2 October 2024

Tungsten West Plc

("Tungsten West", the "Company" or the "Group")

Financial Results for the Year Ended 31 March 2024, Availability of Annual Report, and Lifting of Trading Suspension

Tungsten West (LON:TUN), the mining company focused on restarting production at the Hemerdon tungsten and tin mine ("Hemerdon" or the "Project") in Devon, UK, is pleased to announce its audited results for the year ended 31 March 2024.

Copies of the Company's full Annual Report and Financial Statements for the financial year to 31 March 2024 are available to download from the Company's website at www.tungstenwest.com and will shortly be posted to shareholders.

As a result of the publication of these results, trading in the Company's ordinary shares on AIM will be restored with effect from 12:00pm today.

Highlights for the Period

- Production of legacy tungsten pre-concentrate and tin concentrate totalling 50 tonnes.
- The Company entered into a strategic collaboration with the fusion energy company, Oxford Sigma.
- Approval of the Section 73 application (variation of a condition of existing permission) to vary the tonnage cap on truck movements from site.
- Strengthening the board with the appointment of new Non-Executive Directors, Mr Guy Edwards, Mr Adrian Bougourd, and Mr Kevin Ross.
- Mr. Alistair Stobie appointed as Chief Financial Officer.
- £10.35 million convertible loan notes issued over four tranches.

Post Period Highlights

- The Environment Agency granted the Company a permit to operate its Mineral Processing Facility, the last of the key permits required to further progress the Project.
- £2.9 million convertible loan notes issued by way of adding an additional tranche.
- Appointment of Mr Jeffery Court as Chief Executive Officer.

At the year-end, the Group had £1.6 million in cash reserves and £0.04 million at the end of September 2024. The Group is in the process of finalising the documentation in respect of a £2.0 million Tranche F funding round with its existing CLN holders. The Group has received letters of commitment from the CLN holders that they will provide the Tranche F funding and also extend the waiver that expired in June 2024. The Group has very limited cash reserves and is reliant upon this Tranche F funding being received. If the Group did not receive the Tranche F funding or it was delayed, these limited cash reserves are forecast to be exhausted in October 2024. Following the expected Tranche F CLN issue, going concern is also reliant on further funding being secured by the end of December 2024, without which the Group would be unable to pay its liabilities as they fall due beyond this point.

This announcement contains inside information for the purposes of Article 7 of Regulation 596/2014 as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019.

Ends

For further information, please contact:

Enquiries

Tungsten West	**Strand Hanson**
Alistair Stobie	(Nominated Adviser and Financial Adviser)
Tel: +44 (0) 1752 278500	James Spinney / James Dance / Abigail Wennington
	Tel: +44 (0) 207 409 3494

BlytheRay

BlytheRay

(Financial PR)

Tim Blythe / Megan Ray

Tel: +44(0) 20 7138 3204

Email: tungstenwest@blytheray.com

Hannam & Partners

(Broker)

Andrew Chubb / Matt Hasson / Jay Ashfield

Tel: +44 (0)20 7907 8500

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Chairman's Statement

Overview of FY2024

I am pleased to report on the Group's audited results for the year ended 31 March 2024.

The year has been one of reset. As I write this it is clear that the Company is once again moving towards reopening the Hemerdon tungsten and tin mine; providing a secure tungsten supply chain to the UK and its allies. We expect to restart mining and processing operations in 2026.

During the period James Macfarlane (Managing Director), Mark Thompson (Vice-Chairman), Neil Gawthorpe (CEO) and Nigel Widdowson (CFO) have all resigned from positions of significant management responsibility from the board, where applicable. Jeff Court has been appointed CEO and will join the board as soon as he has completed his duties at Capital where he was Chief Executive Officer - Mining & Chief Development Officer - Mining of Capital's drilling and mining services business. This will allow Alistair Stobie, who joined as CFO in November 2023, to focus on the capital raise needed to bring Hemerdon back in to production. I would like to thank everyone who has had the vision and enthusiasm to get Tungsten West to this point in its development.

The most significant achievement in the period was the granting of a draft permit for the Mineral Processing Facility (MPF) by the Environment Agency (EA) in January 2024. The full permit followed in June 2024 following a third public consultation. Testing and demonstrating that the Company could resolve the historical low frequency noise (LFN) issues took considerable input from experts from both the Company and the EA. Few metallurgical plant permits are issued in the UK, I would like to thank the EA for working with the Company and its consultants to deliver a workable MPF permit.

Until the MPF EA permit was issued, it became that clear the Company would not be able to close on the funding needed to reconfigure the MPF and recommence mining and processing. Accordingly, and painfully, costs were cut back so that only vital services were kept. The Company lost some very good people with significant deep knowledge of the project. I am delighted that some of those who left have subsequently rejoined. I am hopeful that we may yet entice a few more back along with global mining talent. Together, once funding has been secured, we are confident that we will see the restart of mining at Hemerdon.

None of this was possible without the support of a small group of investors who have kept funding the Company through five separate tranches of the Convertible Loan Note (CLN). There is an absence of risk capital in the City of London which particularly hurts companies at Tungsten West's stage of development.

On receipt of the EA's MPF draft permit the Company kicked off an optioneering study (Optioneering Study). The most significant outcome of the Optioneering Study was to remove the two phase approach to restarting operations. This has informed all our subsequent engineering decisions. On its completion and after the end of the period, the Company appointed ADP Marine and Modular (ADP), an engineering consultancy, to review options to reconfigure the MPF. These changes will be included in the updated feasibility study and will lead to front end engineering and design (FEED) and ultimately an EPC contract. This work coincided with the appointment of Mining Plus to write the Company's third feasibility study. Currently, we expect that the feasibility study will be completed by the end of 2024.

The engineering studies that ADP are undertaking are focused on three main areas; a reconfigured crushing and ore sorting front-end, the engineering and implementation of the LFN enclosure solutions agreed as part of the EA MPF Permit and a refurbishment of the main MPF which has not been in operation since it was restarted briefly in early 2023.

The new front-end crushing and ore sorting circuit addresses one of the main points of failure for Wolf Minerals. The installed rolls crushers were not sufficiently robust to deal with granite and were a constant point of failure. Tungsten West expects to install up to five Tomra ore sorters. After ore sorting, approximately 700,000 tonnes of highly mineralized ore will pass through the MPF per annum. We expect that the lower throughput will reduce unplanned downtime as well as reducing the uranium and thorium content in the final product. ADP, in conjunction with the Tungsten West team, are studying various options which we believe will reduce upfront capex and provide more space for run of mine (ROM) storage.

The work to install the LFN enclosures over the screens in the MPF focusses principally on ensuring that the screens can be easily maintained and serviced whilst ensuring that LFN is below the limits set at the measurement points around the mine. Adding up to eighteen enclosures to the MPF will require a considerable amount of strengthening to the building.

Whilst the updated feasibility study is underway, the Company is starting the process of capital raising to modify the MPF and restart mining operations. The initial focus has been opening discussions with Export Credit Agencies in the UK, US and individual states within the EU in addition to more traditional sources of mining finance. Tungsten is a mineral critical to the transition economy, in addition there is significant and growing defence-related demand. Hemerdon mine is a significant resource of tungsten available to the UK, EU, US and their allies and partners. Notwithstanding these factors, because the People's Republic of China (PRC) controls the mining and processing of approximately 85% of global tungsten supply, pricing continues to be set by the PRC. There have been numerous examples of PRC government-controlled companies selling critical minerals below their cost of production. Both the US and EU have started discussions around minimum pricing levels as better levers than either ESG taxes or the very blunt tool of imposing tariffs. The Company is seeking to have a voice in these discussions.

With the core of a strong management team in place, the engineering for a rebuild of the MPF and the work for a new feasibility study well underway, we expect to be in a position to formally kick-off our fund-raising efforts in the New Year. The project and development team will work on FEED whilst the capital raising process continues so that we will be in a position to commence work on rebuild as soon as possible after it is completed.

