

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

## **Cadence Minerals Plc**

**("Cadence Minerals", "Cadence", or "the Company")**

### **Annual Results for the year ended 31 December 2024**

Cadence Minerals (AIM: KDNC) is pleased to announce its final results for the year ending 31 December 2024. The full Annual Report and Audited Financial Statements will be available on the Company's website at <https://www.cadenceminerals.com/> and will be posted to shareholders shortly.

#### **CHAIRMAN'S STATEMENT**

Dear Shareholders,

As we reflect on the year 2024 and the first half of 2025, Cadence Minerals has demonstrated resilience and strategic clarity amidst a volatile global environment.

Despite challenges across markets, we achieved critical milestones, made tangible progress at our flagship projects, and continued to position the Company for long-term value creation.

#### *Amapá Iron Ore Project - Advancing a Strategic Asset*

Our Amapá Iron Ore Project in Brazil remains the cornerstone of our strategy. During 2024, metallurgical testing confirmed the project's capability to produce high-grade, Direct Reduction ("DR") quality iron concentrate with a Fe content of 67.5%, accompanied by low impurities. This is a significant milestone-not only technically, but commercially.

Global demand for DR-grade iron ore is accelerating, driven by the decarbonisation of steel production. DR-grade feedstock is crucial for direct reduced iron (DRI) and electric arc furnace (EAF) steelmaking, both of which produce significantly fewer emissions compared to traditional blast furnaces. As steelmakers transition to lower-carbon processes, the premium for DR-grade material has widened considerably. In 2024, premiums for DR-grade concentrate ranged from 15 to 45 per tonne over the benchmark 62% Fe fines, depending on location and purity. Analysts project that global demand for DR-grade products could rise more than fivefold by 2050, and availability remains constrained.

Cadence's ability to deliver a reliable source of DR-grade concentrate from Amapá places us in a unique position to serve this growing market. Our development activities have focused on progressing licensing, advancing engineering studies, and preparing for phased production. These efforts align with our strategy to create a vertically integrated, sustainable iron ore business.

#### *Iron Ore Market Dynamics*

The iron ore market demonstrated resilience in 2024, with benchmark 62% Fe prices trading between US 100 and US 130 per tonne. As we entered 2025, prices hovered near 100 per tonne, and while sentiment remains cautious, structural demand for higher-grade ores-including DR-grade-remains firm. Major producers adjusted guidance downward, and cost pressures became a dominant theme.

In this context, Cadence's emphasis on quality over volume has been validated. Our focus on producing premium-grade material aligns with where value and margin are migrating in the industry.

#### *UK Equity Market Pressures*

Cadence continues to operate against a backdrop of systemic headwinds in the UK equity market. In 2024, UK equity markets experienced continued outflows, with approximately £13.1 billion withdrawn from UK-focused funds, marking the third consecutive year of significant redemptions. This sustained capital flight contributed to a sharp contraction in the junior AIM market, which saw a net loss of 74 companies and fell to its smallest size in over two decades.

While challenging, this environment has reinforced our focus on delivering clear, long-term shareholder value. Cadence remains committed to transparent governance, prudent financing, and project development driven by progress-qualities we believe will be rewarded over time.

#### *Lithium Market Stabilisation*

The lithium market experienced significant price corrections in 2024, with spot prices falling nearly 85% from their 2023 peaks. However, by late 2024 and into early 2025, signs of stabilisation began to emerge. Transparency

their 2022 peaks. However, by late 2024 and into early 2025, signs of stabilisation began to emerge. Temporary mine closures and improving electric vehicle (EV) sales-particularly in China-helped rebalance supply and demand. Analysts now anticipate a more stable pricing environment in 2025, with growing downstream demand from electric vehicles (EVs) and energy storage systems supporting medium- and long-term fundamentals.

#### *Looking Ahead*

Our operational focus remains firmly on advancing the Amapá Iron Ore Project and unlocking its full potential. With a high-grade, DR-capable resource, supportive long-term trends, and a strategic location, Amapá represents a cornerstone for our future growth. We continually evaluate new opportunities within our core competencies and jurisdictions that complement our strategic direction.

I want to thank our shareholders for their continued support, as well as our team and partners for their dedication throughout a transformative year. Cadence enters 2025 with momentum, clarity, and a deep commitment to building sustainable value for all stakeholders.

**Andrew Suckling**  
**Non-Executive Chairman, 18 June 2025**

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#### **Qualified Person**

Kiran Morzaria B.Eng. (ACSM), MBA, has reviewed and approved the information contained in this announcement. Kiran holds a Bachelor of Engineering (Industrial Geology) from the Camborne School of Mines and an MBA (Finance) from CASS Business School.

#### **Cautionary and Forward-Looking Statements**

Certain statements in this announcement are or may be deemed to be forward-looking statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will", or the negative of those variations or comparable expressions including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the company's future growth results of operations performance, future capital, and other expenditures (including the amount, nature, and sources of funding thereof) competitive advantages business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes actions by governmental authorities, the availability of capital markets reliance on key personnel uninsured and underinsured losses and other factors many of which are beyond the control of the company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions. The company cannot assure investors that actual results will be consistent with such forward-looking statements.

#### **CHIEF EXECUTIVE OFFICER'S COMMENTARY**

I am pleased to present the audited results for the year ended 31 December 2024, along with the Strategic Report, which comprehensively reviews our business activities. These results reflect the historical position of the Company's progress and financial standing. We have included additional information on key post-year-end events in the Strategic Report.

At the core of our efforts in 2024 was the continued advancement of the Amapá Iron Ore Project in Brazil. We successfully completed an optimisation study that significantly enhanced the project's economics, delivering a 33% reduction in beneficiation plant capex and lifting post-tax NPV to US 1.97 billion based on our 67% Fe "Green Iron" flowsheet. The development of this Direct Reduction (DR) grade product positions Amapá to serve the expanding low-carbon steel market, which increasingly demands high-purity iron ore for use in Electric Arc Furnace (EAF) and hydrogen-based Direct Reduced Iron ("DRI") steelmaking.

The global iron ore market demonstrated resilience in 2024, with benchmark 62% Fe prices trading between US 100 and US 130 per tonne. Pricing was supported by steady Chinese steel production, infrastructure stimulus, and the tight supply of high-grade ore. Notably, premiums for DR-grade material remained elevated throughout the year, reflecting growing demand from decarbonisation-driven steelmaking. This price dynamic reinforced the strategic importance of our "Green Iron" initiative and underpinned the robust economics of the updated Amapá Project PFS.

Our lithium investments also advanced. Evergreen Lithium advanced exploration at the Bynoe Project, intersecting pegmatites proximal to known resources and expanding its exploration footprint into gold-prospective zones. While lithium prices softened over the period due to oversupply and destocking in the battery supply chain, we believe the structural outlook remains intact, with long-term demand growth driven by the adoption of electric vehicles and stationary storage.

We divested from Hastings Technology Metals and European Metals Holdings, realising 30% and 174% returns, respectively. These divestments were made in line with our strategy to recycle capital into high-conviction, near-development stage assets-particularly Amapá-while minimising exposure to public equity volatility. UK equity markets continued to suffer from persistent outflows in 2024, with investor appetite shifting offshore. This broader market trend negatively impacted valuations across our listed holdings, but our proactive approach to capital management helped preserve and redeploy value effectively.

Post-period, we progressed permitting for Amapá, responded to additional regulatory requests, and continued efforts to secure a construction partner and financing solution that minimises dilution. Our investment to date-approximately US 15.5 million for a 35.7% stake-reflects our deep commitment to bringing this project into production and capturing the full value of its extensive infrastructure and resource base.

Regarding our investment in the Sonora Lithium Project, Cadence is engaged in legal and diplomatic processes following the Mexican government's cancellation of lithium concessions. In November 2023, we submitted a formal Request for Consultations under the UK-Mexico Bilateral Investment Treaty. We believe that our rights under Mexican and international law have been breached, and we will pursue all available remedies.

Looking ahead, Cadence remains focused on unlocking long-term shareholder value by advancing our core assets, securing non-dilutive funding, and actively managing our portfolio in line with market cycles. We are confident that our strategy, anchored by a world-class iron ore project, positions us well for the year to come.

**Kiran Morzaria**  
**Chief Executive Officer, 18 June 2025**

## **INVESTMENT REVIEW**

As outlined in the section "Our Business and Investment Strategy," Cadence operates an investment strategy that involves investing in private projects through a combination of private and public equity models. In both investment classes, we take either an active or passive role. We have reported in these segments below.

### **PRIVATE INVESTMENTS, ACTIVE**

**The Amapá Iron Ore Project, Brazil**  
**Interest - 34.7% at 31/12/2024 and 35.7% at 1/05/2025**

The Amapá Project is a large iron ore mine with rail, port, and beneficiation facilities. It operated from December 2007 until 2014, when a geotechnical failure at the port led to a limitation on exports. Before closing, the Project earned profits of US 54 million in 2012 and US 120 million in 2011. In 2008, it produced 712 thousand tonnes of iron ore concentrate, increasing to 4.8 million tonnes in 2011 and 6.1 million tonnes in 2012.

#### *Investment*

In 2019, Cadence entered into a binding investment agreement to invest in and acquire up to 27% of the Amapá iron ore mine, beneficiation plant, railway, and private port owned by DEV Mineração S.A. ("DEV"). The agreement also granted Cadence a first right of refusal to increase its stake to 49%.

To acquire its 27% interest, Cadence has invested US 6 million in the Amapá Project over two stages. The first stage acquired 20% of PBA for US 2.5 million, and the second stage acquired an additional 7% for US 3.5 million. These investments were completed in the first quarter of 2022. By the end of 2024, Cadence invested about £11.34 million (US 14.38 million) for a 34.7% stake in the Amapá Project. As of the end of March 2025, Cadence invested about US 14.7 million for a 34.9% stake in the Amapá Project.

#### *Operations Review*

Cadence Minerals made substantial operational and strategic progress at the Amapá Iron Ore Project during the reporting period and into 2025. At the end of 2024, we set several key operational targets. These included submitting the environmental license applications and their grant, improving the project's economics through increased production and capital savings, and, most importantly, completing metallurgical test work for our planned "green iron" 67% iron ore concentrate.

We achieved most of these targets, and in the case of the 67% flow sheet, we substantially improved the project's economics.

#### *Optimisation Studies and Revised PFS Economics*

In July 2024, Cadence and its joint venture, Pedra Branca Alliance (PBA), completed a preliminary feasibility study (PFS)- level optimisation study, resulting in a 33% reduction (US 63.2 million) in beneficiation plant

capital expenditure. The overall project capital intensity was reduced to US 58 per tonne of annual capacity, placing it in the bottom quartile of global comparable. The updated PFS, published in July 2024, reflected increased plant throughput to 5.8 Mtpa and lower operating costs. Key financial metrics improved significantly compared to the 2023 PFS.

