January to May 2023 allowed your Group to undertake detailed geophysics studies and ground surveys to better understand the Molulu lease property. On 15 May 2023, the Group announced its decision to focus on the much higher-grade sulphide copper ore, which has the potential to increase profitability by orders of magnitude above mining the oxide zone only, following the discovery of an 8.3% copper sulphide ore sample.

Also in May 2023, the Group's management decided to use the existing hired dozer and excavator that were located at Molulu to rehabilitate the road that connects the property to several ore buyers' processing plants. This decision saved shareholders over US\$50,000 in external contractor costs. The dozer has rehabilitated the entire road and the bridge to allow large tipper trucks to use the road to supply ore to the selected buyers has been constructed enabling the use of 40-50 tonne tipper trucks. The decision to use 40-50 tonne trucks instead of 25 tonne trucks was driven by the ability of delivering larger volumes of copper ore more efficiently, thereby reducing the wear on both the bridge and road, while reducing variable unit costs.

As a Board, we were fully aware of the potential for the Molulu project to become a significant copper producer in the DRC. The Molulu project met all our investment criteria, including the potential of generating early cash flow for shareholders.

As your Board is focused on cash flows to protect shareholders, subsequent to year end, a copper ore offtake agreement was executed and after seven (7) potential buyers had expressed interest in purchasing the Molulu copper ore. First ore has already been delivered to the Buyer's plant and deliveries will continue for the remainder of 2023.

The intention of adding a copper/cobalt processing facility had been well signalled to market for approximately one year. Post year end, a transaction has been announced to rent with the option to purchase a previously operating copper cathode/cobalt hydroxide processing plant that is on care-and-maintenance. This transaction will allow our Group to capture greater margins from the Molulu ore.

#### **Environmental, Social and Governance ("ESG") Programme**

The Group continues to support the local community at Molulu. Through our operations we have established a small but thriving economy at Molulu. I am proud of the support we offer the Molulu community, including buying much of the food consumed at the camp from local people, as well as providing Molulu workers with a competitive wage. Molulu continues to have the support of the local communities, and the board is committed to further developing this relationship for the better of all parties involved.

#### **Funding**

In May 2023, the company announced that it had raised £600,000 at 25p per share, a 4.2% premium to the closing price on 30 May 2023. Participants in the placing included well known global mining investment bankers and five other long-term shareholders. The Group went on to raise a further £1.3 million at 25p per share through the continued support of shareholders. Additionally, post period, the Group announced that it had signed a US\$3 million non-dilutive debt facility with an international financial institution. These funds will be used to meet the Group's aims of increasing production at the Molulu Project, as well as funding any necessary due diligence on possible acquisitions by the Group in the future.

#### **Appointments**

In the last year, we have worked to build our team on the ground. The appointment of Lloyd Kirtley as DRC field Manager, and Mine Manager John Greeff are valuable additions to the team. Last year, Lloyd and John, supported by the wider team, were pivotal in ensuring that access to the ore body was achieved as soon as reasonably possible. On 31 May, the Group announced that it had hired an additional geologist, to support the team as they work to further refine the understanding of the ore body.

The team on the ground have been working to increase production from the original forecast of 10,000 tonnes of copper oxide per month. Preparations for sales from Molulu, specifically the development of infrastructure including the road rehabilitation and the construction of the bridge, to support the weight of larger trucks, making the Molulu site more accessible.

#### **Outlook**

Looking forward to the coming year, I am greatly encouraged by the work we have done. The Group will continue to optimise operations to increase the overall production of Molulu whilst advancing the growth goals of the Group. We will also work with our geologists to produce a JORC compliant mineral assessment of Molulu, which we will announce to the market as soon as available. I remain confident in the economic viability of Molulu, driven by strong fundamentals and increased demand for copper. In line with the Group's strategy, we will continue to assess further acquisition opportunities when they arise whilst expanding operations at Molulu. I look forward to the next twelve months with extreme optimism and thank my fellow Board members Anthony Eastman and Marcus Edwards-Jones for their input, wisdom, and friendship during this exciting journey.



Russell S. Fryer

Executive Chairman & CEO - 2 November 2023

**CRITICAL METALS PLC**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE 2023**

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	Notes	Year ended 30 June 2023	Year ended 30 June 2022
		£	£
<b>Revenue</b>			
Revenue from continuing operations		-	-
<b>Expenditure</b>			
Exploration & evaluation expenditure		(139,274)	-
Costs associated with the listing	4	-	(202,594)
Administrative expenses	4	(2,491,522)	(461,264)
Depreciation	10	(30,251)	-
		(2,661,047)	(663,858)
<b>Finance costs</b>			
Finance income/(expenses)		-	2,115
Interest expense	18	(39,179)	-
		(39,179)	2,115
<b>Loss on ordinary activities before taxation</b>		<b>(2,700,226)</b>	<b>(661,743)</b>
Taxation on loss on ordinary activities	8	-	-
<b>Loss on ordinary activities after taxation</b>		<b>(2,700,226)</b>	<b>(661,743)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations	5	43,490	-
<b>Loss and total comprehensive income for the year attributable to the owners of the Group</b>		<b>(2,656,736)</b>	<b>(661,743)</b>
Earnings per share (basic and diluted) attributable to the equity holders (pence)	9	(4.95)	(1.59)
<b>Loss attributable to:</b>			
Owners of the parent		(2,485,974)	(661,473)
Non-controlling interest		(214,252)	-
		<b>(2,700,226)</b>	<b>(661,743)</b>

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's loss for the financial period was £1,758,868 (2022 : £661,743).

The accompanying notes on pages 42 to 69 form an integral part of these consolidated financial statements.