Finally, I would like to thank the team at Tungsten West who have stayed with, or returned to the Company, during this difficult time. It is your dedication that will enable us to recommence mining of this critical mineral in the south west of England.

David Cather

Chairman

Consolidated Statement of Comprehensive Income

Year ended 31 March 2024

	Note	**2024 £**	2023 £
Revenue	5	722,036	626,460
Cost of sales		(2,099,895)	(1,984,983)
Gross loss		(1.377,859)	(1,358,523)
Administrative expenses		(8,966,124)	(10,160,088)
Other operating income	6	14,424	18,947
Other gains/(losses)	7	3,079,384	710,710
Operating loss	8	(7,250,175)	(10,788,954)
Finance income		200,175	454,196
Finance costs		(2,844,319)	(495,279)
Net finance cost	9	(2,644,144)	(41,083)
Loss before tax		(9,894,319)	(10,830,037)
Income tax credit	13	194,403	544,602
Loss for the year		(9,699,916)	(10,285,435)
Total comprehensive loss		(9,699,916)	(10,285,435)
Profit/(loss) attributable to:			
Owners of the Company		(9,699,916)	(10,285,435)

		£	£
Basic and diluted loss per share	14	(0.05)	(0.06)

The above results were derived from continuing operations.

Consolidated Statement of Financial Position

Year ended 31 March 2024

	Note	**31 March 2024 £**	31 March 2023 £
Assets			
Non-current assets			
Property, plant and equipment	15	19,266,279	19,054,864
Right-of-use assets	16	1,895,584	2,022,672
Intangible assets	17	5,058,686	5,090,016
Deferred tax assets	13	1,382,901	1,390,346
Escrow funds receivable	19	11,059,151	5,146,986
		38,662,601	32,704,884
Current assets			
Inventories	22	29,850	114,173
Trade and other receivables	20	2.809.893	6.163.593

Cash and cash equivalents	21	1,581,535	3,438,018
		4,421,278	9,715,784
Total assets		43,083,879	42,420,668
Equity and liabilities			
Equity			
Share capital	27	1,870,741	1,805,516
Share premium		51,949,078	51,882,761
Share option reserve		256,278	357,366
Warrant reserve		-	740,867
Retained earnings		(32,764,067)	(23,805,018)
Equity attributable to owners of the Company		21,312,030	30,981,492
Non-current liabilities			
Loans and borrowings	24	1,803,533	1,901,583
Provisions	25	5,137,646	5,701,771
Deferred tax liabilities	13	1,382,901	1,390,346
		8,324,080	8,993,700
Current liabilities			
Trade and other payables	23	1,754,903	2,330,603
Loans and borrowings	24	11,692,866	114,873
		13,447,769	2,445,476
Total liabilities		21,771,849	11,439,176
Total equity and liabilities		43,083,879	42,420,668

The financial statements were approved by the Board on 1 October and signed on its behalf by:

Alistair Stobie
Director

Company Registration Number: 11310159

Consolidated Statement of Changes in Equity

Year ended 31 March 2024

	Share capital £	Share premium £	Share option reserve £	Warrant reserve £	Retained earnings £	Total £
At 31 March 2023	**1,805,516**	**51,882,761**	**357,366**	**740,867**	**(23,805,018)**	**30,981,492**
Loss for the year	-	-	-	-	**(9,699,916)**	**(9,699,916)**
Total comprehensive income	-	-	-	-	**(9,699,916)**	**(9,699,916)**
New share capital subscribed	**65,225**	**66,317**	-	-	-	**131,542**
Expired warrants	-	-	-	(740,867)	740,867	-
Share options charge	-	-	85,138	-	-	85,138
Forfeiture of share options	-	-	(186,226)	-	-	(186,226)
At 31 March 2024	**1,870,741**	**51,949,078**	**256,278**	-	**(32,764,067)**	**21,312,030**

At 31 March 2022	**1,793,682**	**51,610,414**	**241,861**	**1,408,730**	**(14,187,446)**	**40,867,241**
Loss for the year	-	-	-	-	**(10,285,435)**	**(10,285,435)**
Total comprehensive income	-	-	-	-	**(10,285,435)**	**(10,285,435)**

New share capital subscribed	**11,834**	**272,347**	-	-	-	**284,181**
Exercise of warrants	-	-	-	**(334,378)**	**334,378**	-
Expired warrants	-	-	-	**(333,485)**	**333,485**	-
Share options charge	-	-	134,610	-	-	134,610
Forfeiture of share options	-	-	(19,105)	-	-	(19,105)
At 31 March 2023	**1,805,516**	**51,882,761**	**357,366**	**740,867**	**(23,805,018)**	**30,981,492**

Consolidated Statement of Cash Flows

Year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Loss for the year		(9,699,916)	(10,285,435)
Adjustments to cash flows from non-cash items			
Depreciation and amortization	8	522,898	514,394
Loss on disposal of right to use asset	8	6,807	**124,528**
Loss on disposal of tangible fixed assets	8	**3,137**	**-**
Loss on disposal of intangible asset	8	**-**	**73,401**
Impairment of asset under construction	7	**2,157,923**	**108,947**
Fair value (gains)/losses on escrow account	7	(5,721,727)	3,495,064
Fair value gains on restoration provision	7	(889,126)	(4,205,774)
Finance income	9	(200,175)	(454,196)
Finance costs	9	2,844,319	495,279
Share-based payment transactions	10	(101,088)	115,505
Impact of foreign exchange	9	(49,551)	74,724
Income tax credit	13	(194,403)	(544,602)
		(11,320,902)	(10,488,165)
Working capital adjustments			
Income tax received		458,975	544,602
Decrease/(Increase) in trade and other receivables	20	3,353,698	(2,336,084)
Decrease in trade and other payables	23	(840,270)	(1,959,020)
Decrease in inventories	22	84,323	42,771
Net cash outflow from operating activities		(8,264,176)	(14,195,896)
Cash flows from investing activities			
Interest received	9	9,713	99,082
Acquisitions of property, plant and equipment	15	(2,703,810)	(10,892,254)
Proceeds from sale of vehicle		-	4,167
Acquisitions of intangibles	17	(39,952)	(191,523)
Net cash outflows from investing activities		(2,734,049)	(10,980,528)
Cash flows from financing activities			
Interest paid	9	(9,793)	(4,084)
Proceeds from issue of Ordinary Shares, net of issue costs		131,542	**-**
Proceeds from the exercise of warrants		-	284,181
Proceeds from the issue of convertible loan notes, net of issue costs	24	9,241,830	**-**
Payments to hire purchase		**(20,302)**	**(63,294)**
Payments to lease liabilities		(201,535)	(357,749)
Net cash inflows/(outflows) from financing activities		9,141,742	(140,946)
Net decrease in cash and cash equivalents		(1,856,483)	(25,317,370)
Cash and cash equivalents at 1 April		3,438,018	28,755,388
Cash and cash equivalents at 31 March		1,581,535	3,438,018

Notes to the Consolidated Financial Statements

Year ended 31 March 2024

1 General information

Tungsten West plc ('the Company') is a public limited company, incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:	The principal place of business is:
Shakespeare Martineau LLP	Hemerdon Mine
6th Floor	Drakelands
60 Gracechurch Street	Plympton
London	Devon
EC3V 0HR	PL7 5BS
United Kingdom	United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

The Group financial statements have been prepared in accordance with International Accounting Standards as adopted in the United Kingdom ('UK adopted IAS') and those parts of the Companies Act 2006 that are applicable to companies which apply UK adopted IAS.

The financial statements are presented in Sterling, which is the functional currency of the Group and Company.