**Key Results from the 2024 Updated PFS (Base Case - 65.4% Product):**

- **Post-tax NPV (10%):** US 1.145 billion
- **Post-tax IRR:** 42%
- **Annual production:** 5.82 Mtpa (4.81 Mtpa at 65.4% Fe, 1.01 Mtpa at 62% Fe)
- **C1 cash costs:** US 33.50/dmt FOB; US 62.20/dmt CFR
- **Post-tax profit (LOM):** US 3.14 billion
- **Project payback:** 4 years

Addition of 67% Fe 'Green Iron' Flowsheet and Updated DR Grade PFS.

A core strategic initiative throughout 2024 and 2025 has been developing a 67% Fe Direct Reduction ("DR") grade concentrate, known internally as the 'Green Iron' flowsheet. This product targets the growing low-carbon steel sector, particularly Electric Arc Furnace ("EAF") and Direct Reduced Iron ("DRI") markets.

Test work completed in Q4 2024 by Pei Si Engineering Inc. confirmed that a DR-grade concentrate can be produced at 67.5% Fe, with combined SiO<sub>2</sub> and Al<sub>2</sub>O<sub>3</sub> below 1.5%. The process flowsheet incorporates regrinding, magnetic separation (LIMS and HIMS), and two-stage reverse flotation.

Based on the July base case results, Cadence developed and tested a 67% Fe "Green Iron" flowsheet, aiming to produce a high-purity, Direct Reduction (DR) grade concentrate targeting the low-carbon steel sector. Metallurgical test work completed in Q4 2024 confirmed the flowsheet's viability at a PFS level of accuracy. The product achieved 67.5% Fe with less than 1.5% total SiO<sub>2</sub> and Al<sub>2</sub>O<sub>3</sub> impurities.

**Key Results from the 2024 Updated DR Grade PFS - 67% Fe Flowsheet Case:**

- **Post-tax NPV (10%):** US 1.97 billion
- **Post-tax IRR:** 56%
- **Annual production:** 5.5 Mtpa
- **C1 cash costs:** US 33.7/dmt FOB; US 61.9/dmt CFR
- **Post-tax profit (LOM):** US 4.9 billion
- **Project payback:** 3 years
- **Annual Free Cash Flow:** Estimated to be US 342 million.

The updated flowsheet will eliminate the 62% product stream and reduce power consumption by replacing the jiggling and spiral circuits. The beneficiation process now includes additional magnetic separation.

*Environmental Licensing and Permitting*

As announced in September 2023 (UPDATE [Amapá Iron Ore Project](#)), the Amapá Project has agreed with the Amapá State. Environmental Agency ("SEMA") to an expedited environmental licensing process, given that the Project was previously operating and had been granted all required licenses.

The Amapá Project owns the required Mining Concessions; however, it must obtain a Mine Extraction and Processing Permit ("Mining Permit") to begin operations. To obtain this permit, the Amapá Project must secure an Installation License ("LI") to commence construction, and once constructed, an Operational License ("LO"). Both an LI and an LO are also required to build and operate the railway and port.

In April 2024, the Amapá Project submitted the required environmental studies and applications for the Amapá mine and railway. These applications took the form of the Environmental Control Plan, "PCA" (Plano de Controle Ambiental), and an Environmental Control Report, "RCA" (Relatório de Controle Ambiental). The project followed this up in early September by submitting the necessary environmental studies and application for the LI grant for the iron ore port.

This submission was based on consultations with SEMA and a Terms of Reference agreed upon by both parties. We were informed that the terms of reference (ToR) contained all the requirements for the LI to be granted by the end of 2024. However, before the end of the year, SEMA informed The Amapá Project that additional information and federal clearance were required for the mine and railway LI.

The Project team has delivered all core documentation in line with the agreed-upon. While the full grant of licences was initially anticipated by year-end 2024, SEMA subsequently issued further requests for supplementary documentation and technical studies. The majority of these items have now been completed or are nearing finalisation.

- **Mining Installation Licence** Most supplementary documentation is complete. The key outstanding requirement is a detailed archaeological study, along with other technical inputs and waivers that are either submitted or in advanced preparation.
- **Railway Installation Licence** Approximately 95% of requirements have been met, with final technical submissions currently underway.
- **Port Installation Licence** Approval timelines have been extended due to the site's historical incident record and redesign of key loading infrastructure.

We remain fully engaged in securing all outstanding approvals and remain confident that, with continued regulatory cooperation, installation licences will be granted in due course.

#### *Tailings Storage Facility ("TSF")*

Cadence's initial investment criterion for the Amapá Project was the safety and stability of the TSF. Before the investment agreement with our partners, we conducted a TSF review by an internationally recognised consulting group and were satisfied with its structure and stability. However, the lack of reporting and maintenance since 2014 has deemed the TSF high risk. Work since 2019, including maintenance and compliance, has brought the TSF closer to the lowest risk rating. We aim to improve its risk rating further through a dam break study, installing video monitoring, and ongoing inspection and remediation of TSF infrastructure.

#### *Secured Bank Settlement Iron Ore Shipments*

According to the settlement agreement announced in December 2021, the net proceeds from one shipment made in 2022 and approximately half of the net proceeds from shipments in 2021 have been utilised to pay the secured bank creditors. We have maintained a productive dialogue with the secured bank creditors regarding the best approach to repay the historic lender amounts. We believe that a one-time settlement using DEV's stockpile of iron ore as collateral would be the optimal solution, and we are progressing discussions with the secured bank creditors on this matter. ([UPDATE - Execution of Settlement Agreement](#))

#### *Development Plan for the Amapá Project*

We aim to reinstate this project into production. In 2024, we optimised the project to deliver a highly pure iron ore concentrate and impressive financial metrics.

Throughout the year, we will maintain our focus on securing the LI and financing for the project. With various work streams advancing, Cadence continues to believe that the optimal pathway to complete development is through a strategic joint venture or sale and is in active discussions with several potential partners, ranging from early-stage data review to site visits. However, this strategy does not eliminate the possibility that our joint venture may develop the project independently or consider a trade sale.

To minimise execution risk and optimise capital efficiency, we are implementing a staged development strategy. This approach begins with the recommissioning of a small-scale processing plant, followed by phased capital deployment and a gradual ramp-up of production for the DR-grade product. All development activities remain within the bounds of the current mining installation licences.

In 2025, the Company initiated detailed engineering studies to evaluate the feasibility of this staged development model. Initial findings suggest that the small-scale plant could be brought into production with materially lower upfront capital requirements, subject to receipt of the relevant mining installation licences and authorisation to utilise the existing tailings storage facility ("TSF").

Should we choose to develop the project independently, we will look to advance through staged investment, gradually increasing production. The intent is to reduce the dilutive impact of equity funding by funding the project's advancement from free cash flow. Contingent on financing availability, Cadence intends to maintain its investment in the project.

### **PRIVATE INVESTMENTS, PASSIVE**

#### **Ferro Verde Iron Ore, Brazil**

**Interest - 1% on 31/12/2024 and 0% 31/05/2025**

In 2022, Cadence invested a small amount (US\$0.24 million) in an advanced iron ore deposit in Brazil the previous year. The Ferro Verde Deposit is in the southern portion of the state of Bahia, in the northeastern region of Brazil, next to the town of Urandi, some 700 km southwest of Salvador, the state of Bahia. We disposed of this stake for circa (US \$0.26 million).

#### **SONORA LITHIUM PROJECT, MEXICO**

**Interest - 30% on 31/12/2024 and 31/05/2025**

Cadence holds a 30% interest in the Sonora Lithium Project through its joint ventures Mexalit S.A. de C.V. and Megalit S.A. de C.V., alongside majority partner Ganfeng Lithium Group. The project comprises nine concessions in total, including La Ventana and La Ventana 1 (100% Ganfeng), El Sauz and Fleur (held via Mexalit: 70% Ganfeng, 30% Cadence), and Buenavista and San Gabriel (held via Megalit: 70% Ganfeng, 30% Cadence). Ganfeng is actively developing an open-pit mine and lithium hydroxide processing facility.

In 2022 and 2023, the Mexican Government amended its Mining Law to prohibit new lithium concessions, classifying lithium as a strategic resource reserved for state ownership. However, concessions granted prior to the reforms—such as those held by Mexalit and Megalit—were expected to remain valid under the principles of legal certainty and non-retroactivity enshrined in the Mexican Constitution.

Despite this, in August 2023, the General Directorate of Mines (DGM) cancelled nine concessions, including those belonging to Mexalit and Megalit, citing alleged non-compliance with minimum investment obligations for the period 2017–2021. Both Cadence and Ganfeng strongly refute this claim, asserting that the required investment thresholds were not only met but exceeded, with all supporting documentation and approval

investment thresholds were not only met but exceeded, with all supporting documentation and annual filings submitted in accordance with Mexican mining regulations.

Cadence and its joint venture vehicle, REMML, believe these actions constitute breaches of the UK-Mexico Bilateral Investment Treaty (BIT), including unlawful expropriation, failure to afford fair and equitable treatment, and denial of due process. In November 2023, Cadence formally submitted a Request for Consultations under the BIT, seeking an amicable resolution. This represents the first step in a structured dispute process that may progress to international arbitration if necessary.

Cadence remains committed to protecting its legal and economic rights in the Sonora Lithium Project and will pursue all available remedies under international and domestic law.

## PUBLIC EQUITY

The public equity investment segment is composed of passive investments. The trading portfolio consists of investments in listed mining entities that the board believes possess attractive underlying assets. The focus is to invest in mining companies that are significantly undervalued by the market and where there is substantial upside potential through exploration success and/or the development of mining projects for commercial production. Ultimately, the aim is to make capital gains in the short to medium term. Investments are considered individually based on various criteria and are typically traded on the TSX, ASX, AIM or LSE.

Our public equity investment incurred an unrealised loss of £1.02 million (2023: £3.10 million loss), primarily due to the decline in the share price of Evergreen Lithium (EG1). Realised losses for the year amounted to £1.10 million, stemming from the disposal of two holdings. The majority of the realised losses were attributable to the divestment of our position in European Metals Holdings (EMH), resulting in a loss of £1.01 million (2023: £0.06 million loss). Additionally, the disposal of Hastings Technology Metals (HAS) generated a realised loss of £0.09 million (2023: £2.56 million loss).

The movement in public portfolio values during the year is summarised below.