#### CRITICAL METALS PLC


#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	As at 30 June 2023	As at 30 June 2022
		£	£
<b>NON-CURRENT ASSETS</b>			
Loan notes	12	-	39,827
Property, plant & equipment	10,11	4,007,454	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,007,454</b>	<b>39,827</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	266,272	55,409
Cash at bank and in hand	15	411,696	824,251
<b>TOTAL CURRENT ASSETS</b>		<b>677,968</b>	<b>879,660</b>
<b>TOTAL ASSETS</b>		<b>4,685,422</b>	<b>919,487</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	1,528,340	110,890
Borrowings	18	805,729	-
<b>TOTAL LIABILITIES</b>		<b>2,334,069</b>	<b>110,890</b>
<b>NET ASSETS</b>		<b>2,351,353</b>	<b>808,597</b>
<b>EQUITY</b>			
Called up share capital	19	311,561	208,298
Share premium account	19	5,606,918	1,735,315
Share based payment reserve	20	271,260	45,838
Foreign exchange reserve	5	43,490	-
Retained earnings		(3,666,828)	(1,180,854)
<b>Equity attributable to equity holders of the parent</b>		<b>2,566,401</b>	<b>808,597</b>
Non-controlling interest		(215,048)	-

non-controlling interest	(415,048)	-
<b>TOTAL EQUITY</b>	<b>2,351,353</b>	<b>808,597</b>

The accompanying notes on pages 42 to 69 form an integral part of these consolidated financial statements  
The financial statements were approved by the board on 2 November 2023 and were signed on its behalf by:



Russell S. Fryer  
Executive Chairman

**CRITICAL METALS PLC**  
**PARENT COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Notes	As at 30 June 2023 £	As at 30 June 2022 £
<b>NON-CURRENT ASSETS</b>			
Intercompany receivables	14	2,805,705	-
Loan notes	12	-	39,827
Investment in subsidiary	16	10,000	10,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,815,705</b>	<b>49,827</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	233,942	55,409
Cash at bank and in hand	15	357,481	824,251
<b>TOTAL CURRENT ASSETS</b>		<b>591,423</b>	<b>879,660</b>
<b>TOTAL ASSETS</b>		<b>3,407,128</b>	<b>929,487</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	157,111	120,890
<b>TOTAL LIABILITIES</b>		<b>157,111</b>	<b>120,890</b>
<b>NET ASSETS</b>		<b>3,250,017</b>	<b>808,597</b>
<b>EQUITY</b>			
Called up share capital	19	311,561	208,298
Share premium account	19	5,606,918	1,735,315
Share based payment reserve	20	271,260	45,838
Retained earnings		(2,939,722)	(1,180,854)
<b>TOTAL EQUITY</b>		<b>3,250,017</b>	<b>808,597</b>

The financial statements were approved by the board on 2 November 2023 and were signed on its behalf by:



Russell S. Fryer  
Executive Chairman

**CRITICAL METALS PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Issued Share Capital	Share Premium	Based Payments Reserve	FCTR	Retained Earnings	NCI	Total Equity
	£	£	£	£	£	£	£
<b>As at 30 June 2021</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>-</b>	<b>(519,111)</b>	<b>-</b>	<b>1,470,340</b>
Loss for the year	-	-	-	-	(661,743)	-	(661,743)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(661,743)	-	(661,743)
Shares issued during the year	-	-	-	-	-	-	-
Share issue costs during the year	-	-	-	-	-	-	-
Warrants issued during the year	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
<b>As at 30 June 2022</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>-</b>	<b>(1,180,854)</b>	<b>-</b>	<b>808,597</b>
Loss for the year	-	-	-	-	(2,485,974)	(214,252)	(2,700,226)
Other comprehensive income	-	-	-	43,490	-	-	43,490
Total comprehensive loss for the year	-	-	-	43,490	(2,485,974)	(214,252)	(2,656,736)
Acquisition of subsidiary	-	-	-	-	-	(796)	(796)
Shares issued during the year	83,188	3,624,313	-	-	-	-	3,707,501
Share issue costs during the year	-	(130,885)	-	-	-	-	(130,885)
Warrants issued during the year	20,075	378,175	225,422	-	-	-	623,672
Total transactions with owners	103,263	3,871,603	225,422	-	-	(796)	4,199,492
<b>As at 30 June 2023</b>	<b>311,561</b>	<b>5,606,918</b>	<b>271,260</b>	<b>43,490</b>	<b>(3,666,828)</b>	<b>(215,048)</b>	<b>2,351,353</b>

#### CRITICAL METALS PLC

#### PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

#### FOR THE YEAR ENDED 30 JUNE 2023

	Issued Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total Equity
	£	£	£	£	£
<b>As at 30 June 2021</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>(519,111)</b>	<b>1,470,340</b>
Loss for the year	-	-	-	(661,743)	(661,743)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(661,743)	(661,743)
Share issued during the year	-	-	-	-	-
Warrants issued during the year	-	-	-	-	-
Share issue costs during the year	-	-	-	-	-
Total transactions with the owners	-	-	-	-	-
<b>As at 30 June 2022</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>(1,180,854)</b>	<b>808,597</b>
Loss for the year	-	-	-	(1,758,868)	(1,758,868)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,758,868)	(1,758,868)
Share issued during the year	83,188	3,624,313	-	-	3,707,501

Share issue costs during the year	-	(130,885)	-	-	(130,885)
Warrants issued during the year	20,075	378,175	225,422	-	623,672
Total transactions with the owners	103,263	3,871,603	225,422	-	4,200,288
<b>As at 30 June 2023</b>	<b>311,561</b>	<b>5,606,918</b>	<b>271,260</b>	<b>(2,939,722)</b>	<b>3,250,017</b>

# CRITICAL METALS PLC

## CONSOLIDATED STATEMENT OF CASHFLOW

### FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023 £	30 June 2022 £
<b>Cash from operating activities</b>			
Loss for the year		(2,700,226)	(661,743)
Adjustments for:			
Interest payable		38,993	-
Depreciation	10	30,251	-
Foreign exchange		335,122	26,095
Share-based payments	20	225,422	-
Operating cashflow before working capital movements		(2,070,438)	(635,648)
Decrease/(increase) in trade and other receivables		297,037	(37,558)
Increase trade and other payables		64,648	79,835
<b>Net cash outflow from operating activities</b>		<b>(1,708,753)</b>	<b>(593,371)</b>
<b>Cash from financing activities</b>			
Proceeds on the issue of shares net of transaction costs		3,232,049	-
Proceeds on the exercise of warrants		398,250	-
<b>Net cash from financing activities</b>		<b>3,630,299</b>	<b>-</b>
<b>Cash from investing activities</b>			
Cash on acquisition of asset group	11	24,554	-
Payments for asset group	11	(1,582,907)	-
Payments for property, plant and equipment	10	(773,341)	-
Accrued interest income		-	(2,115)
Purchase of convertible loan notes		-	(37,712)
<b>Net cash outflow from investing activities</b>		<b>(2,331,695)</b>	<b>(39,827)</b>
Net decrease in cash and cash equivalents		(410,149)	(633,198)
Cash and cash equivalents at beginning of year		824,251	1,483,544
Foreign exchange		(2,406)	(26,095)
<b>Cash and cash equivalents at end of period</b>	15	<b>411,696</b>	<b>824,251</b>

The following were material non-cash items during the year:

- £ 161,452 relating to invoices settled through funds received for shares issued; and
- £178,938 shares issue outstanding at year end included within other receivables.