Going concern

The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. Over the last year this has been dependent on raising funds via issues of CLN. There is no signed commitment from investors to provide further funds under the existing CLN agreement. The Group previously notified CLN holders of multiple defaults of on the terms of the CLN agreement. A waiver was subsequently agreed but expired in June 2024. In the absence of a waiver the notes can be called in for immediate redemption. For the Group to remain a going concern it is reliant on the continued support of the Noteholders by not exercising their rights under the Defaults. . The CLN holders have provisionally agreed to reinstate the waiver as part of the expected imminent Tranche F funding as set out below.

At the year-end, the Group had £1.6 million in cash reserves and £0.04 million at the end of September 2024. The Group is in the process of finalising the documentation in respect of a £2.0 million Tranche F funding round with its existing CLN holders. The Group has received letters of commitment from the CLN holders that they will provide the Tranche F funding and also extend the waiver that expired in June 2024. The Group has very limited cash reserves and is reliant upon this Tranche F funding being received. If the Group did not receive the Tranche F funding or it was delayed, these limited cash reserves are forecast to be exhausted in October 2024.

Following the expected Tranche F CLN issue, going concern is also reliant on further funding being secured by the end of December 2024, without which the group would be unable to pay its liabilities as they fall due beyond this point.

In addition to short-term financing via the CLN, the Group still requires additional funding to complete the MPF rebuild and is in discussions with financing partners to provide the additional capital. The quantum of financing will be determined at the completion of FEED.

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and company's ability to continue as a going concern.

Until the additional capital is secured, the Group will continue to proceed by utilising existing cash reserves and drawing on the 2023 CLN facility. The board will not commit to significant further capital expenditure until the full finance package is in place to complete the rebuild.

Model 1 - Funding to Complete Feasibility Study and Obtain Financing

This scenario models management's expectation of cash required to complete the ongoing feasibility study and general and administrative expenses, including maintaining the existing mine permits. This does not include any expenses related to FEED, or capital expenditures to restart operations. The Company is in discussion with a number of parties regarding financing of operations to complete FEED and capital raising operations.

As a result, they intend that the group to be able to operate as a going concern for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing these financial information despite the material uncertainty referred to above.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2024.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries of the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed as at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, including deferred tax if required. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2023 have had a material effect on the financial statements.

Revenue recognition

In the year revenue has mainly related to the sale of low grade concentrate which was left behind by the previous mining operator. This is recognised upon pick up by customers at the fair value of consideration receivable at that date.

Tax

Income tax expense consists of the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported for accounting purposes because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for tax matters that are uncertain if it is considered probable that there will be a future outflow of funds to a tax authority. The provision is measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of management supported by the advice of tax professionals contracted by the company.

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 the 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.

The carrying amount of deferred tax assets is reviewed at each reporting 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 is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The Group has submitted research and development tax credit claims. The Group accounts for a claim at the point it considers the claim to be unchallenged by HMRC.

Property, plant and equipment

Land and buildings are stated at the cost less any depreciation or impairment losses subsequently accumulated (cost model). Land and buildings have been uplifted to fair value on consolidation.

Plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The asset under construction relates to costs incurred to upgrade the mineral processing facility and in accordance with IAS 16, have capitalised costs if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and assets under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	None
Building	2% Straight Line
Furniture, fittings and equipment	5% - 20% Straight Line
Other property, plant and equipment	5%- 33% Straight Line
Motor vehicles	33% Straight Line
Computer equipment	33% Straight Line

Goodwill

Goodwill is recognised at cost and reviewed for impairment annually.

Intangible assets

Contractual mining rights as set out in the mining lease are recognised as a separate intangible asset on consolidation under IFRS 3.

The mining rights are subject to amortisation over the useful life of the mine which is 27 years (2023: 27 years). Amortisation will be charged from the date the mine is brought into use.

Software is amortised on a straight-line basis using a rate of 33%.

Right-of-use assets

Right-of-use assets consist of a lease for the Hemerdon Mine and other property leases under IFRS 16. These assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

Research and development activities

All research costs are expensed. Costs related to the development of products are capitalised when they meet the following conditions:

(i) It is technically feasible to complete the development so that the product will be available for use or sale.

(ii) It is intended to use or sell the product being developed.

(iii) The Group is able to use or sell the product being developed.

(iv) It can be demonstrated that the product will generate probable future economic benefits.

(v) Adequate technical, financial and other resources exist so that product development can be completed and the product subsequently used or sold.

(vi) Expenditure attributable to the development can be reliably measured.

All other development expenditure is recognised as an expense in the period in which it is incurred.

Capitalised development costs are stated at cost less accumulated amortisation and accumulated impairment losses (cost model). Amortisation is recognised using the straight-line basis and results in the carrying amount being expensed in profit or loss over the estimated useful lives which range from 5 to 15 years.

Exploration for and evaluation of mineral resources

Costs relating to the exploration for and evaluation on mineral resources are expensed.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade and other receivables where payment is due within one year do not constitute a financing transaction and are recorded at the undiscounted amount expected to be received, less attributable transaction costs. Any subsequent impairment is recognised as an expense in profit or loss.

All trade and other receivables are subsequently measured at amortised cost, net of impairment.

Escrow funds

These funds are held with a third party to be released to the Group as it settles its obligation to restore the mining site once operations cease. The debtor has been discounted to present value assuming the funds will be receivable useful life of mining operations.

Trade payables

Trade and other payables are initially recognised at fair value less attributable transaction costs. They are subsequently measured at amortised cost.

Convertible debt

Convertible loan notes issued by the group have been assessed as a host liability contract with the conversion option meeting the recognition criteria for an embedded derivative financial liability. The group has taken the option available under IFRS to designate the entire instrument at fair value through profit and loss. The instrument is initially recognised at transaction price net of directly attributable costs incurred. The instrument is remeasured to fair value at each reporting point with the resulting gain or loss recognised in profit and loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

This includes a provision for the obligation to restore the mining site once mining ceases.

Leases

At inception of the contract, the Group assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all material lease arrangements in which it is the lessee. The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term or low-value leases, in accordance with the available exemption in IFRS 16, are not capitalised on the statement

Short-term or low-value leases, in accordance with the available exemption in IFRS 16, are not capitalised on the statement of financial position and instead recognised as an expense, on a straight-line or other systematic basis.

Share capital

Ordinary Shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Share options

Share options granted to shareholders classified as equity instruments are accounted for at the fair value of cash received or receivable. Share options granted to shareholders which represent a future obligation for the Company outside of its control are recognised as a financial liability at fair value through profit and loss.

Share options granted to employees are fair valued at the date of grant with the cost recognised over the vesting period. If the employee is employed in a subsidiary company, the cost is added to the investment value, in the financial statements of the parent, and the expense recognised in staff costs in the statements of the subsidiary.

Warrants issued in return for a service are classified as equity instruments and measured at the fair value of the service received. Where the service received relates to the issue of shares the cost is debited against the proceeds received in share premium.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which pension contributions are paid into a separate entity and the group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, intangible assets, right of use assets, inventories, deferred tax assets, prepayments, deferred tax liabilities and the mining restoration provision. The Group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ('FVTPL') are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e., the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the marketplace.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and judgements that affect the reported amounts of certain financial assets, liabilities, income and expenses.

The use of estimates and judgements is principally limited to the determination of provisions for impairment and the valuation of financial instruments as explained in more detail below:

Significant accounting judgements

Impairment of non-current assets

Impairment of non-current assets

To consider the impairment of the Group's non-current assets, management has calculated a value in use of the Group's cash-generating unit which comprises the Hemerdon Mine. This was determined using a discounted cashflow approach, supported by project cashflow forecasts prepared by management. The value of assets impacted is £24.3 million (2023: £24.1 million).

The previous model under the Bankable Feasibility Study ('BFS') has been adapted to reflect the changes in inputs and assumptions as a result of the project re-evaluation. The inputs and key assumptions that were used in the determination of value in use were discount rate, metal prices, metal recoveries, probability of financing, probability of permit award and foreign exchange.