	Commentary	£,000
<b>Portfolio value on 31 December 2023</b>		<b>4,162</b>
Disposal of public investments during the year	The majority of fund generated from the disposal of EMH was used for reinvestment in Amapa	(1,564)
Realised and Unrealised loss on portfolio value for the year	The majority of these loss was due to a reduction in the EMH and EG1 share prices.	(2,125)
<b>Portfolio value on 31 December 2024</b>		<b>473</b>

As of 31 December 2024, our public equity stakes consisted of the following:

Company	31-Dec-24 £,000	31-Dec-23 £,000	31-Dec-22 £,000	31-Dec-21 £,000
European Metals Holding Ltd	-	2,339	4,882	11,287
Charger Metals NL	-	-	301	342
Macarthur Minerals Ltd	-	-	-	181
Evergreen	469	1,481	-	-
Hasting Technology Metals	-	321	-	-
Eagle Mountain Mining Ltd	-	-	37	122
Miscellaneous	4	21	24	42
<b>Total</b>	<b>473</b>	<b>4,162</b>	<b>5,244</b>	<b>11,974</b>

## PUBLIC EQUITY, ACTIVE

### Evergreen Lithium Limited, Australia

**INTEREST - 8.74% AT 31/12/2024 AND 5.62% ON 31/05/2025**

Evergreen Lithium Limited is an Australian mineral exploration company focused on discovering and developing lithium and gold resources. Its principal assets are located in the Northern Territory and Western Australia. Evergreen's flagship asset is the Bynoe Lithium Project, positioned near Core Lithium's Finnis Lithium Project.

In July 2022, Cadence Minerals received approximately 15.8. 8 million shares in Evergreen Lithium ("Evergreen") when it sold its 31. 8% stake in Lithium Technologies and Lithium Supplies ("LT and LS") to

( Evergreen ) when it sold its 31.5% stake in Lithium Technologies and Lithium Supplies ( LT and LS ) to Evergreen, as announced on 27 June 2022. Evergreen was listed on the Australian Stock Exchange ("ASX") in 2023. Cadence's equity stake in Evergreen on its IPO was 8.74%. At the time of writing, the value of this stake is approximately £0.3 million; our initial investment in this asset was £0.83 million.

Cadence is due an additional AS 6.63 million (£ 3.80 million) worth of shares in Evergreen upon Evergreen's achieving certain performance milestones. The Evergreen prospectus provides further details of these milestones.

During 2024, Evergreen Lithium advanced exploration activities at the Bynoe Project following the approval of its Mine Management Plan (MMP). Evergreen undertook a high-impact drilling campaign that intersected pegmatite formations along strike from Core Lithium's BP 33 and Booths prospects, confirming the geological prospectivity for lithium mineralisation.

In addition to lithium targets, assays revealed anomalous gold mineralisation with notable intercepts. These results have supported the expansion of exploration targets across both lithium and gold domains within the Bynoe tenure.

Exploration across the Evergreen's other assets-the Kenny Lithium Project (Western Australia) and the Fortune Lithium Project (Northern Territory)-remained in early evaluation. Preliminary fieldwork and geological mapping activities were undertaken to refine prospective zones ahead of more advanced exploration.

In early 2025, Evergreen plans to build on the 2024 results by expanding exploration across the Bynoe Project. Planned activities include detailed geochemical sampling, infill soil programs, and a follow-up drill campaign targeting lithium-bearing pegmatites and gold anomalies.

## **PUBLIC EQUITY, PASSIVE**

### **European Metals Holdings Limited ("European Metals")**

**Interest -0% on 31/12/2024 and 31/05/2025**

In 2024, the Cinovec Lithium Project made significant advancements, reinforcing its status as a vital lithium asset in Europe. The year began with a focus on optimising the Definitive Feasibility Study (DFS). Engineering on the Front-End Comminution and Beneficiation (FECAB) circuit improved lithium recovery to over 94.7%, while concentrate grade rose to 3.14% Li<sub>2</sub>O. Concurrently, the Lithium Chemical Plant (LCP) enhanced efficiency through mixed sulphate recycling, reducing sodium sulphate use, costs, and increasing total recovery to 88.1%. Overall, lithium recovery reached 83.3%.

In April, a key milestone was achieved by relocating the proposed lithium processing plant from Dukla to the Pruněřov 1 Power Station (EPR1) site, benefiting from rehabilitated land and existing infrastructure. This move is anticipated to streamline permitting and enhance project economics. In May, European Metals redomiciled to Australia, making the ASX its primary listing to align its corporate presence with its European focus and improve access to EU development finance.

In Q3, the project gained institutional validation. The Cinovec Project was recommended for Just Transition Fund support in July, aligning with regional goals. Exploration licences were also extended until 2026. Work on the DFS continued, focusing on capital, operating expenditures, logistics, and mine-to-plant connectivity.

By December, European Metals completed a Concept Study on scaling production beyond the proposed 29,386 tonnes per annum lithium carbonate equivalent (LCE) without expanding the mine footprint. After year-end, the project received recognition from the EU and Czech Government as a "Strategic Project" under the EU Critical Raw Materials Act and a "Strategic Deposit" under Czech classification. These designations are expected to accelerate permitting and reinforce the project's role in Europe's lithium supply chain.

### **Hastings Technology Metals, Australia**

**Interest - 0% on 31/12/2024 and 31/05/2025**

In June 2022, Cadence agreed to sell its 30% working interest in the Yangibana Project leases to Hastings Technology Metals (ASX: HAS) for A 9 million (£5.1 million). This was completed by issuing 2,452,650 new ordinary shares in Hastings to Cadence. The transaction finished in January 2023, and Cadence has since sold its entire investment in Hastings. The initial investment was £0.91 million, yielding a return of approximately 30%, with proceeds reinvested into the Amapá project.

At the end of February 2024, Cadence disposed of its interest in Hastings Technology Metals. The realised return on our original acquisition of 30% of the mineral concessions (£0.9 million) was approximately 30% or £0.3 million, and the sale proceeds were reinvested into the Amapá project.

## **FINANCIAL REVIEW**

Total comprehensive income for the year attributable to equity holders was a loss of £3.33m (2023: £3.02m). This increase in loss from the previous year of approximately £0.31m is mainly due to the reduced amount of realised and unrealised profits and losses on for the year of approximately £3.77m relating to our share investment portfolio (listed financial investments) held during the year, and the disposal of our interest in

investment portfolio (listed financial investments) held during the year, and the disposal of our interest in Mojito which contributed £3.9m profit in 2023. Administrative expenses were down £0.20m from £1.30m to £1.10m, and foreign exchange losses were up £0.303m from a gain of £0.297 to a loss of £0.006m.

Basic negative earnings per share was 1.650p (2023: 1.762p).

The net assets of the Group at the end of the period were £17.21 million (2023: £18.45 million). This decrease of approximately £1m reflects the losses and shares issued in the year.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

Cadence continuously monitors its risk exposures and reports its review to the Board. The Board reviews these risks and focuses on ensuring effective systems of internal financial and non-financial controls are in place and maintained.

The main business risk is considered to be investment risk.

The Company faces external risks that can materially impact or influence the investment environment within which the Company operates and can include changes in commodity prices, and the numerous factors which can influence those changes, including economic recession and investor sentiment and including the current and potential effects of the coronavirus pandemic.

Commodity prices have an impact on the investment performance and prospects of all our investments. The extent of the impact varies depending on a wide variety of factors but depend largely by where the investment sits on the mineral development curve. The majority of Cadence's investments sit at the more advanced stage of the development curve. Commodity price risk is pervasive at all stages of the development curve, but other prominent risks such as exploration risk and technical and funding risks at the exploration/development stage, may be considered to be weighted higher earlier in the curve than pure commodity risk which tends to have a greater impact on producers.

The Company's investments are located in jurisdictions other than the UK and therefore carries with it country risk, regulatory/permitting risk, political risk and environmental risk. Our investments can be at different stages of development and each stage within the mining exploration and development cycle can carry its own risks.

Where possible Cadence seeks to mitigate these risks by structuring its investments in a format which the Board can influence, obtain high level oversight (often at board level) and use legal agreements to provide control mechanisms (often negative control) to protect the Company's investments. In addition, we seek to further mitigate our risk exposure by obtaining a deep fundamental understanding of an asset, its potential economics, operating and legal environment and its management team, prior to investment.

It should be noted that because the Company does not operate its project investments on a day-to-day basis, there is a risk that the operator does not meet deadlines or budgets; fails to propose or pursue the appropriate strategy; does not adhere to the legal agreements in place or does not provide accurate or sufficient information to Cadence on a timely basis.

The Equity Investment segment of the Company's investments is exposed to price risk within the market, interest rate changes, liquidity risk and volatility. Although the investment risk within the portfolio is dependent on many factors, the Group's principal investments at the year-end are in companies with significant iron ore and lithium assets and, to some extent, dependent on the market's view of these commodities or chemicals and/or the market's view of the management of the companies in managing those assets. As with our private investment, the Board seeks to mitigate this by obtaining a deep fundamental understanding of an asset and its potential economics; its operating and legal environment and its management team, prior to any investment by Cadence.

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

## **DIRECTORS' SECTION 172 STATEMENT**

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the Directors' statement required under section 414CZA of The Companies Act 2006. This new reporting requirement is made in accordance with the new corporate governance requirements identified in The Companies (Miscellaneous Reporting) Regulations 2018, which apply to company reporting on financial years starting on or after 1 January 2019.

The matters set out in section 172(1) (a) to (f) are that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:



- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers/customers and others;
- the impact of the Company's operations on the community and environment;
- the Company's reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

As set out above in the Strategic Report the Board remains focused on providing for shareholders through the long term success of the Company. The means by which this is achieved is set out further below.

#### **Likely consequences of any decisions in the long-term;**

The Chairman's Statement, the Chief Executive Officer's Commentary and the Strategic Review set out the Company's strategy. In applying this strategy, particularly in seeking new Project Investments and strategic holdings in other public companies, the Board assesses the long term future of those companies with a view to shareholder return. The approach to general strategy and risk management strategy of the group is set out in the Statement of Compliance with the Quoted Companies Alliance ("QCA") Corporate Governance Code (the "QCA Code") (Principles 1 and 4).

#### **Interest of Employees;**

The Group has a very limited number of employees, and all have direct access to the Executive Directors on a daily basis and to the Chairman, if necessary. The Group has a formal Employees' Policy manual which includes process for confidential report and whistleblowing.

#### **Need to foster the Company's business relationships with suppliers/customers and others;**

The nature of the Group's business is such that the majority of its business relationships are with joint venture partners, the boards of directors of the companies in which the Group has strategic stakes to the extent that such relationships are permitted, and with suppliers for services. As the success of the business primarily depends on its relationship with its partners and investees, the Executive Directors manage these relationships on a day-to-day basis. Where possible, the Group will take a board, or similar appointment, in strategic investees to ensure that there is a close and successful ongoing dialog between the parties. Service providers are paid within their payment terms and the Group aims to keep payment periods under 30 days wherever practical.

#### **Impact of the Company's operations on the community and environment;**

The Group takes its responsibility within the community and wider environment seriously. Its approach to its social responsibilities is set out in the Statement of Compliance with the QCA Code (Principle 3).