The accompanying notes form an integral part of these consolidated financial statements.

# CRITICAL METALS PLC

## PARENT COMPANY STATEMENT OF CASHFLOW

### FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023 £	30 June 2022 £
<b>Cashflow from operating activities</b>			
Loss for the year		(1,758,868)	(661,743)
Adjustments for:			
Interest receivable		(92,138)	-
Foreign exchange		108,891	26,095
Share based payments		225,423	-
Operating cashflow before working capital movements		(1,516,692)	(635,648)
(Increase)/decrease in trade and other receivables		11,664	(37,558)
Increase in trade and other payables		188,499	79,835
<b>Net cash outflow from operating activities</b>		<b>(1,316,529)</b>	<b>(593,371)</b>

<b>Cashflow from financing activities</b>			
Proceeds of borrowings (interco)		8,281	-
Issue of funds to group companies		(2,788,821)	
Proceeds on the issue of shares net of transaction costs	19	3,232,049	-
Proceeds on the exercise of warrants	19	398,250	-
Net cash from financing activities		<b>849,759</b>	-
<b>Cashflow from investing activities</b>			
Accrued interest income		-	(2,115)
Purchase of convertible loan notes		-	(37,712)
Net cash from investing activities		-	(39,827)
Net decrease in cash and cash equivalents		(466,770)	(633,198)
Cash and cash equivalents at beginning of year		824,251	1,483,544
Foreign exchange		-	(26,095)
Cash and cash equivalents at end of period	15	<b>357,481</b>	<b>824,251</b>

The following were material non-cash items during the year:

£ 161,452 relating to invoices settled through funds received for shares issued; and  
£178,938 shares issue outstanding at year end included within other receivables .

**CRITICAL METALS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**1. GENERAL INFORMATION**

Critical Metals plc and its subsidiary (the "Group") looks to develop its existing asset's and identify other potential companies, businesses or asset(s) that have operations in the natural resources exploration, development and production sector.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is The Broadgate Tower, 20 Primrose Street, London UK, EC2A 2EW. The Company's registered number is 11388575.

**2. ACCOUNTING POLICIES**

The principal accounting policies applied in preparation of these consolidated financial statements ("financial statements") are set out below. These policies have been consistently applied unless otherwise stated.

**2.1. Basis of preparation**

The financial statements for the period ended 30 June 2023 have been prepared by Critical Metals Plc in accordance with UK adopted International Accounting Standards ("IFRS") and with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 is Pounds Sterling (£) as this is the currency that finance is raised in. The functional currency of its subsidiaries is US Dollars (USD) 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 the most relevant presentational currency for users of the consolidated financial statements. Foreign operations are included in accordance with the policies set out at note 2.4.

**2.2. Going concern**

The Group commenced mine development and processing operations at the Molulu project in the first half of 2023 and is currently continuing development activities. The Group expects its first sales of ore to occur in Q4 of 2023.

The Group's financial statements have been prepared on the going concern basis, which contemplates that the Group will be able to realise its assets and discharge liabilities in the normal course of business. Despite this, there can be no assurance that the Group will either achieve or maintain profitability in the future and financial returns arising therefrom, may be adversely affected by factors outside the control of the Group.

The Group has had recurring losses since incorporation, and its continuation as a going concern is dependent on the Group's ability to successfully fund its operations by generating sufficient cash flow from operations, and where required obtaining additional financing from equity injections and / or the raising of cash through bank loans or other debt instruments, to meet any working capital deficits and fund the Group's exploration activities and new mine developments.

This indicates that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business.

Whilst acknowledging this material uncertainty, the directors consider it appropriate to prepare the consolidated financial statements on a going concern basis for the following reasons:

- The Group has commenced mining and processing operations at the Molulu project and is forecasting positive operating cashflow to be generated from that project in Q4 of 2023;
- The Group has received committed funding from a leading financial institution for \$3,000,000 USD to fund future exploration activities and corporate working capital requirements. This amount is sufficient to cover all budgeted discretionary expenditure;
- The Group is not required to pay back the loan from Baobab Asset Management LLC for at least 12 months after the signing of the accounts;
- The Group has no committed exploration expenditure on its granted mining licenses in the Molulu and has the ability to reduce all spend in the event that it needs to conserve cash balances; and
- The Group's Board of Directors have significant experience in the debt and equity capital markets and specifically have a successful track record in funding mining operations, new mine development and exploration activities and are further considered capable of securing ongoing debt and equity capital financing for the Group.

The consolidated financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within the financial statements.

### **2.3. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions. A material amount of cash and cash equivalents is held with alternative financial institutions. These funds are fully unrestricted.

### **2.4. Foreign currency translation**

The financial statements are presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

### **2.5. 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 30 June 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



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.

#### *Asset Acquisition*

During the year, the Company, through its subsidiary Critical Metals Mauritius Limited, acquired the entire share capital of Madini Occidental Limited and the remaining 43% , which hold 70% of Amani Minerals Katanga SARL. In assessing the acquisition, the Group determined that the activities and assets acquired did not have the required inputs, processes and outputs to constitute as a business under IFRS 3, hence considered it to be an asset acquisition.

## **2.6. Property, Plant & Equipment**

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Plant and equipment	- 20%
Roads and Buildings	- 20%
Motor vehicles	- 20%

Due to the tough conditions in the DRC, The Group has reduced the useful life of the Property, Plant & Equipment to better reflect the lifecycle of the assets.

A lease liability is recognized in accordance with requirements of IFRS 16. It requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. As at 30 June 2023 the Group has not entered into any leases with a term greater than 12 months.

## **Exploration and evaluation**

Intangible assets represent exploration and evaluation assets (IFRS 6 assets), being the cost of acquisition by the Group of rights, licences and other associated items. Such expenditure requires the immediate write-off of exploration and development expenditure that the Directors do not consider to be supported by the existence of commercial reserves.