Discounted cashflows are based on future forecasts which reflect uncertainty. Therefore, management has prepared a sensitised discounted cashflow calculation. The underlying assumptions that were stress tested include the discount rate, foreign exchange rates and metal prices and recoveries.

Management were satisfied in the recoverability of the Group's assets and no impairment was required.

Management did separately recognise an impairment of £2.2m (2023: £0.1m) in relation to specific costs capitalised to an area of the Mineral Process Facility which has since been eliminated from the process.

Capitalisation of research and development costs

The Directors have reviewed any costs relating to evaluating the technical feasibility of processing the extracted tungsten ore and have expensed these costs in line with the current policy. The Directors have also reviewed research and development costs and concluded that these costs fail to meet the criteria set out in IAS 38 for the capitalisation of development costs as the Directors still consider that they are in the research phase. The Group will commence capitalisation of development costs at the point when available finance has been secured to complete the project in accordance with IAS 38. Development costs that are capitalised in accordance with the requirements of IFRS are not treated, for dividend purposes, as a realised loss. The Group has currently capitalised no research and development costs in accordance with IAS 38. The Group has only capitalised costs associated with the tangible improvement and installation of property, plant and equipment under IAS 16.

Capitalisation of asset under construction costs

The Directors have reviewed any costs relating to the upgrade of the mineral processing facility in accordance with IAS 16 and have capitalised costs if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. At the year end, £14.1 million (2023: £13.6 million) of costs at carrying value have been capitalised. The company acquired the pre-existing machinery in the mineral processing facility for nil cost. Due to the significant period of inactivity, refurbishment of the existing machinery has commenced to bring the machinery back into use. The direct costs of restoring or improving the functionality of the plant and machinery have been capitalised on the basis these costs will increase the future cashflows to be generated by the asset. In situations where parts have been replaced no matched disposal has been required in instances where the original asset is carried at nil value.

Founder options

The Directors consider the non-EMI portion of the founder options meet the definition of equity in the financial statements of the Group on the basis that the 'fixed for fixed' condition is met and that they were awarded to shareholders relating to investing in the share capital of the Group. The accounting treatment has been applied in accordance with IAS 32, which requires initial recognition at fair value of consideration paid less costs. As there was no consideration received at inception, the value of the options is £Nil. When exercised the shares are recognised at option price.

Key sources of estimation uncertainty

Restoration provision

The restoration provision is the contractual obligation to restore the mining site back to its original state once mining ceases. The provision is equal to the expected outflows that will be incurred at the end of the mine's useful life discounted to present value. As the restoration work will predominantly be completed at the end of the mine's useful life, these calculations are subject to a high degree of estimation uncertainty. The key assumptions that would lead to significant changes in the provision are the discount rate, useful life of the mine and the estimate of the restoration costs.

A 1% change in the discount rate on the Group's restoration estimates would result in an impact of £1.1 million to £1.6 million (2023: £1.2 million to £1.6 million) on the restoration provision. A 5% change in cost on the Group's restoration estimates would result in an impact of £0.3 million (2023: £0.3 million) on the provision for restoration. More information on the restoration provision is disclosed in note 25.

Escrow account

These are funds being held under escrow with a third party and will be released back to the Company on the cessation of mining once restoration works have been completed. The key assumptions that would lead to significant changes in the escrow account fair value are the discount rate, the future interest rate and the useful life of the mine.

A 1% change in the discount rate on the Group's escrow account estimate would result in an impact of £2.4 million to £3.1 million (2023: £1.1 million to £1.5 million) on the escrow account valuation. A one-year change in useful mining life would result in an impact of £0.1 million (2023: £0.2 million) on the escrow account valuation. More information on the escrow account is disclosed in note 19.

Convertible loan notes

The convertible loan notes are measured at fair value at each reporting point. Due to the fact that the instrument will be settled at a future point in time either by the conversion into equity shares, conversion into an equivalent debt instrument or repayment in cash the valuation is subject to inherent estimation uncertainty. Management commissioned an external expert to calculate the fair value at the year end. The fair value has been calculated using a scenario pricing model and the key underlying assumptions are the probabilities assessed for each underlying scenario, the discount rate selected and the dates of conversion or redemption.

A two month earlier date of conversion or redemption assumption would result in a £2.1m increase to the fair value of the year end liability.

Discount rates

The Group has had to assess reasonable discount rates based on market factors to use under IFRS. These discount rates have been used on the right-of-use assets, escrow funds, the restoration provision and share based payments. The discount rate on the right-of-use asset is the rate for an equivalent debt instrument. The escrow funds are discounted at the risk free rate which is the yield on an equivalent long-term UK government bond. The restoration provision is discounted at the risk-free rate plus a premium based on the specific risk associated with this liability. The UK risk-free rate increased over the financial year to 4.4% (2023: 3.7%).

3 Financial risk management

Group

This note presents information about the Group's exposure to financial risks and the Group's management of capital.

Credit risk

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties (banks and debtors) and it obtains sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The most significant credit risk relates to customers that may default in making payments for goods they have purchased.

To date the Group has only made a small number of sales and therefore the credit risk exposure has been low.

Liquidity risk

The Directors regularly monitor forecast and actual cash flows and to match the maturity profiles of financial assets and liabilities to ensure proper liquidity risk management for the day-to-day working capital requirements.

In the view of the Directors, the key risk to liquidity is raising the additional capital required to meet its estimated Capex spend. The Group's continued future operations depend on the ability to raise sufficient capital through the issue of debt. At present the Group does not have sufficient capital to fund its estimated Capex spend therefore there is a liquidity risk which would result in the Group having to pause its future operations were it to not raise the necessary capital. At present, the Group is in discussions with financing partners to provide this additional capital.

Market risk

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings. The interest rates and terms of repayment are disclosed in note 24 to the financial statements. The Company's policy is to obtain the most favourable interest rates available for all liabilities. Except as outlined above, the Group has no significant interest-bearing assets and liabilities.

Foreign exchange risk

The Group in the future will also be exposed to exchange rate risk on the basis that tungsten prices are principally denominated in US Dollar. The Group will seek to manage this risk through the supply contracts it agrees with future customers.

The Group does not use any derivative instruments to reduce its economic exposure to changes in interest rates or foreign currency exchange rates at the current time.

Price risk

The Group is exposed to the price fluctuation of its primary products being tungsten and tin. Given the Group is currently in the development phase and is not yet producing any revenue, the costs of managing exposure to commodity price risk exceed any potential benefits. The Directors monitor this risk on an ongoing basis and will review this as the Group moves towards production.

Inflation Risk

The Group is exposed to inflationary pressures that impact the core materials required for the operations, mainly being reagents, power and diesel costs. The Directors monitor this risk on an ongoing basis and will review this as the group moves towards production.

4 Operating segments

The Chief Economic Decision Maker of the Group is the Board of Directors which considers that the Group is comprised of one operating segment representing the Group's mining activities at the Hemerdon Mine. All operations and assets are located in the United Kingdom and all revenues are originated in the United Kingdom.

Revenue from customers accounting for 10% or more of Group revenue was as follows:

	2024 **£**	2023 £
Customer A	**-**	118,276
Customer B	**435,072**	-
Customer C	**286,964**	508,184

5 Revenue from contracts with customers

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2024 £	2023 £
Tungsten	**497,388**	508,184
Tin	**224,648**	-
Aggregates	**-**	118,276
Sale of goods	**722,036**	626,460

6 Other income

The analysis of the Group's other operating income for the year is as follows:

	2024 £	2023 £
Sale of scrap metal	**14,424**	13,962
Sublease rental income	-	4,985
	14,424	18,947

7 Other gains and losses

The analysis of the Group's other gains and losses for the year is as follows:

	2024 £	2023 £
Gain on restoration provision due to change in discount rate	**889,126**	4,205,774
Gain/(loss) on escrow account due to change in discount and interest rate	**5,721,727**	(3,495,064)
Impairment on assets under construction deposits	**(1,373,546)**	-
Impairment on assets under construction assets	**(2,157,923)**	-
Other gains and losses	**3,079,384**	710,710

See note 19 and note 25 for further details on other gains and losses on the escrow accounts and the restoration provision.