### **DIRECTORS' SECTION 172 STATEMENT (CONTINUED)**

#### **The desirability of the Company maintaining a reputation for high standards of business conduct;**

The Directors are committed to high standards of business conduct and governance and have adopted the QCA Code. Where there is a need to seek advice on particular issues, the Board will consult with its lawyers and nominated advisors to ensure that its reputation for good business conduct is maintained.

#### **The need to act fairly between members of the Company;**

The Board's approach to shareholder communication is set out in the Statement of Compliance with the (Principle 2). The Company aims to keep shareholders fully informed of significant developments in the Group's progress. Information is disseminated through Stock Exchange announcements, website updates and, where appropriate video/web casts. During the year the Company issued various RNS and videos to update shareholders. All information is made available to all shareholders at the same time and no individual shareholder, or group of shareholders, is given preferential treatment.

The Directors present their annual report together with the audited financial statements of the Company for the Year Ended 31 December 2024.

#### **Principal activity**

The Company is an investment entity. The principal activity of the Company is that of holding assets involved in the identification, investment and development of mineral resources.

#### **Domicile and principal place of business**

Cadence Minerals plc is domiciled in the United Kingdom, which is also its principal place of business.

#### **Business review and Future Development**

The results of the Company are shown in the financial statements below.

#### **Results and Dividends**

The Directors do not recommend the payment of a dividend (2023: £nil). A review of the performance of the Company and its future prospects is included in the Strategic Report.

#### **Key Performance Indicators**

Due to the current status of the Company, the Board has not identified any performance indicators as key other than cash management and the carrying value of investments. Having sufficient cash for business

other than cash management and the carrying value of investments. Having sufficient cash for business operations is vital and must be managed accordingly. The Directors review and manage the Group's cash flow on a monthly basis. The financial strategy is to ensure that, wherever possible, there are sufficient funds to cover corporate overheads and exploration expenditure for as long a period as possible. Management has confidence that financing of the Company can continue as and when required, albeit the board is keen to avoid excessive dilution and will manage the financing process with that objective in mind. Investments are closely managed and monitored; further details are included in the Chairman's statement.

The monitoring and management of the carrying value of investments are specified in the strategic report and financial statements.

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

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the Company involve are specified in the strategic report.

#### **Financial risk management objectives and policies**

The Company's principal financial instruments are available for sale assets, trade receivables, trade payables, loans and cash at bank. The main purpose of these financial instruments is to fund the Company's operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. Further information is available in Note 12.

##### *Liquidity risk*

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of equity and its cash resources. Further details of this are provided in the principal accounting policies, headed 'going concern' and Note 12 to the financial statements.

##### *Interest rate risk*

The Company only has borrowings at fixed coupon rates and therefore minimal interest rate risk, as this is deemed its only material exposure thereto. The Company seeks the highest rate of interest receivable on its cash deposits whilst minimising risk.

##### *Market risk*

The Company is subject to market risk in relation to its investments in listed Companies held as available for sale assets.

##### *Foreign exchange risk*

The Company operates foreign currency bank accounts to help mitigate the foreign currency risk, and currently has little exposure except through its investments.

#### **Political Donations and Expenditure**

No charitable or political contributions were made during the current or previous year.

#### **Directors**

The membership of the Board is set out below. All directors served throughout the period unless otherwise stated.

Andrew Suckling  
Kiran Morzaria  
Donald Strang  
Adrian Fairbourn

#### **Substantial shareholdings**

Interests in excess of 3% of the issued share capital of the Company which had been notified as at 13 June 2025 were as follows:

	Number of Ordinary shares held	Percentage of capital %
Hargreaves Lansdown (Nominees) Limited (15942)	35,750,606	12.08%
Hargreaves Lansdown (Nominees) Limited (VRA)	25,090,836	8.48%
Interactive Investor Services Nominees Limited (SMKTISAS)	24,752,420	8.36%
James Brearley Crest Nominees Limited (WALPOLE)	21,509,399	7.27%
Barclays Direct Investing Nominees Limited (CLIENT1)	16,146,092	5.46%
HSDL Nominees Limited (MAXI)	15,107,566	5.10%
Hargreaves Lansdown (Nominees) Limited (HLNOM)	13,625,756	4.60%
Interactive Investor Services Nominees Limited (SMKTNOMS)	13,505,477	4.56%

(PENSUN/IGUKCLT)	12,159,873	4.11%
Redmayne (Nominees) Limited (PENSUN)	12,159,873	4.11%
Vidacos Nominees Limited (IGUKCLT)	11,220,107	3.79%

#### Payment to suppliers

It is the Company's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and to pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Company does not have a standard or code dealing specifically with the payment of suppliers.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days purchases represented by year end payables is therefore not meaningful.

#### Events after the Reporting Period

Events after the Reporting Period are outlined in Note 15 to the Financial Statements.

#### Going concern

The Directors have prepared cash flow forecasts for the period ending 30 June 2026 which take account of the current cost and operational structure of the Company, as described further in the financial statements.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

In so far as each of the Directors are aware:

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

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

#### Auditors

PKF Littlejohn LLP offer themselves for re-appointment as auditor in accordance with Section 489 of the Companies Act 2006.

ON BEHALF OF THE BOARD

**Kiran Morzaria**

**Chief Executive Officer, 18 June 2025**

#### CORPORATE GOVERNANCE

## Introduction to Governance

The Directors recognise that good corporate governance is a key foundation for the long-term success of the Company. As the Company is listed on the AIM market of the London Stock Exchange and it is subject to the continuing requirements of the AIM Rules. The Board has therefore adopted the principles set out in the Corporate Governance Code for small and mid-sized companies published by the Quoted Companies Alliance ("QCA Code"). The principles are listed below.

While building a strong governance framework, we also try to ensure that we take a proportionate approach and that our processes remain fit for purpose as well as embedded within the culture of our organisation. We continue to evolve our approach and make ongoing improvements as part of building a successful and sustainable company.

In November 2023 a revised QCA code was released, the key updates include:

- Wider Stakeholder Interests: Enhanced focus on ESG responsibilities and stakeholder engagement (Principle 4).
- Board Composition: Stricter requirements for board independence and diversity (Principles 6 and 7).
- Succession Planning: Emphasis on clear succession strategies (Principle 8).
- Remuneration Policy: New guidelines to align remuneration with long-term value creation (Principle 9).

As is permitted by the guidance set out by the QCA, the transitional period of 12 months following 1 April 2024 is being utilised to put in place measures to embrace the key updates to the QCA code where possible.

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

Our strategy is to identify undervalued assets with irreplaceable strategic advantages that will deliver capital growth to our shareholders. We invest in these assets and where required help deliver capital growth. To meet long-term demand, we believe the metals and mining sectors require focused investment capital from knowledgeable investors that understand the substantial risk of the mineral resource sector and how to mitigate these risks to maximise potential returns for our investors.

A more detailed description of its Strategy and Business Model is available in the strategic report. Details on the principal risks and uncertainties which the Company faces are specified on in the strategic report. The Company seeks to share this vision and details of the implementation of its strategy through internal dialogue with employees as well as external communications by way of public announcements and dissemination of information through this website and the annual report and accounts.

### 2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining an open dialogue with shareholders. Communication with the Board is committed to maintaining an open dialogue with shareholders. Communication with shareholders is coordinated by the CEO. Cadence encourages two-way communication with institutional and private investors. The Company's major shareholders maintain an active dialogue and ensure that their views are communicated fully to the Board. Where voting decisions are not in line with the Company's expectations the Board will engage with those shareholders to understand and address any issues. The Company Secretary is the main point of contact for such matters.

The Company seeks out appropriate platforms to communicate to a broad audience its current activities, strategic goals and broad view of the sector and other related issues. This includes but is not limited to media interviews, website videos in-person investor presentations and written content. Communication to all stakeholders is the direct responsibility of the Senior Management team. Managers work directly with professionals to ensure all inquiries (through established channels for this specific purpose such as email or phone) are addressed in a timely matter. Managers also ensure that the Company communicates with clarity on its proprietary internet platforms. The Board routinely reviews the Company communication policy and programmes to ensure the quality communication with all stakeholders.

The Board believes that the Annual Report and Accounts, and the Interim Report published at the half-year which can be found on the Company's website, play an important part in presenting all shareholders with an assessment of the Company's position and prospects. All reports and press releases are published under the "Investors" tab of the Company's website.

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

The Board recognises its prime responsibility under UK corporate law is to promote the success of the Company for the benefit of its members as a whole. The Board also understands that it has a responsibility towards employees, partners, customers, suppliers and to the community and environment it operates in as a whole.

Communication with and feedback from these various groups is achieved in a variety of ways. The Executive Directors hold investor roadshows and webcasts on a regular basis, at which feedback from shareholders is sought. Regular dialogue is maintained with employees through regular discussion and updates given by the Executive Directors.

The nature of the Cadence's business as an investment company means that although it has no direct effect on the working environments and communities of the companies it invests in, it nonetheless liaises with the management of its investee companies to understand their approach to stakeholder engagement and their policies, which will form part of its investment criteria.

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

The Board has an established Audit Committee, a summary of its roles and responsibilities is available on the corporate governance webpage. The Committee is specifically charged with ensuring that Cadence as a whole has the appropriate policies and processes in place to identify the risks which the Company is exposed to and to proactively mitigate those risks as appropriate.

The Company maintains a register of risks and publishes an overview of significant risks and uncertainties in its Annual Report. Please refer to the Company's Annual Report and Accounts for further details on the principal risks and uncertainties which the Company faces.

The Company receives regular feedback from its external auditors on the state of its internal controls. The Board maintains a register of risks and publishes an annual summary of the significant risks and uncertainties in the Annual Report.

#### **5. Maintain the Board as a well-functioning, balanced team led by the chair**

The Board is comprised of Andrew Suckling the Non-Executive Chairman, a Non-Executive Director and two Executive Directors. The CEO, Kiran Morzaria, is engaged to work a minimum of a 27-hour week and is an employee of the Company. The Finance Director, Donald Strang, is engaged to work a minimum of a 27-hour week.

The Board deemed that given the stage and development of the Company, it would be more cost efficient to employ a full-time accountant which along with the finance director ensure that Company's financial systems are robust, compliant, and support current activities and future growth.

The service agreements of the Non-Executive Directors anticipate that the Non-Executive Chairman should spend 5 working days per month and the Non-Executive Director 3 working days per month. All Directors dedicate such time as required to effectively perform their roles.

The roles of the Chairman and CEO are clearly separated. The Directors ensure the skills required to undertake their roles are kept current through training and consultation with subject matter experts as required.

The CEO is responsible for the operational management of the business of Cadence and for the implementation of strategy and policies as agreed by the Board. The non-executive Chairman is responsible for the leadership and effective working of the Board, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information.