All costs associated with mineral exploration and investments, are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads and these assets are not amortised until technical feasibility and commercial viability is established. If an exploration project is successful, the related expenditures will be transferred to "mining assets" and amortised over the estimated life of the commercial ore reserves on a unit of production basis.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

Exploration and evaluation assets shall no longer be classified as such when the technical feasibility and commercial viability of extracting mineral resources are demonstrable. When relevant, such assets shall be assessed for impairment, and any impairment loss recognised, before reclassification to "Mine development".

### **Mine development**

Mine development costs are included within property, plant and equipment. These costs include the costs attributable to the establishment of mining and processing operations, groundworks and site preparation.

Whilst the mine is under development no depreciation will be recognised until such time that production commences.

## **2.7. Investment in subsidiary**

The consolidated financial statements incorporate the results of subsidiaries using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

## **2.8. Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs. After initial recognition, loans are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are included in the initial recognition of the loan note.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability or at least 12 months after the end of the reporting period

## **2.9. Trade and other receivables**

Trade and other receivables are measured at amortised cost, using the effective interest method, less any impairment loss. An allowance for impairment of trade and other receivables is established based on the twelve month expected credit losses unless the credit quality has deteriorated since inception, in which case it is based on lifetime losses.

## **2.10. Financial instruments**

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

#### a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

#### b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### *Debt instruments*

**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. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

#### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **2.11. Equity**

Share capital is determined using the nominal value of shares that have been issued.

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

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Based on IFRS 2, for equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. The fair value of the service received in exchange for the grant of options and warrants is recognised as an expense, other than those warrants that were issued in relation to the listing which have been recorded against share premium in equity. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The seed warrants issued to the investors and directors in raising private equity funds is not within the scope of IFRS 2 and accounting policy mentioned doesn't apply.

Retained losses includes all current and prior period results as disclosed in the income statement.

### **2.12. Taxation**

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised 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 balance sheet 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. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when 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 Group intends to settle its current tax assets and liabilities on a net basis.

### **2.13. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the period and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The significant accounting judgements and key sources of estimation uncertainty affecting the Group are disclosed below.

#### *Estimation of fair value of warrants issued in the year*

The fair value of the warrants issued during the period have been calculated using a Black Scholes model which requires a number of assumptions and inputs, see Note 20 below.

#### *Recoverable value of exploration and development asset*

Costs capitalised in respect of the Group's mining assets are required to be assessed for impairment under the provisions of IFRS 6. Such an estimate requires the Group to exercise judgement in respect of the indicators of impairment and also in respect of inputs used in the models which are used to support the carrying value of the assets prior to reclassification from exploration and evaluations assets to developments assets. Such inputs include estimates of mineral reserves, production profiles, commodity prices, capital expenditure, inflation rates, and pre-tax discount rates that reflect current market assessments of (a) the time value of money; and (b) the risks specific to the asset for which the future cash flow estimates have not been adjusted. As at year end the Group performed an impairment assessment over both asset classes. The Directors concluded that there was no impairment as at 30 June 2023.

#### *Capitalisation of development assets*

Development expenditure is transferred from 'Exploration and evaluation assets' to 'Development Assets' once the work completed to date supports the future development of the property and such development receives appropriate approvals. There is significant judgement around the date in which the exploration expenditure can be transferred to the development asset.

#### *Impairment loans to subsidiaries*

The Group and the Company assess at each reporting date whether there is any objective evidence that loans to subsidiaries are impaired. To determine whether there is objective evidence of impairment, a considerable amount of estimation is required to determine future credit losses over the 12 month period of life time of the loan.

#### *Business combination*

The acquisition of the Madini group required that management make an assessment on whether the purchase involved identifiable assets, such as specific equipment, intellectual property rights, or a particular division, without the concurrent acquisition of processes, workforce, or other essential inputs required for a going concern under IFRS 3. Additionally, they must verify that the acquired set of activities does not constitute a business as defined by IFRS 3, which includes inputs, processes applied to those inputs, and outputs, resulting in returns to investors. Management determined that the purchase did not have the required characteristics above and was classified as an asset purchase.

### **New standards and interpretations not yet adopted**

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

Standard	Impact on initial application	Effective date
Annual Improvements	2018-2020 Cycle	1 January 2023
Amendments to IAS 12: Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single	1 January 2023
Amendments to IAS 1	Classification of liabilities as Current or Non-current, effective from 1 January 2024	1 January 2024
Amendments to IFRS 16 Leases	or Non-current Lease Liability in a Sale and Leasebacks	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with Covenants	1 January 2024

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

The directors are evaluating the impact that these standards may have on the financial statements of the Group.

### 3. SEGMENTAL ANALYSIS

The Group has two reportable segments, Mining and Corporate, which are the Group's strategic divisions. For each of the strategic divisions, the Board reviews internal management reports on a regular basis.

The Group's reportable segments are:

Mining: the mining operating segment is presented as an aggregate of all the DRC related activity and the associated Mauritian holding companies.

Corporate: the corporate segment is the UK head company and the costs in respect of managing the Group. This includes the cost of director share options granted by the Company.

The Group generated no revenue during the year ended 30 June 2023 (2022:£0).

Segmental results are detailed below:

For the year ended 30 June 2023:

	Mining £	Corporate £	Total £
Operating loss from continued operations per reportable segment	(941,358)	(1,758,868)	(2,700,226)
Reportable segment assets	4,094,001	591,421	4,685,422
Reportable segment liabilities	2,176,959	157,110	2,334,069
<b>Net assets</b>	<b>1,917,042</b>	<b>434,311</b>	<b>2,351,353</b>

And for the year ended 30 June 2022:

	Exploration £	Corporate £	Total £
Operating loss from continued operations per reportable segment	-	(661,743)	(661,743)
Reportable segment assets	-	919,487	919,487
Reportable segment liabilities	-	110,890	110,890
<b>Net assets</b>	<b>-</b>	<b>808,597</b>	<b>808,597</b>

### 4. OPERATING LOSS

This is stated after charging:

	30 June 2023 £	30 June 2022 £
Consultancy fees	(398,099)	(42,399)
Employment costs	(497,938)	(126,000)
Subcontractors	(248,249)	-
Insurance	(5,488)	(17,652)
Costs associated with the re-listing	-	(202,594)
Professional fees	(676,317)	(128,195)
Travel expenditure	(200,517)	(53,508)
Foreign exchange	(190,442)	26,096
Administrative expenses	(274,472)	(119,606)
	<b>(2,491,522)</b>	<b>(663,858)</b>

## 5. OTHER COMPREHENSIVE INCOME

Items credited/(charged) to the other comprehensive income line of the statement of comprehensive income relate to the translation of foreign operations. The corresponding movement is offset against the foreign exchange reserve in the statement of financial position.