8 Operating loss

Arrived at after charging/(crediting):

	2024 £	2023 £
Depreciation of property, plant and equipment	**331,335**	276,995
Depreciation of right-of-use assets	**120,281**	216,039
Loss on disposal of right to use asset	**6,807**	124,528
Loss on disposal of tangible fixed assets	**3,137**	-
Impairment of asset under construction assets and deposits	**3,531,469**	108,947
Amortisation of intangibles	**71,282**	21,360
Staff costs	**3,352,821**	5,562,095

9 Finance income and costs

9 Finance income and costs

	2024 £	2023 £
Finance income		
Notional interest income on the escrow funds receivable	**190,438**	272,026
Other interest income	**9,713**	99,082
Foreign exchange gains	**24**	83,088
	200,175	454,196
Finance costs		
Interest expense on other financing liabilities	**(118,985)**	(101,772)
Notional cost on the restoration provision	**(325,001)**	(381,060)
Fair value movement in convertible loan notes designated fair value through profit and loss	**(2,345,391)**	-
Bank charges	**(5,367)**	(4,083)
Foreign exchange losses	**(49,575)**	(8,364)
Total finance costs	**(2,844,319)**	(495,279)
Net finance costs	**(2,644,144)**	(41,083)

10 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2024 £	2023 £
Wages and salaries	**2,724,119**	3,888,672
Social security costs	**331,690**	427,748
Pension costs, defined contribution scheme	**164,738**	161,908
Share based payment	**(101,088)**	115,505
Amounts capitalised to asset under construction	**233,362**	968,262
	3,352,821	5,562,095

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2024 No.	2023 No.
Project, maintenance, administration and support	**44**	74
Directors	**5**	7
	49	81

11 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2024 £	2023 £
Remuneration	**487,035**	873,029
Pension contribution	**19,130**	21,019
Benefits in kind	**1,884**	2,340

Total cash remuneration	**508,049**	896,388
Share-based payment	**4,025**	66,993
Total remuneration	**512,074**	**963,381**

Included in the remuneration above was £nil (2023: £nil) paid in shares rather than cash.

Remuneration by each Director is as follows:

	2024 Salary £	2024 Pension £	2024 Loss of office £	2024 Benefits £	2024 Share-based payment £	2024 Total £
Richard M Maxey	28,000	-	-	-	-	**28,000**
Mark Thompson	28,077	-	-	-	-	**28,077**
Nigel Widdowson	64,625	**8,130**	-	**1,884**	**4,025**	**78,664**
David Cather	52,500	-	-	-	-	**52,500**
Martin Wood	33,833	-	-	-	-	**33,833**
Guy Edwards	2,000	-	-	-	-	**2,000**
Kevin Ross	14,000	-	-	-	-	**14,000**
Neil Gawthorpe**	264,000	**11,000**	-	-	-	**275,000**
Adrian Bougourd	-	-	-	-	-	-
	487,035	**19,130**	-	**1,884**	**4,025**	**512,074**

** Denotes the highest paid Director.

Directors' interests in share options and warrants are disclosed in the Directors' Report.

The share-based payment is an IFRS 2 cost charged for options issued. No cash benefit is received by the Directors. No Director exercised any options during the year. Please see note 28 for more information.

	2023 Salary £	2023 Pension £	2023 Loss of office £	2023 Benefits £	2023 Share-based payment £	2023 Total £
Francis Johnstone	**20,000**	-	-	-	-	**20,000**
Richard M Maxey	**20,000**	-	-	-	-	**20,000**
Max Denning**	**124,246**	**9,613**	**158,411**	-	**38,781**	**331,051**
Mark Thompson	**200,000**	-	**100,000**	-	**3,134**	**303,134**
Nigel Widdowson	**156,275**	**10,754**	-	**2,340**	**25,078**	**194,447**
Robert Ashley	**26,667**	-	-	-	-	**26,667**
David Cather	**33,462**	-	-	-	-	**33,462**
Martin Wood	**4,833**	-	-	-	-	**4,833**
Neil Gawthorpe	**4,968**	-	-	-	-	**4,968**
Grace Stevens	**24,167**	**652**	-	-	-	**24,819**
	614,618	**21,019**	**258,411**	**2,340**	**66,993**	**963,381**

** Denotes the highest paid Director.

Directors' interests in share options and warrants are disclosed in the Directors' Report.

12 Auditors' remuneration

	2024 **£**	2023 £
Audit of these financial statements	**50,000**	**50,000**
Other fees to auditors		
Audit-related assurance services	83,500	**89,000**
	133,500	**139,000**

13 Income tax

Tax charged/(credited) in the income statement:

	2024 **£**	2023 £
Current taxation		
Adjustments in respect of prior periods	**(194,403)**	(544,602)

The tax on profit for the year is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are reconciled below:

	2024 **£**	2023 £
Loss before tax	(9,894,319)	(10,830,037)
Corporation tax at standard rate	(2,473,580)	(2,057,707)
Fixed asset differences	587,065	12,498
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	370,996	300,510
Other differences	37	512
Surrender of tax losses for R&D tax credit refund	(194,403)	(544,602)
Remeasurement of deferred tax for changes in tax rates	-	(550,799)
Income not taxable	-	-
Decrease/(increase) from tax losses for which no deferred tax asset was recognised	1,515,482	2,294,986
Total tax credit	(194,403)	(544,602)

Deferred tax

Group

	2024 **Intangibles** **£**	**2024** **Tangibles** **£**	**2024** **Losses** **£**	**2024** **Other** **£**	**2024** **Total** **£**
At 1 April 2023	961,084	429,262	(1,390,346)	-	-
Charged to profit and loss	-	(7,445)	7,445	-	-
At 31 March 2024	961,084	421,817	(1,382,901)	-	-

The net deferred tax of £nil is made up of a liability of £1,382,901 and asset of £1,382,901. The unrecognised deferred tax asset for carried forward losses at 31 March 2024 was £8,970,420.

The rate used for the deferred tax is 25% (2023: 25%).

	2023 **Intangibles** **£**	**2023** **Tangibles** **£**	**2023** **Losses** **£**	**2023** **Other** **£**	**2023** **Total** **£**

At 1 April 2022	961,083	436,706	(1,397,789)	-	-
Charged to profit and loss	1	(7,444)	7,443	-	-
At 31 March 2023	961,084	429,262	(1,390,346)	-	-

The net deferred tax of £nil is made up of a liability of £1,390,346 and asset of £1,390,346. The unrecognised deferred tax asset for carried forward losses at 31 March 2023 was £7,730,527.

14 Basic and diluted loss per share

Basic and diluted loss per share is calculated as follows:

	2024 **£**	2023 £
Loss for the year	**(9,699,916)**	(10,285,435)
Weighted average number of shares in issue	**185,755,355**	180,511,110
Basic and diluted loss per share	**(0.05)**	(0.06)

The diluted loss per share calculations exclude the effects of share options, warrants and convertible debt on the basis that such future potential share transactions are anti-dilutive. Information on share options and warrants is disclosed in note 28.