The CEO is responsible for the operational management of the business of Cadence and for the implementation of strategy and policies as agreed by the Board. The Non-Executive Chairman is responsible for the leadership and effective working of the Board, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information.

The Non-Executive Directors are not considered independent under the FRC Code as they hold options in the Company. However, the Board considers that the Non-Executive Directors are independent of management under all other measures and are able to exercise independence of judgement. Whilst conflicts of interest are fully disclosed and understood, as appropriate Non-Executive Directors exercise independence of judgement.

No Director is involved in discussions or decisions where he has a conflict of interest. An Audit Committee and a Remuneration Committee support the Board.

Cadence intends that the Board endeavours to hold full board meetings at least 3 times each year. The attendance of Board members for meetings during the current financial year is as follows:

Andrew Suckling	7 of 8
Adrian Fairbourn	6 of 8
Kiran Morzaria	8 of 8
Donald Strang	8 of 8

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

Directors who have been appointed to the Company have been chosen because of the skills and experience they offer. The Board continually strives to ensure that it has the right balance of knowledge, skills, experience and contacts across the sectors in which it operates. This is evaluated in line with Cadence's business model as it changes.

It is of primary importance that the Board's knowledge is kept up to date in a rapidly changing mining and metals marketplace. This is achieved by maintaining a broad network of contacts across the industry and ensuring regular dialogue is held and feedback obtained by both the executive and non-executive directors as appropriate.

As necessary, Directors receive externally provided refresher and update training specific to their individual roles.

The Company Secretary advises the Board members on their legal and corporate responsibilities and matters of corporate governance.

Biographical details of each of the Directors are given in the strategic report and on the website.

#### **7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

On 28 September 2018, the Company adopted the QCA Code. Prior to this point, given the nature and the development of the Company, it did not set Key Performance Indicators.

The Company now measures its performance, and therefore, inherently, the performance of the Board as a unit, against Key Performance Indicators. Given the significance of the Amapa project its development has become our primary Key Performance Indicator.

The performance of the Executive Directors is monitored and regularly reviewed by the Non-Executive Directors. Such review considers both the KPIs outlined above, The Board intends to introduce qualitative performance measurements for the Executive Directors to ensure that the right degree of focus is applied to the strategic direction as well as the current financial performance of the business.

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

The Company has a strong ethical culture, which is promoted by the actions of the Board and Executive team. These include the following key policies which govern its ethical culture.

- Equal opportunities policy
- Code of conduct
- Whistleblowing policy
- Health and safety policy
- Email and internet policy
- Social media policy

The Company has an anti-bribery policy and has implemented adequate procedures described by the Bribery Act 2010. The Company reports on its compliance to the Board on an annual basis. The Company has undertaken a review of its requirements under the General Data Protection Regulation, implementing appropriate policies, procedures and training to ensure it is compliant.

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

The Company encourages two-way communication with both its institutional and private investors and responds quickly to all significant queries received. The "Investors" tab of our website contains all required regulatory information together with other information which shareholders may find useful.

The AGM is an important forum for shareholder engagement, and the directors are always available immediately after the AGM to listen to the views of any shareholders in attendance and to provide them with an update on the business.

#### **10. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board**

Details of the Company's corporate governance arrangements are provided within this Corporate Governance section of the Annual Report and Accounts. The Board considers the appropriateness of these arrangements against the size and complexity of the Company as it evolves over time.

The Chairman leads the Board and is responsible for ensuring its effectiveness in all aspects of its role. The Chairman promotes a culture of openness and debate, in particular by ensuring the Non-Executive Directors provide constructive challenge to the Executive Directors.

The matters reserved for the board are:

- Definition of the strategic goals for the Company, sets corporate objectives to enable the goals to be met, and measures performance against those objectives;
- Ensuring that the necessary financial and human resources are in place to both meet its obligations to all stakeholders and to provide a platform for profitable growth;
- Recommending any interim and final dividends;
- Approving all mergers and acquisitions and all capital expenditure greater than £200,000;
- Receiving recommendations from the Audit Committee in relation to the reporting requirements and the appropriate accounting policies for the Company, the appointment of auditors and their remuneration, and the identification and management of risk;
- Receiving recommendations from the Appointments Committee concerning the appointment of executive directors, and from the Remuneration Committee concerning the remuneration of the executive directors;
- Determination of the fees paid to the Non-Executive Directors.

The CEO has the overall responsibility for creating, planning, implementing, and integrating the strategic direction of the Company. This includes responsibility for all components and departments of a business. The CEO also ensures that the organisation's leadership maintains constant awareness of both the external and internal competitive landscape, opportunities for expansion, customer base, markets, new industry developments and standards.

The Finance Director works alongside the CEO and has overall control and responsibility for all financial aspects of company strategy. The Finance Director takes overall responsibility of the Company's accounting function and ensures that Company's financial systems are robust, compliant and support current activities and future growth. The Finance Director will co-ordinate corporate finance and manage company policies regarding capital requirements, debt, taxation, equity and acquisitions as appropriate.

The Board is supported by two committees being the Audit Committee and Remuneration Committee. The Audit Committee advises the Board on the reporting requirements and the appropriate accounting policies for the Company, the appointment of auditors and their remuneration, and the identification and management of risk. The Remuneration Committee advises the Board on all matters relating to the

management or risk. The Remuneration Committee advises the Board on all matters pertaining to the remuneration of the Executive Directors.

## **BOARD MEMBERS**

The Board comprises of a Non-Executive Chairman, one Non-Executive Director and two Executive Directors.

### **Andrew Suckling, Non-Executive Chairman**

Andrew has over 25 years' experience in the commodity industry. He began in 1994 as a trader on the London Metal Exchange and subsequently became a founding partner, research analyst and trader with the multi-billion fund management group Ospraie. Andrew is a graduate of Brasenose College, Oxford University, earning a BA (Hons) in Modern History in 1993 and an MA in Modern History in 2000. Andrew is the chair of the Audit and Remuneration Committee.

### **Kiran Morzaria, Chief Executive Officer**

Kiran holds a B.Eng. from the Camborne School of Mines and an MBA (Finance). He has over 20 years' experience in the mineral resource industry, working in both operational and management roles. The first four years of his career were spent in exploration, mining and civil engineering, after which he was involved in the acquisition, recommissioning and eventual sale of the Vatukoula Gold Mine.

### **Donald Strang, Finance Director**

Donald is a member of the Australian Institute of Chartered Accountants and has over 20 years of experience in both publicly listed and private enterprises in Australia, Europe and Africa. He has considerable corporate and international expertise, and over the past decade, has focused on mining and exploration activities.

### **Adrian Fairbourn, Non-Executive Director**

Adrian began his career as an investment analyst before moving to build and manage the highly successful alternative fund-of-funds operation at the Bank of Bermuda. Adrian has co-managed a multi-family office in London, responsible for hedge fund investments, direct investments and also asset-raising for co-investment opportunities. He has successfully assisted in over US\$1 billion of structuring, capital and fundraising projects for private companies and alternative funds. Adrian is a member of the Audit and Remuneration Committee.

The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day-to-day management is devolved to the Executive Directors, who are charged with consulting the Board on all significant financial and operational matters. The Board retains ultimate accountability for governance and is responsible for monitoring the activities of the executive team.

The roles of Chairman and Chief Executive Officer are split in accordance with best practice. The Chairman has the responsibility of ensuring that the Board discharges its responsibilities. The Chairman is responsible for the leadership and effective working of the Board, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information. No one individual has unfettered powers of decision.

The two Executive Directors are comprised of a Chief Executive Officer ("CEO") and Finance Director. The CEO has the overall responsibility for creating, planning, implementing, and integrating the strategic direction of the Company. This includes responsibility for all components and departments of a business. The CEO also ensures that the organisation's leadership maintains constant awareness of both the external and internal competitive landscape, opportunities for expansion, customer base, markets, new industry developments and standards.

The non-executive directors are not considered independent under the Financial Reporting Council's Corporate Governance Code (April 2016) ("FRC Code") as they both have options in the Company. However, the Board considers that both non-executives are independent of management under all other measures and able to exercise independence of judgement.

## **The Committees**

### **Audit Committee**

The Audit Committee consists of two non-executive members of the board and meet at least once a year.

The principal duties and responsibilities of the Audit Committee include:

- Overseeing the Company's financial reporting disclosure process; this includes the choice of appropriate accounting policies
- Monitor the Company's internal financial controls and assess their adequacy
- Review key estimates, judgements and assumptions applied by management in preparing published financial statements
- Assess annually the auditor's independence and objectivity
- Make recommendations in relation to the appointment, re-appointment and removal of the company's external auditor

### **Remuneration Committee**

The Remuneration Committee consists of two non-executive members of the board and meet at least once a year.

The principal duties and responsibilities of the Remuneration Committee include:

- Setting the remuneration policy for all Executive Directors
- Recommending and monitoring the level and structure of remuneration for senior management
- Approving the design of, and determining targets for, performance related pay schemes operated by the company and approve the total annual payments made under such schemes
- Reviewing the design of all share incentive plans for approval by the Board and shareholders
- None of the Committee members have any personal financial interest (other than as shareholders and option holders), conflicts of interest arising from cross-directorships or day-to-day involvement in the running of the business. No director plays a part in any financial decision about his or her own remuneration.

## **Principle and Approach of the Board**

Cadence is committed to achieve and maintain high standards of governance. As such, the Board has chosen to adopt the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies 2018 ("the QCA Code"). Detailed below is how the Board applies the 10 principles of Corporate Governance, which form part of the QCA code.

#### **Internal Controls**

The Directors acknowledge their responsibility for the Company's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Company and to ensure the reliability of financial information for both internal use and external publication. While they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Company, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

#### **Risk Management**

The Board considers risk assessment to be important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by Senior Management to forecasts. Project milestones and timelines are reviewed regularly.

#### **Business Risk**

The Board regularly evaluates and reviews any business risks when reviewing project timelines. The types of risks reviewed include:

- regulatory and compliance obligations
- environmental requirements
- commodity price, interest rate, liquidity and volatility risks
- political and country risks where appropriate.

#### **Insurance**

The Company maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company.

#### **Treasury Policy**

The Company finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Company. Decisions regarding the management of these assets are approved by the Board.

#### **Securities Trading**

The Board has adopted a Share Dealing Code that applies to Directors, Senior Management and any employee who is in possession of 'inside information'. All such persons are prohibited from trading in the Company's securities if they are in possession of 'inside information'. Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the individual has received the appropriate prescribed clearance.

#### **Report on Remuneration**

On behalf of the Board, I am pleased to present the Directors' Remuneration Report summarising the Company's remuneration policy and providing information on the Company's remuneration approach and arrangements for Executive Directors, Non-Executive Directors and Senior Executive Management for the year ended 31 December 2024.