	30 June 2023	30 June 2022
	£	£
<b>Opening Balance</b>	-	-
Foreign exchange impact	43,490	-
<b>Closing Balance</b>	<b>43,490</b>	-

## 6. EMPLOYEES

The average number of persons employed by the Group (including directors) during the period ended 30 June 2023 was:

	30 June 2023 No of employees	30 June 2022 No of employees
Directors	3	3
Employees	-	-
	<b>3</b>	<b>3</b>

	2023 £	2022 £
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	281,833	126,000
Share-based payments	214,165	-
National insurance	1,940	2,528
	<b>497,938</b>	<b>128,528</b>

## 7. AUDITORS REMUNERATION

	2023 £	2022 £
Fees payable to the Group's auditor for the audit of parent company and consolidated group financial statements:	70,000	25,800
Reporting accountant fee	60,000	52,000
	<b>130,000</b>	<b>77,800</b>

## 8. TAXATION

	As at 30 June 2023 £	As at 30 June 2022 £
The charge / credit for the year is made up as follows:		
Corporation taxation on the results for the year	-	-
Taxation charge / credit for the year	-	-
A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per accounts	(2,700,266)	(661,743)
Tax credit at the applicable rate of 24.7% (2022: 19%)	(666,955)	(125,731)
Expenditure disallowable for taxation	53,192	-
Tax losses on which no deferred tax asset has been recognised	613,763	125,731
<b>Total tax (charge)/credit</b>	<b>-</b>	<b>-</b>

The weighted average applicable tax rate of 24.7% (2022: 19.0%) used is a combination of the 25% standard rate of corporation tax in the UK (2022: 19%), 28% standard rate of corporation tax in the DRC (2022: 28%) and nil corporation tax rate in Mauritius (2022: nil).

The Group has total carried forward losses of £3,203,095 (2022 £715,638). The taxed value of the unrecognised deferred tax asset is £791,164 2022: (£224,362) and these losses do not expire. No deferred tax assets in respect of tax losses have been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

the timing of suitable future taxable profits against which they can be recovered.

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year

	2023	2022
	£	£
Loss for the year from continuing operations	(2,700,226)	(661,743)
Weighted number of ordinary shares in issue	54,520,971	41,659,735
<b>Basic earnings per share from continuing operations - pence</b>	<b>(4.95)</b>	<b>(1.59)</b>

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

## 10. PROPERTY, PLANT & EQUIPMENT

Group	Plant and equipment	Buildings	Development	Exploration & Evaluation	Total
	£	£	£	£	£
<b>Cost</b>					
Opening balance - 1 July 2022	-	-	-	-	-
Acquisition of Madini Group	-	-	-	3,590,274	3,590,274
Additions	241,906	33,227	356,367	141,841	773,341
Foreign exchange	(11,386)	(1,564)	(16,773)	(297,611)	(327,334)
Transfer	-	-	3,434,504	(3,434,504)	-
At 30 June 2023	<b>230,520</b>	<b>31,663</b>	<b>3,774,098</b>	<b>-</b>	<b>4,036,281</b>
<b>Depreciation</b>					
Opening balance - 1 July 2022	-	-	-	-	-
Charge for the period	30,113	138	-	-	30,251
Foreign exchange	(1,418)	(6)	-	-	(1,424)
At 30 June 2023	<b>28,695</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>28,827</b>
Net book value 1 July 2022	-	-	-	-	-
<b>Net book value 30 June 2023</b>	<b>201,825</b>	<b>31,531</b>	<b>3,774,098</b>	<b>-</b>	<b>4,007,454</b>

## Company

	Plant and equipment	Buildings	Development	Exploration & Evaluation	Total
	£	£	£	£	£
<b>Cost</b>					
Opening balance - 1 July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Foreign exchange	-	-	-	-	-
Transfer	-	-	-	-	-
At 30 June 2023	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Depreciation

Opening balance - 1 July

2022	-	-	-	-	-
Charge for the period	-	-	-	-	-
Foreign exchange	-	-	-	-	-
At 30 June 2023	-	-	-	-	-

Net book value 1 July 2022

Net book value 30 June

2023	-	-	-	-	-
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Development assets relate specifically to commercial interests held by Critical Metals PLC and its subsidiaries. The Group currently operates in 1 area of interest via its subsidiaries or commercial interests being the Molulu project in the Democratic Republic of the Congo.

The Group has begun the development of the mine site for the Molulu project. Costs relating to the physical construction of the site have been capitalised. Once the mine has been completed the amount will be amortised over the mine life of the area.

## 11. ACQUISITION OF AMANI MINING KATANGA SA (AMK) AND MADINI OCCIDENTAL GROUP

On 12 September 2022, Critical Metals PLC via its 100% owned subsidiary, Critical Metals Mauritius acquired 57% of the equity instruments of Madini Occidental (MO) a Mauritian based company. Within the same period Critical Metals Mauritius subsequently acquired the remaining share capital of MO. On the same date as the above MO via its 100% owned subsidiary, MO RDC, acquired 70% of the share capital of Amani Mining Katanga SA (AMK) which has the rights to the Molulu Project in the DRC.

This brings Critical Metals indirect ownership of the project to 70%. Both acquisitions were assessed as being in-line with the Groups aim to be a producer of critical metals and commodities.

Under IFRS 3, a business must have three elements: inputs, processes and outputs to constitute a business combination.

At acquisition AMK and Madini Occidental Group were dormant exploration companies with little underlying assets. Whilst AMK had the title to mineral properties this could not be considered inputs because of their early stage of development.

Additionally AMK and the Madini Group had no processes including a workforce to produce outputs and had not completed a feasibility study or a preliminary economic assessment on any of its properties and had no infrastructure or assets that could produce outputs. Therefore, the Directors conclusion was that the transaction was an asset acquisition and not a business combination.