15 Property, plant and equipment

Group	**Land and buildings** **£**	**Furniture, fittings and equipment** **£**	**Computer equipment** **£**	**Motor vehicles** **£**	**Other property, plant and equipment** **£**	**Asset under construction** **£**	**Total** **£**
Cost or valuation							
At 1 April 2022	4,446,750	27,327	171,420	8,740	196,755	3,904,548	8,755,540
Additions	228,570	87,382	141,980	141,500	46,700	10,326,594	10,972,726
Reclassifications	514,041	-	-	-	-	(514,041)	-
Disposal	-	-	-	(8,740)	-	-	(8,740)
At 31 March 2023	**5,189,361**	**114,709**	**313,400**	**141,500**	**243,455**	**13,717,101**	**19,719,526**
Additions	-	53	2,100	-	7,726	2,693,931	2,703,810
Disposal	-	-	(3,137)	-	-	-	(3,137)
At 31 March 2024	5,189,361	114,762	312,363	141,500	251,181	16,411,032	22,420,199
Depreciation							
At 1 April 2022	235,797	1,578	9,932	5,047	33,576	-	285,930
Charge for the year	103,891	12,916	72,397	37,598	50,193	-	276,995
Disposals	-	-	-	(7,210)	-	-	(7,210)
Impairment	-	-	-	-	-	108,947	108,947
At 31 March 2023	**339,688**	**14,494**	**82,329**	**35,435**	**83,769**	**108,947**	**664,662**
Charge for the year	105,429	20,804	101,245	46,695	57,162	-	331,335
Impairment	-	-	-	-	-	2,157,923	2,157,923
At 31 March 2024	445,117	35,298	183,574	82,130	140,931	2,266,870	3,153,920
Carrying amount							
At 31 March 2024	4,744,244	79,464	128,789	59,370	110,250	14,144,162	19,266,279
At 31 March 2023	4,849,673	100,215	231,071	106,065	159,686	13,608,154	19,054,864

At 31 March 2022	4,210,953	25,749	161,488	3,693	163,179	3,904,548	8,469,610

Included within the net book value of land and buildings above is £4,047,460 (2023: £4,142,662) in respect of freehold land and buildings.

Impairment - Asset under construction

The amount of impairment loss included in profit and loss is £2,157,923 (2023: £108,947). The impairment relates to costs capitalised to an area of the MPF which has since been eliminated from the process.

16 Right-of-use assets

	Property £	Total £
Cost or valuation		
At 1 April 2022	1,955,184	1,955,184
Additions	619,503	619,503
Disposals	(233,117)	(233,117)
At 31 March 2023	**2,341,570**	2,341,570
Write off	(6,807)	(6,807)
At 31 March 2024	2,334,763	2,334,763
Depreciation		
At 1 April 2022	211,448	211,448
Charge for the year	216,039	216,039
Disposals	(108,589)	(108,589)
At 31 March 2023	**318,898**	**318,898**
Charge for the year	120,281	120,281
At 31 March 2024	439,179	439,179
Carrying amount		
At 31 March 2024	1,895,584	1,895,584
At 31 March 2023	2,022,672	2,022,672

Depreciation on right-of-use assets charged through the profit and loss totals £120,281 (2023: £216,039). Interest expense on lease liabilities charged through the profit and loss totals £118,985 (2023: £101,722).

Lease liabilities

	2024 **Future lease payments** **£**	**2024** **Discount** **£**	**2024** **Lease liability** **£**
Within one year	213,175	(107,530)	105,645
In two to five years	662,214	(377,706)	284,508
In over five years	2,784,622	(1,265,597)	1,519,025
	3,660,011	**(1,750,833)**	**1,909,178**

	2023 Future lease payments £	2023 Discount £	2023 Lease liability £
Within one year	227,332	(112,459)	114,873

In two to five years	760,712	(417,285)	343,427
In over five years	3,091,696	(1,533,540)	1,558,156
	4,079,740	(2,063,284)	2,016,456

The lease liabilities are presented as follows:

	31 March 2024 £	31 March 2023 £
Current liabilities	105,645	114,873
Non-current liabilities	1,803,533	1,901,583
	1,909,178	**2,016,456**

17 Intangible assets

Group

	Goodwill £	**Mining rights £**	**Software £**	**Total £**
Cost				
At 1 April 2022	1,075,520	3,844,333	80,000	4,999,853
Additions	-	-	191,523	191,523
Disposals	-	-	(80,000)	(80,000)
At 31 March 2023	1,075,520	3,844,333	191,523	5,111,376
Additions	-	-	39,952	39,952
At 31 March 2024	1,075,520	3,844,333	231,475	5,151,328
Amortisation				
At 1 April 2022	-	-	6,599	6,599
Amortisation charged to the profit and loss	-	-	21,360	21,360
Disposals	-	-	(6,599)	(6,599)
At 31 March 2023	-	-	21,360	21,360
Amortisation charged to the profit and loss	-	-	71,282	71,282
At 31 March 2024	-	-	92,642	92,642
Carrying amount				
At 31 March 2024	1,075,520	3,844,333	138,833	5,058,686
At 31 March 2023	1,075,520	3,844,333	170,163	5,090,016
At 31 March 2022	1,075,520	3,844,333	73,401	4,993,254

The carrying amount of intangible assets which is considered as having an indefinite useful life is £1,075,520. The whole balance is attributable to goodwill.

The carrying amount of the mining rights is £3,844,333 (2023: £3,844,333). The mining rights will begin to be amortised when mining operations restart.

Software amortisation of £71,282 (2023: £21,360) has been charged to the profit and loss presented in administrative expenses.

Impairment

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The value in use of the Group's cash-generating unit which comprises the Hemerdon Mine was determined using a discounted cash flow approach, supported by project cashflow forecasts prepared by management. The previous model under the Bankable Feasibility Study has been adapted to reflect the changes in inputs and assumptions as a result of the project re-evaluation. The following inputs and key assumptions were used in the determination of value in use:

	2024	2023
Discount rate	**8%**	**5%**
Expected duration of mining activities	**27 years**	**27 years**
Tungsten grade	**>0.45**	**0.55**
Tungsten metal price	**350**	**340**
Foreign exchange rate	**1.28**	**1.20**

Management has prepared a sensitised NPV calculation which under the updated project plans, calculated a value in excess of the carrying amount of the Group's assets. The underlying assumptions that were stress tested include the discount rate, foreign exchange rate and metal price. Management were satisfied in the recoverability of the Group's assets and no impairment was required.

18 Investments

Group subsidiaries

Details of the Group subsidiaries as at 31 March 2024 are as follows:

			Proportion of ownership interest and voting rights held	
Name of subsidiary	Principal activity	Registered office	**2024**	2023
Drakelands Restoration Limited* Company number 11854467	Mining of tungsten and tin	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%
Tungsten West Services Limited** Company number 12430582	Provision of services to the Group	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%
Aggregates West Limited* Company number 12575686	Sales of aggregates	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%

* Indicates direct investment of Tungsten West plc in the subsidiary.

** Tungsten West Services Limited are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as Tungsten West plc has guaranteed the subsidiary company under Section 479C of the Act.

19 Escrow funds

	31 March 2024 £	31 March 2023 £
Non-current financial assets		
Escrow funds	**11,059,151**	5,146,986

These are funds being held under escrow with a third party which will be released back to the Group on the cessation of mining once restoration works have been completed. The funds have been discounted to present value over the expected useful life of the mine. During the year, the discount rate was revised to 4.4% (2023:

3.7%) and the expected future interest yield to 3.7% (2023: 0.0%) resulting in a gain of £5,721,727 (2023: loss of £3,495,064). The actual funds held in the escrow account at year end were £13,740,012 (2023: £13,230,653).

20 Trade and other receivables

	31 March 2024 £	31 March 2023 £
Trade receivables	**56,373**	297,800
Deposits	**2,631,435**	4,458,031
Prepayments	**37,431**	816,723
Other receivables	**84,654**	591,039
	2,809,893	6,163,593

The average credit period on sales of goods is 30 days (2023: 30 days). No interest is charged on outstanding trade receivables. The carrying amount of trade and other receivables approximates the fair value.

As the Group is in the early phases of operations and making a few minor sales, expected credit losses are being considered on a customer-by-customer basis. At the year-end, trade receivables include a provision of £68,262 (2023: £69,873).