This report is prepared in accordance with the QCA Remuneration Committee Guide for small and mid-sized quoted companies, revised in 2020. A summary of the Remuneration Committee's role, membership and relevant qualifications can be found in the corporate governance section.

Remuneration Committee meetings are held at least once a year with the primary focus of setting goals for the coming period and then assessing results at the end of that period. During the year, the Remuneration Committee met 2 times and;

- Benchmarked the Boards Remuneration, both fixed and variable and as a whole, and compared it to AIM-listed companies of a similar market capitalisation.
- Reviewed the above comparisons and establish short, medium and long-term incentive schemes, which it then recommended to the Board for approval,
- Reviewed the performance of the Board against targets and awarded incentives covering the reporting period.

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders. The Company operates within a competitive environment; performance depends on the individual contributions of the Directors and employees, and it believes in rewarding vision and innovation.

#### **Policy on executive Directors' Remuneration**

The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Company's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this but to avoid paying more than is necessary. The remuneration will also reflect the Directors' responsibilities and contain incentives to deliver the Company's objectives.

#### **Salary and Fees**

Benchmarking data indicate that, at the time of the review, Cadence's salary and fees are at the median remuneration for an exploration and mining company with a market capitalisation between £5 million and £10 million on the AIM market.



**Share Awards (Share Incentive Plan)**

Under the Share Incentive Plan established in September 2014, the Company has maintained an Employee Benefit Trust ("EBT") to provide ongoing incentives to the Board. No new Ordinary Shares were issued under the EBT during the year ended 31 December 2024 (2023: nil).

**Pensions**

The Company only operates a basic pension scheme for its directors and employees as required by UK legislation. The Company made the following pension contributions in the year: K Morzaria £3,669 (2023: £4,403).

**Benefits in kind**

No benefits in kind were paid during the year to 31 December 2024 or the year ended 31 December 2023.

**Notice periods**

Andrew Suckling, Kiran Morzaria, Donald Strang and Adrian Fairbourn each have a 12 month rolling notice period.

**Share option incentives**

At 31 December 2024 each Director held 1,800,000 (31 December 2023: 1,800,000) options which are exercisable at any time before 30 April 2026. The exercise price is 29p. No options were exercised by Directors during the period (2023: None).

The remuneration of the Directors was as follows:

	A Fairbourn	A Suckling	K Morzaria	D Strang	Total
	£	£	£	£	£
<b>Year to 31 December 2024</b>					
Salary	-	-	172,500	-	172,500
Fees	48,000	120,000	-	120,000	288,000
<b>Total</b>	<b>48,000</b>	<b>120,000</b>	<b>172,500</b>	<b>120,000</b>	<b>460,500</b>
<b>Year to 31 December 2023</b>					
Salary	-	-	230,000	-	230,000
Fees	48,000	120,000	-	120,000	288,000
<b>Total</b>	<b>48,000</b>	<b>120,000</b>	<b>230,000</b>	<b>120,000</b>	<b>518,000</b>

At 31 December 2024 £142,000 (2023: £58,000) was outstanding to directors.

The high and low share price for the year were 5.75p and 1.60p respectively (year ended 31 December 2023: 16.625p and 4.85p). The share price at 31 December 2024 was 1.65p (31 December 2023: 5.75p).

**Andrew Suckling**

**Non-Executive Chairman, 18 June 2025**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CADENCE MINERALS PLC****Opinion**

We have audited the financial statements of Cadence Minerals Plc (the 'company') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

- Obtaining and evaluating management's going concern assessment, including their assumptions, key risks and uncertainties, and any available supporting documentation.
- Assessing the historical forecasting accuracy and consistency of the going concern assessment with information obtained from other areas of the audit, such as our audit procedures on management's impairment assessments.
- Testing the clerical accuracy of the assessment
- Evaluating whether the assumptions made by management are reasonable and appropriately conservative, considering the Group's relevant principal risks and uncertainties. We challenged the assumptions and estimates made by management where necessary.
- Evaluating the adequacy of working capital, including assessing the reasonableness of assumptions used in the cash flow forecasts and budgets and any plans to address potential shortfalls.
- Performing sensitivity analysis on management's assumptions, including applying incremental adverse cash flow sensitivities to assess the potential impact of severe but plausible scenarios such as significant movement in prices level 1 investments.

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

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

## **Our application of materiality**

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the financial statements was set at £344,200 (2023: £289,000), with performance materiality set at £240,900 (2023: £202,300).

Materiality has been calculated as 2% (2023: 2%) of the benchmark of net assets, which we have determined, in our professional judgement, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £17,200 (2022: £14,450).

We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatement.

## **Our approach to the audit**

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represents a risk of material misstatement due to fraud. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, such as the fair value of unquoted investments and the value of the share options scheme.

In addition, we focused our audit on the significant risk areas including the Key Audit Matter as outlined below.

A full scope audit was performed on the complete financial information of the company

## **Key audit matters**

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

Key Audit Matter	How our scope addressed this matter
<b>Carrying value of Financial Assets (Refer to note 6)</b>	
<p><b>The company holds investments in quoted and unquoted private companies amounting to £473k and £13,329k respectively. These are valued in accordance with IFRS 13 and the fair value hierarchy; and classified as per IFRS 9.</b></p> <p><b>There is the risk that these investments have not been valued in accordance with IFRS 13 and IFRS 9 and require impairment.</b></p> <p><b>Investments which fall under Tier 3 of the fair value hierarchy are subject to significant management estimate, which increases the risk of material misstatement.</b></p> <p><b>The group has also invested in the level 1 listed investments, which are not subject to management judgement or estimation, and are valued at their yearend share price per the relevant exchange.</b></p> <p><b>Given the value of the investment is material at the year end and significant judgement needed when valuing level 3 investment we have assessed valuation of investments as a key audit matter.</b></p>	<p>Our audit work included:</p> <ul style="list-style-type: none"> <li>• Ensuring that Cadence Minerals Plc has full title to the investments held;</li> <li>• Reviewing the valuation methodology for the investments held and ensuring that the carrying values are recoverable supported by sufficient and appropriate audit evidence;</li> <li>• Reviewing the movement in investments to ensure they are accounted for and disclosed correctly in line with IFRS 9;</li> <li>• Ensuring that all asset types are categorised according to IFRS, including the accounting disclosures as required under IFRS 9;</li> <li>• Reviewing disclosures in relation to said assets;</li> <li>• Ensuring that appropriate disclosures surrounding the estimates made in respect of any valuations are included in the financial statements; and</li> <li>• Considering whether the transactions have been accounted for correctly within the financial statements.</li> </ul> <p>The Group has applied for various licences with a view of obtaining a mining permit on the Amapa project which will allow it to move towards production. While the Group has sufficient funds to meet its current working capital needs for a period of 12 months from the date of this report, external funding will be required to advance the Amapa project towards production once the necessary licences and the mining permit is approved. This external funding still needs to be finalised and Management are looking at various options, including a multi-staged investment raise which will allow production to commence and increase over time, or a joint arrangement with interested parties. The Directors remain confident in management's ability to secure financing. Further details of this can be reviewed in the strategic report.</p>

<b>Carrying value and classification of loans receivable from Investee (refer to note 7)</b>	
<p><b>The company has loan receivables from investees of £3.9m as at 31 December 2024. There is a risk that the loan amounts are not recoverable given that no repayments were made by the debtors for the loans</b></p>	<p>Our audit work included:</p> <ul style="list-style-type: none"> <li>• Ensuring that the loans have been classified and disclosed correctly in accordance with IFRS 9.</li> </ul>

<p>made by the directors for the loans outstanding.</p> <p>There is also a risk that the loans have not been accounted for in accordance with IFRS 9.</p> <p>Risk has been assessed as a Key Audit Matter due to the uncertainty, significant judgement and estimates associated with the recoverability of £3.9 million in loans from REM Mexico. The balance has not moved since the previous year.</p> <p>Disputes are ongoing with the Mexican government under the UK-Mexico Bilateral Investment Treaty around the project on the Sonara site with no conclusion yet. It is possible that this amount is not recoverable if this situation is not resolved.</p>	<p>accordance with IFRS 9,</p> <ul style="list-style-type: none"> <li>• Discussing with Management to ascertain their justification for no IFRS 9 ECL charge being recognised in the year. Challenge management's key assumptions and consider whether the loans are fully recoverable or whether an IFRS 9 ECL charge is required; and</li> <li>• Ensuring that the loans are correctly classified as current or non-current in accordance with the payment terms per the loan agreements.</li> </ul> <p>Cadence holds an interest in the Sonora Lithium Project through REM Mexico, which has a 30% stake in the joint venture interests in Mexalit S.A. de CV ("Mexalit") and Megalit S.A. de CV ("Megalit"). The remaining 70% is held by Ganfeng Lithium Group Co., Ltd ("Ganfeng")</p> <p>Following a change in the Mexican Mining Law and the submission of evidence to support the investment spend to the regulatory authorities, a preliminary cancellation of nine lithium concessions was issued in August 2024. The cancellations are not final and both Ganfeng and Cadence have filed administrative review recourses before the Secretary of Economy against the resolutions cancelling the concessions, as they believe these resolutions violate Mexican and international law and infringe upon their fundamental due process rights. The case is still ongoing and the recovery of these loans from REM Mexico is dependent on the success of the administrative review. If the concessions are not granted back and compensation is not received from the Mexican government for concessions, a full impairment of the loan may be required. Further details are disclosed in the critical accounting estimates of these financial statements.</p>
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#### Other information

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

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

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

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

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, AIM listing rules, GDPR, QCA compliance, International Financial Reporting Standards (in compliance with the Companies Act 2006) and tax legislation within the United Kingdom.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Discussions with management
  - Review of board minutes
  - Review of legal and professional expenditure
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was in the valuation of investments. We addressed the risk by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

of our auditor's report.