The details of Critical Mauritius's acquisition of MO are as follows

<b>Net asset group acquired</b>	<b>£</b>
Exploration assets	3,590,274
Cash and cash equivalents	24,554
Other current liabilities	(1,060,059)
Borrowing	(561,055)
Other	5,648
<b>Total</b>	<b>1,999,362</b>

<b>Total purchase price</b>	<b>£</b>
Amount settled in cash	1,582,907
Deferred consideration	416,455
<b>Total</b>	<b>1,999,362</b>

## 12. LOAN NOTES

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Convertible loan notes	-	-	39,827	39,827
	-	-	<b>39,827</b>	<b>39,827</b>

In the prior year the Company entered into an agreement to purchase loan notes in Madini Occidental Ltd. These notes have a long stop date of 30 September 2022 and in the event that they have not been redeemed by this date the noteholders have the option to convert their notes into equity. Interest is payable on the notes at a rate of 10% per annum and Madini

Occidental may redeem the paid amount of the notes in full or part subject to first serving 5 business days prior written notice to the noteholders. As at balance date the notes have not been converted to equity.

### 13. TRADE AND OTHER RECEIVABLES

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Prepayments	19,934	16,917	9,592	9,592
Other debtors	233,414	204,101	10,000	10,000
VAT receivable	12,924	12,924	35,817	35,817
	<b>266,272</b>	<b>233,942</b>	<b>55,409</b>	<b>55,409</b>

Included in other debtors is an amount of £178,939 (2022: nil) which represents shares that have been issued but remain unpaid at year end. Subsequent to year end the full amount was collected.

### 14. INTERCOMPANY RECEIVABLES

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Intercompany loan-Critical Metals Mauritius	-	2,805,705	-	-
	<b>-</b>	<b>2,805,705</b>	<b>-</b>	<b>-</b>

Intercompany receivables represents an intra-group loan facility from Critical Mauritius PLC to its subsidiary Critical Metals Mauritius Ltd. The loan is denominated in USD and attracts interest at 8% per annum. The loan becomes repayable when the excess cashflows from operations exceed a certain threshold agreed upon by both parties.

The Group has recognised a loss of £Nil in the profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

### 15. CASH AT BANK AND IN HAND

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Cash at bank	411,696	357,481	824,251	824,251
	<b>411,696</b>	<b>357,481</b>	<b>824,251</b>	<b>824,251</b>

Majority of the entities cash at bank is held with alternative financial institutions.

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

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
UK Pounds	341,687	341,686	634,501	634,501
US Dollars	64,557	10,343	183,398	183,398
South African Rand	1,175	1,175	3,651	3,651
Euro	4,277	4,277	2,701	2,701
	<b>411,696</b>	<b>357,481</b>	<b>824,251</b>	<b>824,251</b>

### 16. INVESTMENT IN SUBSIDIARIES

	30 June 2023	30 June 2022
	£	£
	Company	Company
Critical Metal Mauritius Ltd	10,000	10,000
	<b>10,000</b>	<b>10,000</b>



As at 30 June 2023, the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Incorporation date	Holding	Business activity	Country of incorporation	Registered address
Critical Metal Mauritius Ltd	14 September 2021	100% Critical Metals Plc	Holding	Mauritius	The Broadgate Tower, 20 Primrose street, London, EC2A 2EW
Madini Occidental Ltd	27 March 2019	100% Critical Metals Mauritius Ltd	Holding	Mauritius	3 <sup>rd</sup> Floor, Tower A, 1 Cybercity, Ebene, Mauritius 72201
Madini Holding RDC SARL	14 March 2019	100% Madini Occidental Ltd	Dormant	Democratic Republic of the Congo	Local 7, 4 Eme Niveau, C/Gombe, V/Kinshasa, P/Kinshasa
MO RDC SA	22 September 2019	100% Madini Occidental Ltd	Holding	Democratic Republic of the Congo	Conseil, 60 Avenue Uvira, Immeuble Aimee Tower, 11 eme Etage, Gombe, Kinshasa
Minière Molulu SARL	5 April 2019	100% MO RDC SA	Dormant	Democratic Republic of the Congo	Local 7, 4 Eme Niveau, C/Gombe, V/Kinshasa, P/Kinshasa
Amani Minerals Katanga SA	7 August 2019	70% MO RDC SA	Mining & Exploration	Democratic Republic of the Congo	33132 Ave Colonel Mondjiba, Quartier Basoko, Ngaliema, Kinshasa, DRC

#### 17. TRADE AND OTHER PAYABLES

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Trade payables	757,603	111,379	78,010	78,010
Other payable and accruals	100,749	45,732	32,880	42,880
Deferred consideration	585,741	-	-	-
Provision for option relinquishment	84,247	-	-	-
	<b>1,528,340</b>	<b>157,111</b>	<b>110,890</b>	<b>120,890</b>

Deferred consideration relates to \$733,588 USD payable for the acquisition of the Madini Group. As at report date the amount has not been paid.

#### 18. BORROWINGS

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Loan from related party	633,127	-	-	-
Accrued interest	172,602	-	-	-
	<b>805,729</b>	<b>-</b>	<b>-</b>	<b>-</b>

Borrowings consist of an \$800,000 USD loan to Madini Occidental from Baobab investments LLC, an entity controlled by the CEO Russell Fryer. Refer to note 24 for further information. The loan is unsecured and payable within 12 months of signing. An interest charge of £39,179 (2022:nil) was recorded in the Statement of Comprehensive Income.

#### 19. SHARE CAPITAL AND SHARE PREMIUM

	Number of Shares on Issue	Share Capital £	Share Premium £	Total £
Balance at 1 July 2021	41,659,735	208,298	1,735,315	1,943,613

<b>Balance at 30 June 2022</b>	<b>41,659,735</b>	<b>208,298</b>	<b>1,735,315</b>	<b>1,943,613</b>
Shares issued at re-listing at £0.20	9,000,000	45,000	1,755,000	1,800,000
£0.10 warrants exercised	3,150,000	15,750	299,250	315,000
Adviser shares issued	37,500	188	7,313	7,501
Placement at £0.25	5,200,000	26,000	1,274,000	1,300,000
£0.05 Warrants Exercised	15,000	75	675	750
£0.10 Warrants Exercised	600,000	3,000	57,000	60,000
£0.10 Warrants Exercised	200,000	1,000	19,000	20,000
£0.05 Warrants Exercised	50,000	250	2,250	2,500
Fundraise - £0.6m @ £0.25	2,400,000	12,000	588,000	600,000
Cost of share issues	-	-	(130,885)	(130,885)
<b>Balance at 30 June 2023</b>	<b>62,312,235</b>	<b>311,561</b>	<b>5,606,918</b>	<b>5,918,479</b>

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

## 20. SHARE BASED PAYMENTS RESERVE

<b>Group and Company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Opening balance	45,838	45,838
Directors warrants issued <sup>1</sup>	214,164	-
LEJ & Broker warrants issued <sup>2</sup>	11,258	-
<b>At 31 December</b>	<b>271,260</b>	<b>45,838</b>

1- On 12 September 2022 upon the successful re-admission to the LSE 2,750,000 warrants were issued to the directors of the Company. The warrants vest immediately with further details below.