21 Cash and cash equivalents

	31 March 2024 £	31 March 2023 £
Cash at bank	**1,581,535**	3,438,018

22 Inventories

	31 March 2024 £	31 March 2023 £
Inventories	**29,850**	114,173

23 Trade and other payables

	31 March 2024 £	31 March 2023 £
Trade payables	**434,515**	544,064
Accrued expenses	**950,512**	1,578,986
Social security and other taxes	**94,304**	156,978
Outstanding defined contribution pension costs	**11,000**	33,233
Corporation tax liability	**264,572**	-
Other payables	-	17,342
	1,754,903	2,330,603

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 45 days (2023: 45 days). No interest is charged on overdue amounts.

The carrying amount of trade and other payables approximates the fair value.

24 Loans and borrowings

24 Loans and borrowings

	31 March 2024 £	31 March 2023 £
Non-current loans and borrowings		
Lease liabilities	**1,771,527**	1,843,016
Hire purchase	**32,006**	58,567
	1,803,533	1,901,583

	31 March 2024 £	31 March 2023 £
Current loans and borrowings		
Lease liabilities	**80,557**	91,617
Hire purchase	**25,088**	23,256
Convertible loan notes	**11,587,221**	-
	11,692,866	114,873

Convertible loan notes

Throughout the year the company issued 4 tranches of Convertible Loan Notes with a nominal value of £10,356,043. The bonds were initially due for conversion into ordinary shares 365 days from the first issue date, being June 2024. The holders have the option to exchange the convertible loan notes for an equivalent instrument prior to conversion. The notes bear interest at 20% per annum.

The instrument contains a host liability contract and an embedded derivative option and has been designated as a single instrument at fair value through profit and loss.

During July 2023 the group notified Lansdowne Partners, the majority holder of multiple breaches of the terms of the loan. The breaches resulted from management implementing measures to conserve the cash flow of the group to match the sources of finance available from the facility.

Under the terms of the Note Purchase Agreement dated 19 May 2023 the Note Purchasers, if directed by the holders of at least 75% of the Notes outstanding may by notice to the Group:

- Terminate the agreement and cancel the Notes
- Demand the notes be repurchased immediately at the redemption price, plus any interest is repaid. The redemption price is a sum equal to two times the principal amount of the notes.
- Exercise its rights to enforce security under the terms of the note purchase agreement and security deed.

On 16 August 2023 the note holders agreed a waiver of the breaches which would have expired on 31 January 2024. On 15 December 2023 the note holders agreed a waiver of the breaches until 30 June 2024. The waiver was not extended after 30 June 2024 and therefore the agreement reverted to in breach post year end.

On 25 March 2024 an amendment was agreed to the original terms of the note purchase agreement to extend the conversion date to 598 days from the first issue date, being January 2025.

Movement in liability

	31 March 2024 £	31 March 2023 £
Brought forward	-	-
Cash received	**10,356,043**	-
Directly attributable costs incurred	**(1,114,213)**	-
Fair value movement in year	**2,345,391**	-
Carried forward	**11,587,221**	-

25 Provisions

Group

	Restoration provision £	**Total £**
At 1 April 2023	**5,701,771**	5,701,771
Change in inflation and discount rate	**(889,126)**	(889,126)
Increase due to passage of time or unwinding of discount	**325,001**	325,001
At 31 March 2024	**5,137,646**	5,137,646
Non-current liabilities	**5,137,646**	5,137,646

This provision is for the obligation to restore the mine to its original state once mining operations cease, discounted back to present value based on the estimated life of the mine. Prior to discounting the Directors estimate the provision at current costs to be £13,201,256 (2023: £13,201,256).

The provision has been discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The ultimate costs to restore the mine are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates.

Management has considered these risks and used a discount rate of 6.4% (2023: 5.7%), an inflation rate of 2% - 7.5% (2023: 2.5% - 9%) and an estimated mining period of 27 years (2023: 27 years). At the reporting date these assumptions represent management's best estimate of the present value of the future restoration costs.

26 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £164,738 (2023: £161,908).

Contributions totaling £11,000 (2023: £33,233) were payable to the scheme at the end of the year and are included in creditors.

27 Share capital

Allotted, called up and fully paid shares

	31 March 2024		31 March 2023	
	No.	**£**	No.	£
Ordinary Shares of £0.01 each	187,074,111	1,870,741	180,551,615	1,805,516

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All Ordinary Shares rank equally with regard to the Company's residual assets.

A reconciliation of the number of shares outstanding at the end of each year is presented as follows:

	31 March 2024 £	31 March 2023 £
Number of shares brought forward	**180,551,615**	179,368,215
Issue of shares on 13 June 2023 at £0.03 per share	**6,522,496**	-
	187,074,111	179,368,215
Warrants exercised	**-**	1,183,400
	187,074,111	180,551,615

	187,074,111	180,551,615

28 Share-based payments

Warrants

Details and movements

Warrants have been issued to certain shareholders and intermediaries as commission for introducing capital to the Company.

Warrants can be exercised at any point before the expiry date for a fixed number of shares.

The movements in the number of warrants during the year were as follows:

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**2,170,740**	4,095,219
Granted during the year	**-**	-
Exercised during the year	**-**	(1,183,400)
Expired during the year	**(2,170,740)**	(741,079)
Outstanding, end of year	**-**	2,170,740

The warrants have been valued using the Black Scholes model as management have judged it not possible to reliably estimate the fair value of service received. Inputs to the pricing model were as follows:

Date of grant	2022
Share price at date of grant	£0.45 - £0.60
Exercise price	£0.01 - £0.60
Risk-free interest rate	1.5%
Expected life of warrants	2 years
Volatility	33%

The exercise price of warrants outstanding at 31 March 2024 is £Nil and their remaining contractual life was nil months.

The exercise price of warrants outstanding at 31 March 2023 ranged between £0.01 and £0.60 and their remaining contractual life was 3 months to 9 months.

Founder share incentives

Details and movements

The founder shareholders have a right to receive shares at a nominal value once certain milestones are hit.

The movements in the number of share options during the year were as follows:

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**18,229,148**	18,229,148
Granted during the year	**-**	-
Exercised during the year	**-**	-
Outstanding, end of year	**18,229,148**	18,229,148

Upon admission to AIM, the original founder agreement was terminated and the Company granted replacement founder options to the founder shareholders with effect from admission.

The founder options meet the definition of equity in the financial statements of the Company on the basis that the 'fixed for fixed' condition is met. No consideration was received for the founder options at grant date, therefore no accounting for the issue of the equity instruments is required under IFRS. On exercise, the shares are recognised at the fair value of consideration received, being the option price of £0.01.

EMI share options

Details and movements

Share options have been issued to key employees as an incentive to stay with the Company. These options can be exercised within four years following the grant date once the option has vested.

The movements in the number of share options during the year were as follows:

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**1,533,335**	1,683,335
Granted during the year	**-**	-
Forfeited during the year	**(1,133,333)**	-
Exercised/(lapsed) during the year	**-**	(150,000)
Outstanding, end of year	**400,002**	1,533,335

Share options have been valued using the Black Scholes model. Inputs to the pricing model were as follows:

Date of grant	2022
Share price at date of grant	£0.45 - £0.60
Exercise price	£0.01 - £0.45
Risk-free interest rate	1.5%
Expected life of options	1-4 years
Volatility	33%

Volatility has been estimated based upon observable market volatilities of similar entities.

The exercise price of share options outstanding at 31 March is £0.45 (2023: £0.30 and £0.45) and their remaining contractual life was 21 months (2023: 10 months to 30 months).

	31 March 2024		31 March 2023	
	Average Exercise Price £	**Options**	Average Exercise Price £	Options
Outstanding, start of year	**0.37**	**1,533,335**	0.36	1,683,335
Granted during the year	**-**	**-**	**-**	**-**
Exercised/(lapsed) during the year	**(0.34)**	**(1,133,333)**	(0.35)	(150,000)
Outstanding, end of year	**0.45**	**400,002**	0.37	1,533,335

CSOP share options

Details and movements

Share options have been issued to key employees as an incentive to stay with the Company. These options can be exercised within three years following the grant date once the option has vested.