## Use of our report

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

**Zahir Khaki (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

18 June 2025

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
<b>Income</b>			
Unrealised loss on financial investments	6	(1,023)	(3,101)
Realised loss on financial investments	6	(1,102)	(2,793)
		<u>(2,125)</u>	<u>(5,894)</u>
Share based payments		-	(25)
Impairment of intangibles		(93)	(905)
Loan from subsidiary written off	8	-	4,810
Other administrative expenses		(1,099)	(1,302)
Total administrative expenses		<u>(1,192)</u>	<u>2,578</u>
<b>Operating loss</b>	1	<u>(3,317)</u>	<u>(3,316)</u>
Finance cost	3	(2)	
Foreign exchange (loss)/gain		(6)	297
		<u>(3,325)</u>	<u>(3,019)</u>
<b>Loss before taxation</b>		<u>(3,325)</u>	<u>(3,019)</u>
Taxation	4	-	-
<b>Loss attributable to the equity holders of the Company</b>		<u>(3,325)</u>	<u>(3,019)</u>
<b>Total comprehensive earnings for the year, attributable to the equity holders of the company</b>		<u>(3,325)</u>	<u>(3,019)</u>
<b>Earnings per ordinary share</b>			
Basic earnings per share (pence)	5	(1.651)	(1.762)
Diluted earnings per share (pence)	5	(1.651)	(1.762)

The accompanying principal accounting policies and notes form an integral part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 December 2024 £'000	31 December 2023 £'000
<b>ASSETS</b>			
<b>Non-current</b>			
Financial Assets	6	<u>13,329</u>	<u>11,660</u>
		<u>13,329</u>	<u>11,660</u>
<b>Current</b>			

Trade and other receivables	/	3,994	3,937
Financial Assets	6	473	4,162
Cash and cash equivalents		655	215
<b>Total current assets</b>		<b>5,122</b>	<b>8,314</b>
<b>Total assets</b>		<b>18,451</b>	<b>19,974</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables	8	483	288
Borrowings	9	755	933
<b>Total current liabilities</b>		<b>1,238</b>	<b>1,221</b>
<b>Non-current</b>			
Borrowings	9	-	302
<b>Total liabilities</b>		<b>1,238</b>	<b>1,523</b>
<b>EQUITY</b>			
Issued share capital	10	3,376	2,226
Share premium	10	38,591	37,654
Share based payment reserve		236	258
Investment in own shares		(64)	(64)
Retained earnings		(24,926)	(21,623)
<b>Equity attributable to equity holders of the Company</b>		<b>17,213</b>	<b>18,451</b>
<b>Total equity and liabilities</b>		<b>18,451</b>	<b>19,974</b>

The financial statements were approved by the Board on 18 June 2025, and signed on their behalf by;

Kiran Morzaria  
Director

Donald Strang  
Director

Company number 05234262

The accompanying principal accounting policies and notes form an integral part of these financial statements.

#### STATEMENT OF CHANGES IN EQUITY As at 31 December 2024

	Share capital	Share premium	Share based payment reserve	Investment in own shares	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 December 2022</b>	<b>2,144</b>	<b>37,612</b>	<b>252</b>	<b>(64)</b>	<b>(18,623)</b>	<b>21,321</b>
Share based payments	-	-	25	-	-	25
Transfer on lapse of warrants	-	-	(19)	-	19	-
Share issue	82	42	-	-	-	124
<b>Transactions with owners</b>	<b>82</b>	<b>42</b>	<b>6</b>	<b>-</b>	<b>19</b>	<b>149</b>
Loss for the period	-	-	-	-	(3,019)	(3,019)
<b>Total comprehensive earnings for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,019)</b>	<b>(3,019)</b>
<b>Balance at 31 December 2023</b>	<b>2,226</b>	<b>37,654</b>	<b>258</b>	<b>(64)</b>	<b>(21,623)</b>	<b>18,451</b>
Transfer on lapse of warrants	-	-	(22)	-	22	-
Share issue	1,150	1,125	-	-	-	2,275
Share issue costs	-	(188)	-	-	-	(188)
<b>Transactions with owners</b>	<b>1,150</b>	<b>937</b>	<b>(22)</b>	<b>-</b>	<b>22</b>	<b>2,087</b>
Loss for the period	-	-	-	-	(3,325)	(3,325)
<b>Total comprehensive earnings for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,325)</b>	<b>(3,325)</b>
<b>Balance at 31 December 2024</b>	<b>3,376</b>	<b>38,591</b>	<b>236</b>	<b>(64)</b>	<b>(24,926)</b>	<b>17,213</b>

The accompanying principal accounting policies and notes form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2024**

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
<b>Cash flow from operating activities</b>		
<b>Continuing operations</b>		
Operating loss	(3,317)	(3,316)
Loss on financial investments	2,125	5,894
Impairment of investments	93	905
Write off of loan from subsidiary	8	-
Equity settled share based payments	-	25
Payments of creditors made in shares	125	-
Decrease in trade and other receivables	18	20
Increase/(decrease) in trade and other payables	136	(29)
<b>Net cash outflow from operating activities from continuing operations</b>	<b>(820)</b>	<b>(1,311)</b>
<b>Cash flows from investing activities</b>		
Payments for non-current financial investments	(1,762)	(2,088)
Receipts on sale of current investments	1,564	2,150
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(198)</b>	<b>62</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	1,981	-
Share issue costs	(35)	-
Net borrowings	(497)	1,400
Net finance cost	(2)	-
<b>Net cash inflow from financing activities</b>	<b>1,447</b>	<b>1,400</b>
<b>Net change in cash and cash equivalents</b>	<b>429</b>	<b>151</b>
Foreign exchange movements on cash and cash equivalents	11	(46)
Cash and cash equivalents at beginning of period	215	110
<b>Cash and cash equivalents at end of period</b>	<b>655</b>	<b>215</b>

**Material non-cash transactions**

The material non-cash transactions in 2024 were the payments of creditors made in shares of £125,000 and amounts deducted from proceeds of share issues for issue costs of £69,000. During the year ended 31 December 2023 the company received shares in Hastings Technology Metals valued at £5,152,000, and wrote off the loan from Mojito of £4,810,000 which arose on the disposal of its interest in the Yangibana Project, by Mojito.

The accompanying principal accounting policies and notes form an integral part of these financial statements.

**PRINCIPAL ACCOUNTING POLICIES**  
**For the year ended 31 December 2024**

**GENERAL INFORMATION**

Cadence Minerals plc is a company incorporated and domiciled in the United Kingdom. The Company's shares were dual listed on AIM of the London Stock Exchange and on the growth market of Aquis Stock Exchange (AQSE). In April 2024, the company withdrew its ordinary shares from trading on the AQSE Growth Market, operated by the AQSE in order to improve operational and financial efficiencies.

The Financial Statements are for the year ended 31 December 2024 and have been prepared under the historical cost convention, except for the measurement to fair value of financial assets, and in accordance with UK adopted International Accounting Standards (UK-IAS) in conformity with the requirements of the Companies Act 2006. These Financial Statements (the "Financial Statements") have been prepared and approved by the Directors on 18 June 2025 and signed on their behalf by Donald Strang and Kiran Morzaria.

The accounting policies have been applied consistently throughout the preparation of these Financial Statements, and the financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated.

**INVESTING POLICY**



The Company is an investment entity. The Company's investing policy, which was approved at a General Meeting on 29 November 2010, is to acquire a diverse portfolio of direct and indirect interests in exploration and producing rare earth minerals and/or other metals projects and assets ('Investing Policy'). In light of the nature of the assets and projects that will be the focus of the Investing Policy, the Company will consider investment opportunities anywhere in the world.

The Directors have considerable investment experience, both in structuring and executing deals and in raising funds. Further details of the Directors' expertise are set out on the Company website. The Directors will use this experience to identify and investigate investment opportunities, and to negotiate acquisitions. Wherever necessary, the Company will engage suitably qualified technical personnel to carry out specialist due diligence prior to making an acquisition or an investment. For the acquisitions that they expect the Company to make, the Directors may adopt earn-out structures with specific performance targets being set for the sellers of the businesses acquired and with suitable metrics applied.

The Company may invest by way of outright acquisition or by the acquisition of assets - including the intellectual property - of a relevant business, partnership or joint venture arrangement. Such investments may result in the Company acquiring the whole or part of a company or project (which, in the case of an investment in a company, may be private or listed on a stock exchange, and which may be pre-revenue), and such investments may constitute a minority stake in the company or project in question. The Company's investments may take the form of equity, joint venture, debt, convertible documents, licence rights, or other financial instruments such as the Directors deem appropriate.

The Company may be both an active and a passive investor depending on the nature of the individual investments in its portfolio. Although the Company intends to be a long-term investor, the Directors will place no minimum or maximum limit on the length of time that any investment may be held.

There is no limit on the number of projects into which the Company may invest, or on the proportion of the Company's gross assets that any investment may represent at any time, and the Company will consider possible opportunities anywhere in the world.

The Directors may offer new ordinary shares in the capital of the Company by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, by way of example and without limit, delays in collecting accounts receivable, unexpected changes in the economic environment and unforeseen operational problems. The Company may, in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment. There are no borrowing limits in the Articles of Association of the Company. The Directors do not intend to acquire any cross holdings in other corporate entities that have an interest in the ordinary shares.

## **GOING CONCERN**

The Directors note the losses and cash outflows that the Group has made for the year ended 31 December 2024. The Directors have prepared cash flow forecasts for the period ending 30 June 2026 which take account of the current cost, operational structure and external funding of the Company. These forecasts prepared demonstrate that the Company will have sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Notwithstanding the Company's current cash position and expenditure commitments, the Board remains mindful of potential unforeseen events beyond its control. Given that a significant proportion of the Company's cost structure is discretionary, the Board is confident that, if necessary, it can take prompt and effective action to address any cash constraints. In such circumstances, the Company will reduce its expenditure accordingly to ensure continued operation within available funding.

At 31 December 2024 the Company had cash and cash equivalents of £655,000, current financial assets of £473,000 and £755,000 in borrowings. The borrowings are due to be fully paid by the end of November 2025. Based on the cashflow forecasts the Company would still be able to meet its obligations, without the requirement to cut costs, should the value of the current listed financial assets be reduced by 65%.

For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements.

## **STATEMENT OF COMPLIANCE WITH IAS**

The Company's financial statements have been prepared under the historical cost convention except for the measurement to fair value of financial assets as described in the accounting policy below, and the financial statements have been prepared in accordance with UK adopted International Accounting Standards (IAS) in conformity with the provisions of the Companies Act 2006. The principal accounting policies adopted by the Company are set out below.

## **TAXATION**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, which are unpaid at the balance sheet date. They are

relating to the current or prior reporting period, which are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable result for the period. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

## **FINANCIAL ASSETS**

The Company's financial assets include cash, other receivables and financial assets. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 9, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

### Subsequent measurement of financial assets

#### *Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

#### *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements would apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### *Impairment of financial assets*

The Company considers trade and other receivables individually in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the

expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

## **FAIR VALUE MEASUREMENT**

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

## **FINANCIAL INVESTMENTS**

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

Due to the nature of these assets being unlisted investments or held for the longer term, the investment period is likely to be greater than 12 months and therefore these financial assets are shown as non-current assets in the Statement of financial position, unless their disposal is likely to occur within the forthcoming year. Listed investments are valued at closing bid price on 31 December 2024. For measurement purposes, financial investments are designated at fair value through income statement. Gains and losses on the realisation of financial investments are recognised in the income statement for the period. The difference between the market value of financial instruments and book value to the Company is shown as a gain or loss in the income statement for the period.

## **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash at bank and in hand, bank deposits repayable on demand, and other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, less advances from banks repayable within three months from the date of advance if the advance forms part of the Company's cash management.