2- On 12 September 2022 upon the successful re-admission to the LSE 3,233,200 warrants were issued to brokers and third parties who assisted in the admission. The warrants vest immediately with further details below.

The fair value of the services received in return for the warrants granted are measured by reference to the fair value of the warrants granted. The estimate of the fair value of the warrants granted is measured based on the Black-Scholes valuations model. Measurement inputs and assumptions are as follows:

	<b>Director warrants</b>	<b>LEJ and Broker warrants</b>
Issue date	12 Sep 2022	12 Sep 2022
Time to expiry	3 years	3 years
Share price at date of issue of warrants	£0.20	£0.20
Exercise price	£0.05	£0.20
Expected volatility	46.5%	46.5%
Risk free interest rate	3.4%	3.4%

During the year 11,400,000 warrants were issued alongside share placements. As the warrants were issued as 'free and attaching' they are considered part of the underlying share and fall outside the scope of IFRS 2 and have not been valued.

	<b>2023</b>		<b>2022</b>	
	<b>Weighted average exercise price</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Number of options</b>
Outstanding at the beginning of the year	8.1p	9,240,714	8.1p	9,240,714
Exercised during the year (Share options)	-	(4,015,000)	-	-
Granted during the year (Share options)	40p	9,000,000	-	-
Granted during the year (Share options)	40p	2,400,000	-	-
Granted during the year (Share options)	5p	2,750,000	-	-
Granted during the year (Share options)	20p	323,200	-	-
Outstanding at the end of the year	26p	19,698,914	8.1p	9,240,714
Exercisable at the end of the year	26p	19,698,914	8.1p	9,240,714

During the year the Company extended the last exercise date of the £0.05 and £0.10 warrants that were expiring on 28 September 2022 to 31 March 2023 and then to 30 September 2023 and subsequent to year end, these were further extended to 31 December 2023.

## 21. RISK MANAGEMENT

## General objectives and policies

The overall objective of the Board is to set policies that seek to reduce as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are:

### *Policy on financial risk management*

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, loan notes and trade and other payables. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 1 - "Accounting Policies".

The Group does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

### *Derivatives, financial instruments and risk management*

The Group does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

### *Foreign currency risk management*

The scope and level of operations that the Group is undertaking has increased in the current year and will continue to increase in years to come. With the acquisition of an asset based in the Democratic Republic of Congo the Group will also increase its exposure to foreign currency risk. Despite the increase in exposure the directors believe that it is within a reasonable threshold that it does not materially adversely affect the operations of the Group and hence they have not entered into any strategies to mitigate the risk at this stage. In the current period the impact of foreign currency movement is limited to the impact it has on the relatively small denominations of currency that the Group holds in foreign currencies.

### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are monitored by the board of directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Group applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy. The impact of expected credit losses was immaterial.

The Group's principal financial assets are cash and cash equivalents, loan notes and trade and other receivables. Cash equivalents include amounts held on deposit with financial institutions.

The credit risk on liquid funds held in current accounts and available on demand is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

No financial assets have indicators of impairment.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

As at 30 June 2023 the foreign currency risk exposure of the Group was comprised of the following:

	As at 30 June 2023
	GBP
<b>CURRENT ASSETS</b>	
Other current assets	32,329
Cash at bank and in hand	64,557
<b>TOTAL ASSETS</b>	<b>96,886</b>
<b>NON-CURRENT LIABILITIES</b>	
Borrowings	805,729
<b>CURRENT LIABILITIES</b>	
Trade and other payables	1,371,232
<b>TOTAL LIABILITIES</b>	<b>2,176,961</b>
<b>NET POSITION</b>	<b>(2,080,075)</b>

### *Borrowings and interest rate risk*

The Group currently has an unsecured loan to Baobab Asset Management LLC. The loan compounds interest at 6% per annum and has no fixed repayments. The Group has no other borrowings. The Group's principal financial assets are cash and cash equivalents, loan notes and trade and other receivables. Cash equivalents include amounts held on deposit with financial institutions. The effect of variable interest rates is not significant.

### *Liquidity risk*

During the period ended 30 June 2023 and year ended 30 June 2022, the Group was financed by cash raised through equity funding. Funds raised surplus to immediate requirements are held as short-term cash deposits in Sterling.

The maturities of the cash deposits are selected to maximise the investment return whilst ensuring that funds will be available as required to maintain the Group's operations.

In managing liquidity risk, the main objective of the Group is to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Group's financial liabilities on the basis of their earliest possible contractual maturity.

For the Group:

Within 2

Within 2-6

	Total	£	months	£	months	£
<b>At 30 June 2023</b>						
Trade payables	757,603		757,603			-
Other payable and accruals	100,749		100,749			-
Deferred consideration	585,741		585,741			-
Provision for option relinquishment	84,247		-		84,247	
	<b>1,528,340</b>		<b>1,444,093</b>		<b>84,247</b>	

	Total	£	months	Within 2 £	Within 2-6 months	£
<b>At 30 June 2022</b>						
Trade payables	78,010		78,010			-
Other payable and accruals	32,880		32,880			-
	<b>110,890</b>		<b>110,890</b>			-

And for the Company:

	Total	£	months	Within 2 £	Within 2-6 months	£
<b>At 30 June 2023</b>						
Trade payables	111,379		111,379			-
Other payable and accruals	45,732		45,732			-
	<b>157,111</b>		<b>157,111</b>			-

	Total	£	months	Within 2 £	Within 2-6 months	£
<b>At 30 June 2022</b>						
Trade payables	78,010		78,010			-
Other payable and accruals	32,880		32,880			-
	<b>110,890</b>		<b>110,890</b>			-

#### Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the consolidated statement of changes of equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, commodity and liquidity risks. The management of these risks is vested to the board of directors.