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**2,583,316**	-
Granted during the year	-	2,799,982
Exercised/(lapsed) during the year	**(2,249,986)**	(216,666)
Outstanding, end of year	**333,330**	2,583,316

Share options have been valued using the Black Scholes model. Inputs to the pricing model were as follows:

Date of grant	2023
Share price at date of grant	£0.275
Exercise price	£0.275
Risk-free interest rate	3.5%
Expected life of options	3 years
Volatility	62%

Volatility has been estimated based upon observable market volatility of Tungsten West PLC.

The exercise price of share options outstanding at 31 March 2024 was £0.275 (2023: £0.275) and their remaining contractual life was 1 year and 6 months (2023: 2 years and 6 months).

	31 March 2024		31 March 2023	
	Average Exercise Price £	**Options**	Average Exercise Price £	Options
Outstanding, start of year	**0.275**	**2,538,316**	-	-
Granted during the year	-	-	0.275	2,799,982
Exercised/(lapsed) during the year	**(0.275)**	**(2,249,986)**	(0.275)	(216,666)
Outstanding, end of year	**0.275**	**333,330**	0.275	2,583,316

29 Commitments

Capital commitments

As at 31 March 2024 the Group had contracted to purchase plant and machinery amounting to £1,746,455 (2023: £3,754,738). An amount of £Nil (2023: £123,320) is dependent on the commencement of mining operations.

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £9,329,000 (2023: £10,329,000) committed at present or on the commencement of mining operations and represented contractual amounts due to the mining contractor and further committed payments to the funds held in the escrow account under the escrow agreement. Included within other financial commitments is £4,000,000 which is considered to be payable between one to five years after mining operations commence.

Contingent liabilities

As at 31 March 2024 the Group is liable for payment of any withholding tax arising on the convertible loan notes. On the basis that it considers the likelihood of a withholding tax liability arising as unlikely no provision has been made in the financial statements. Based on interest accrued to the year end were the liability to arise the Group's estimate of the contingent liability is £200,000 (2023: £Nil).

30 Reconciliation of liabilities arising from financing activities

	Non-cash changes					
	At 1 April 2023 £	**Financing cash flows £**	**New finance £**	**Other changes £**	**Converted to equity £**	**At 31 March 2024 £**

	£	£	£	£	£	£
Lease liabilities	2,016,456	(226,263)	-	118,985	-	1,909,178
Convertible loan notes	-	-	9,241,830	2,345,391	-	11,587,221
	2,016,456	**(226,263)**	**9,241,830**	**2,464,376**	-	**13,496,399**

	Non-cash changes					
	At 1 April 2022 £	Financing cash flows £	New finance leases £	Other changes £	Converted to equity £	At 31 March 2023 £
Lease liabilities	1,633,116	(266,094)	719,846	(70,412)	-	2,016,456
	1,633,116	(266,094)	719,846	(70,412)	-	2,016,456

31 Classification of financial and non-financial assets and liabilities

The classification of financial assets and liabilities by accounting categorisation for the year ending 31 March 2024 was as follows:

	2024 Financial assets at amortised cost £	2023 Financial assets at amortised cost £	**2024 Financial assets at FVTPL £**	2023 Financial assets at FVTPL £
Assets				
Non-current assets				
Escrow funds receivable	-	-	**11,059,151**	5,146,986
Current assets				
Trade and other receivables	**2,772,462**	5,346,870	-	-
Cash and cash equivalents	**1,581,535**	3,438,018	-	-
	4,353,997	8,784,888	**11,059,151**	5,146,986

	2024 Financial liabilities at amortised cost £	2023 Financial liabilities at amortised cost £	**2024 Financial liabilities at FVTPL £**	2023 Financial liabilities at FVTPL £
Liabilities				
Non-current liabilities				
Loans and borrowings	**(1,803,533)**	(1,901,583)	-	-
Current liabilities				
Trade and other payables	**(1,754,903)**	(2,330,603)	-	-
Loans and borrowings	**(105,645)**	(114,873)	**(11,587,221)**	-
	(3,664,081)	(4,347,059)	**(11,587,221)**	-

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

IFRS 13 requires the provision of information about how the company establishes the fair values of financial instruments. Valuation techniques are divided into three levels based on the quality of inputs:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 inputs are inputs other than quoted prices included in level 1 that are observable, directly or indirectly.

indirectly.

- Level 3 inputs are unobservable.

The group's Escrow funds receivable is measured at fair value of £11,059,151 (2023: £5,146,986). These are classified as level 3. They are valued based on discounted cash-flows. A number of inputs such as the risk free rate are observable inputs but there are also significant unobservable inputs such as the expected interest yield.

The group's convertible loan notes are measured at fair value of £11,587,221 (2023: Nil). These are classified as level 3. They are valued based on a scenario pricing model. A number of inputs such as the market value of shares are observable inputs but there are also significant unobservable inputs such as the discount rate and the probabilities assessed for each scenario.

32 Financial risk review

Group

This note presents information about the Group's exposure to financial risks and the Group's management of capital.

Credit risk

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties (banks and debtors) and it obtains sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The most significant credit risk relates to customers that may default in making payments for goods they have purchased.

To date the Group has only made a small number of sales and therefore the credit risk exposure has been low.

Liquidity risk

The Directors regularly monitor forecast and actual cash flows and match the maturity profiles of financial assets and liabilities to ensure proper liquidity risk management and to maintain adequate reserves, and borrowing facilities. In the view of the Directors, the key risk to liquidity is in meeting short-term cash flow needs. All amounts repayable on demand or within three months are covered by the Company's cash and accounts receivable balances, which gives the Directors confidence that funds will be available to settle liabilities as they fall due. See further discussion of short term liquidity risk in the going concern section of note 2.

Market risk

The Group has no significant interest-bearing assets and liabilities. The Group in the future will also be exposed to exchange rate risk on the basis that tungsten prices are principally denominated in USD. The Company will seek to manage this risk through the supply contracts it agrees with future customers.

The Group does not use any derivative instruments to reduce its economic exposure to changes in interest rates or foreign currency exchange rates at the current time.

The Group may require future borrowings to support its mineral processing facility upgrades and therefore has an exposure to future interest rate rises.

33 Related party transactions

Convertible loan notes

During the year convertible loan notes of £6,593,763 were issued to parties connected to various Directors of the group (2023: £Nil). The convertible loan notes accrued interest of £665,645 (2023: £Nil) during the year.

Key management personnel

Key management personnel are deemed to be the Directors. Their remuneration can be seen in note 11.

34 Application of new and revised UK adopted International Financial Reporting Standards (UK-adopted IFRS)

New and amended Standards and Interpretations applied

None of the new or amended IFRS Standards had an effect on the financial statements.

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective for annual periods commencing on or after
Lease Liability in a Sale and Leaseback Amendments to IFRS 16	1 January 2024
Non-current Liabilities with Covenants (IAS 1)	1 January 2024

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures	1 January 2024
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements-Basis for Conclusions	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements-Illustrative Examples	1 January 2027

None of the above amendments are anticipated to have a material impact on future financial statements.

35 Post balance sheet events

On 23 July 2024, the Company announced that it had raised £2.9 million by way of a further tranche of the CLN.

On 5 June 2024 it was announced that Neil Gawthorpe had resigned as CEO and that Alistair Stobie had been appointed as Interim CEO. He was appointed to the board in July 2024

On 12 June 2024 the Company announced that the Environment Agency had issued its permit for the operation of the MPF.

On 15 August 2024, the Company announced that Jeff Court had been appointed as CEO to take up his post no later than 1 November 2024.

END

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