## 22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

For the Group:

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2023				
Financial assets / liabilities	£	£	£	£
Trade and other receivables	-	246,338	-	246,338
Cash and cash equivalents	-	411,696	-	411,696
Trade and other payables	-	-	(942,601)	(942,601)
Borrowings	-	-	(805,729)	(805,729)
Deferred consideration	-	-	(585,741)	(585,741)
	-	<b>658,034</b>	<b>(2,334,071)</b>	<b>(1,676,037)</b>

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2022				
Financial assets / liabilities	£	£	£	£
Trade and other receivables	-	55,409	-	55,409
Loan Notes	-	39,827	-	39,827

Cash and cash equivalents	-	824,251	-	824,251
Trade and other payables	-	-	(120,890)	(120,890)
	-	<b>919,487</b>	<b>(120,890)</b>	<b>798,597</b>

For the Company:

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2023				
Financial assets / liabilities	£	£	£	£
Trade and other receivables	-	217,025	-	217,025
Cash and cash equivalents	-	357,481	-	357,481
Trade and other payables	-	-	(111,379)	(111,379)
	-	<b>574,506</b>	<b>(111,379)</b>	<b>463,127</b>

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
2022				
Financial assets / liabilities	£	£	£	£
Trade and other receivables	-	55,409	-	55,409
Loan Notes	-	39,827	-	39,827
Cash and cash equivalents	-	824,251	-	824,251
Trade and other payables	-	-	(110,890)	(110,890)
	-	<b>919,487</b>	<b>(110,890)</b>	<b>808,597</b>

## 23. RECONCILIATION OF NET CASHFLOWS TO MOVEMENT IN NET DEBT

For the Group:

	As at 1 July 2022	Cash flows	Acquisition	Non cash charges	As at 30 June 2023
	£	£	£	£	£
<b>Cash and cash equivalents</b>					
Cash	824,251	(434,703)	24,554	(2,406)	411,696
<b>Borrowings</b>					
Loan	-	-	(561,055)	(244,674)	(805,729)
<b>Total</b>	<b>824,251</b>	<b>(434,703)</b>	<b>(536,501)</b>	<b>(247,080)</b>	<b>(394,033)</b>

For the Company:

	As at 1 July 2022	Cash flows	Acquisition	Non cash charges	As at 30 June 2023
	£	£	£	£	£
<b>Cash and cash equivalents</b>					
Cash	824,251	(466,770)	-	-	357,481
<b>Total</b>	<b>824,251</b>	<b>(466,770)</b>	<b>-</b>	<b>-</b>	<b>357,481</b>

## 24. RELATED PARTY TRANSACTIONS

Details of directors' remuneration during the year are given in Directors' Report on page 18 to 19.

### Provision of Services

During the year, £45,180 (2022: £18,360) was incurred for the provision of administrative and corporate accounting services from Orana Corporate LLP, an entity related to director Anthony Eastman. £11,688 (2022: 1,848) was owing at year end and is included in trade payables - note 17.

### Purchase of Share Capital of Madini Occidental Limited

During the year the Group acquired the remaining 21.5% of the share capital of Madini Occidental from the Chief Executive Officer, Russell Fryer. Total consideration was £450,000 in cash paid on completion and a further £200,000 was due on or before 1 October 2023, to be paid in Critical Metals PLC shares at a price equal to the 10 day volume weighted average or cash, at the Company's election. The amount has not been paid as at the date of this report.

### Loan to Baobab Asset Management LLC

As part of the acquisition of Madini Occidental the Group acquired a \$800,000 USD loan from Baobab Asset Management LLC, a company controlled by the CEO Russell Fryer, to Madini Occidental. The loan accrues interest at 6% ,compounds annually and is payable on demand.

### Issue of warrants

In the current year the directors were awarded the following warrants:

Russell Fryer - 1,500,000  
Anthony Eastman - 750,000  
Marcus Edwards-Jones - 500,000

As part of the re-admission 226,750 warrants were issued to Lloyd Edwards-Jones, a related party of Marcus Edwards-Jones, for fundraising consulting work. Further details can be found in note 20.

## **25. COMMITMENTS AND CONTINGENCIES**

There were no capital commitments or contingent liabilities at 30 June 2023 (2022 nil).

## **26. ULTIMATE CONTROLLING PARTY**

The Directors consider that there is no controlling or ultimate controlling party of the Company.

## **27. EVENTS SUBSEQUENT TO YEAR END**

### *Exercise of warrants and term extension*

On 11<sup>th</sup> September 2023 the Company has received warrant exercise notices to subscribe for a total of 2,814,286 new ordinary shares of £0.005 each in the capital of the Company split between 1,100,000 Ordinary Shares at an exercise price of £0.10 per Ordinary Share and an additional 1,714,286 Ordinary Shares at an exercise price of £0.05 per Ordinary Share. A total of 2,814,286 Warrant Shares have been exercised resulting in total gross proceeds to the Company of £195,714.30.

Additionally the exercise period of a total of 9,000,000 warrants, which are exercisable on or before the 11 September 2023 at 40 pence per share were extended to 31 March 2024, and a total of 2,171,428 warrants held by the Directors which are exercisable on or before 30 September 2023 to 31 December 2023.

### *Finance agreement*

On 18 September 2023 the Company entered into a non-dilutive finance agreement. The debt term is for 9 months from the date of execution of the agreement for the first US\$500,000 instalment, with a committed further tranche of US\$500,000 available at the Company's election following the satisfaction of the funding conditions (being committed sales for the existing stockpiles). The Company also has the ability to request further funds are available up to the maximum utilisation of US\$3 million.

The key funding terms are:

- 15% fixed coupon for the term;
- The second tranche is available for 150 days after the first tranche;
- Repayable at any time at the election of the Company;
- Personal guarantee from Russell Fryer by way of the pledge of his ordinary shares in the Company; and
- Grant of 2,000,000 warrants over ordinary shares in the Company.

### *Revenue offtake agreement*

On 9<sup>th</sup> October the Company announced that it had entered into an offtake agreement with OM Metal & Resources S.A.R.L for the sale of a minimum of 20,000 tonnes of copper oxide ore from the Group's Molulu copper/cobalt project in the Democratic Republic of Congo.

The Agreement is valid from 4 October 2023 to 31 December 2023 and can be renewed on mutual agreement from both parties. During the contract, and where possible, Critical Metals will provide the Buyer with copper ore with an average minimum acid soluble copper grade of 1.5%.

There have been no other events subsequent to year end.

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