## **EQUITY**

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

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

The share based payment reserve represents the cumulative amount which has been expensed in the income statement in connection with share based payments, less any amounts transferred to retained earnings on the exercise of share options.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

Employee Benefit Trusts ("EBTs") are accounted for under IFRS 10 and are consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included on the Company balance sheet and shares held by the EBT in the Company are presented as a deduction from equity.

## **OPERATING LEASES**

The Company does not have any leases within the scope of IFRS 16 in the current or prior year.

Payments, including prepayments, made under low value or short-term operating leases of less than 12 months (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

## **FOREIGN CURRENCIES**

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

In the financial statements of the Company, foreign currency transactions are translated into the functional currency of the Company entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised

in profit or loss.

## **SHARE BASED PAYMENTS**

The Company issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Company's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes model, as the options have no market related conditions. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to the expense or share issue cost recognised in prior periods if fewer share options are, ultimately exercised than originally estimated. Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of shares issued are allocated to share capital with any excess being recorded as share premium.

### *Warrants*

The Group has also issued equity settled share-based payments in respect of services provided by debt holders in the form of warrants. The share-based payment is measured at fair value of the services provided at the grant date, or if the fair value of the services cannot be reliably measured using the Black-Scholes model. The expense is allocated over the vesting period.

## **FINANCIAL LIABILITIES**

The Company's financial liabilities include trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value, net of direct issue costs. After initial recognition, trade and other payables are subsequently measured at amortised cost using the effective interest rate ('EIR method'). Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Comprehensive Income.

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

### **Sources of Estimation and Key Judgements**

The preparation of the Financial Statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historic experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

### **Significant judgments and estimates**

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reported period. The estimates and associated judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

- The estimates and underlying judgments are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that

estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

- In the preparation of these financial statements, estimates and judgments have been made by management concerning calculating the fair values of the assets acquired on business combinations, and the assumptions used in the calculation of the fair value of the share options. Actual amounts could differ from those estimates.
- Management has made the following estimates that have the most significant effect on the amounts recognised in the financial statements.

#### ***Unlisted investments***

The Company is required to make judgements over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment. The fair value of unquoted investments of the Company at 31 December 2024 was £13,329 (2023: £11,660). Management have assessed each unlisted investment and concluded that Ferrero

Verde requires an impairment of £93,000. Further information regarding the Group's unquoted investments is provided in the investment review of the Strategic Report and in Note 6.

#### ***Loan accounting policy***

The Company has applied judgement in respect of the accounting treatment of the various contractual elements with regards to the Mezzanine Loan Facility agreement, entered into during 2023. The loan includes a clause whereby If the Company elects not to settle a monthly payment in cash they will automatically grant a right for the payment to be settled in shares as per the non-cash repayment terms contained in the Loan Facility Agreement (see Note 9 - Borrowings for further details). The Company intends, and has planned to make all repayments in cash and therefore has considered the value of the embedded derivative to be £nil. The directors have considered treatment of the loan in its component parts as liability and equity and has determined the equity component is immaterial."

- Management has made the following judgement that has the most significant effect on the amounts recognised in the financial statements.

#### ***Sonora Lithium Project License***

As stated in the strategic report, In April 2022 and May 2023, the Mexican Government changed its Mining Law, which included prohibiting lithium concessions, declaring lithium as a strategic sector, and giving exclusive rights for lithium mining operations to a state-owned entity. These changes were not meant to affect existing concessions, such as those held by Mexilit and Megalit. Ganfeng and Cadence believe the reforms should not impact their project's concessions because they were granted before the Mining Law Reform. This aligns with the principles of legality and non-retroactivity of laws outlined in the Constitution of Mexico.

While Ganfeng was in discussions with the Secretary of Economy, the General Directorate of Mines ("DGM") started reviewing nine lithium concessions held by Mexican subsidiaries, including those owned by Mexilit and Megalit.

The DGM warned that the concessions could be cancelled if the Mexican subsidiaries did not provide enough evidence within a specified timeframe to prove their compliance with minimum investment obligations for developing lithium concessions from 2017 to 2021. As of May 2023, Mexilit and Megalit had submitted extensive evidence of their timely compliance with the minimum investment obligations for the lithium concessions. However, in August 2023, the DGM issued a formal decision notice to the Mexican subsidiaries, cancelling nine lithium concessions, including those owned by Mexilit and Megalit.

The cancellations for the lithium concessions issued by the DGM are not final and are subject to ongoing appeals. Ganfeng and Cadence believe that the Mexican Subsidiaries have complied with their minimum investment obligations, as Mexican law requires. The mine development investment by the Mexican Subsidiaries has significantly exceeded the minimum investment obligations, and the Mexican Subsidiaries regularly submitted annual reports detailing their operations within the prescribed period annually. Ganfeng and Cadence have filed administrative review recourses before the Secretary of Economy against the resolutions cancelling the concessions, as they believe these resolutions violate Mexican and international law and infringe upon their fundamental due process rights.

In November 2023, Cadence issued a Request for Consultations and Negotiations ("Request") to the Government of Mexico under the United Kingdom-Mexico Bilateral Investment Treaty ("BIT"). The Request pertains to the alleged revocation of the mining concessions for the Sonora Lithium Project (the "Project") by

the Mexican General Directorate of Mines, as announced by Cadence on 31 August 2023, and related acts and omissions by Mexico.

The affected concessions include those granted to Mexilit S.A. de CV ("Mexilit") and Minera Megalit S.A. de CV ("Megalit"), which are joint venture companies in which Cadence holds a 30% stake through REMML.

In their Request, Cadence and REMML have identified various BIT obligations that Mexico has breached, including Mexico's obligation not to unlawfully expropriate the investments of UK investors such as Cadence and REMML and its obligation to treat such investments fairly and equitably.

In accordance with Article 10 of the BIT, Cadence and REMML have requested consultations and negotiations with Mexico to resolve the dispute amicably. The BIT provides for disputes to be resolved by international arbitration if they cannot be resolved through consultation and negotiation.

#### **Recoverability of loan due from REM Mexico**

In April 2022 and May 2023, the Mexican Government changed the Mexican Mining Legislation, which included prohibiting new lithium concessions, declaring lithium as a strategic sector, and giving exclusive rights for lithium mining operations to a state-owned entity. These changes were not meant to affect existing concessions, such as those held by Mexilit and Megalit. In May 2023, the General Directorate of Mines ("DGM") began reviewing and subsequently cancelled nine lithium concessions, including those owned by Mexilit and Megalit. The cancellations are not final, and Ganfeng has filed an administrative review before the Secretary of Economy against the resolutions cancelling the concessions (including those owned in part by Cadence), as they believe these resolutions violate Mexican and international law and infringe upon their fundamental due process rights. The case is still ongoing, and the recovery of these loans from REM Mexico depends on the success of the administrative review or any claim filed by Cadence or Ganfeng in the international court of arbitration.

#### **Adoption of New or Amended IFRS**

##### **New standards, amendments and interpretations adopted by the Company**

The company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2024:

- Amendment to IAS 1 - Presentation of Financial Statements: Non-current liabilities with covenants
- Amendment to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current
- Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Supplier finance
- Amendment to IFRS 16 - Leases: Leases on sale and leaseback

The adoption of the above has not had any material impact on the disclosures or amounts reported in the financial statements.

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

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

#### **Segment reporting**

Segmental analysis is not applicable as there is only one operating segment of the continuing business - investment activities.

#### **NOTES TO THE FINANCIAL STATEMENTS**

##### **For the year ended 31 December 2024**

#### **1. PROFIT BEFORE TAXATION AND SEGMENTAL INFORMATION**

##### **Profit before taxation - continuing operations**

The loss before taxation is attributable to the principal activities of the Company.

The loss before taxation is stated after charging:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Share based payment charge	-	25
Directors' fees and consulting (see Note 2)	461	518
Fees payable to the Company's auditor for the audit of the financial statements	59	52

## Segment reporting

The Company operates a single primary activity to invest in businesses so as to generate a return for the shareholders. The performance and position are therefore as stated in the primary statements.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Unrealised loss on financial investments	(1,023)	(3,101)
Realised loss on financial investments	(1,102)	(2,793)
	(2,125)	(5,894)

## 2. EMPLOYEE REMUNERATION

### Employee benefits expense

The expense recognised for employee benefits, including Directors' emoluments, is analysed below:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
<b>Short-term benefits</b>		
Wages, salaries and consulting fees	572	628
Employers NI	35	43
	607	671

The average number of employees (including directors) employed by the Company during the period was:

	2024 No.	2023 No.
Directors	4	4
Other	2	2
	6	6

Included within the above are amounts in respect of Directors, who are considered to be the key management personnel, as follows:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
<b>Short-term benefits</b>		
Wages, salaries and consulting fees	461	518
	461	518

Details of Directors' emoluments are included in the Report on Remuneration.

## 3. FINANCE COSTS

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Loan interest	1	-
Bank interest	1	-
	2	-

## 4. TAXATION

The tax assessed for the period differs from the standard rate of corporation tax in the UK as follows:

	Year ended 31 December 2024 £'000		Year ended 31 December 2023 £'000	
(Loss) before taxation	(3,325)		(3,019)	
(Loss) multiplied by standard rate of corporation tax in the UK	(831)	25.0	(710)	23.52
Effect of:				
Deferred tax asset not recognised	807		283	
Remeasurement of deferred tax for changes in tax rates	-		(17)	
Other permanent differences				
Chargeable gains	-		-	
Income not taxable	-		-	
Expenses not deductible for tax purposes	24		444	
Total tax charge for year	-		-	

The Company has tax losses in the UK of £30.58m (2023: £27.35m), subject to His Majesty's Revenue and Customs approval, available for offset against future operating profits. The Company has not recognised any deferred tax asset in respect of these losses, due to there being insufficient certainty regarding its recovery. The unrecognised deferred tax asset is £7.65m (2023: £6.84m). The main rate of UK corporation tax for the period up to 1 April 2023 was 19%. From 1 April 2023, the main rate of UK corporation tax increased to 25%, resulting in an effective tax rate of 23.52% for the year ended 31 December 2023.

## 5. EARNINGS PER SHARE

The calculation of the basic earnings per share is calculated by dividing the consolidated profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares excludes shares held by an Employee Benefit Trust (see Note 10) and has been adjusted for the issue of shares during the period.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
(Loss) attributable to owners of the Company	(3,325)	(3,019)
	2024 Number	2023 Number
Weighted average number of shares in issue	207,824,407	177,693,153
Less: shares held by the Employee Benefit Trust (weighted average)	(6,380,000)	(6,380,000)
Weighted average number of shares for calculating basic earnings per share	201,444,407	171,313,153
Share options and warrants exercisable	n/a	n/a
Weighted average number of shares for calculating diluted earnings per share	n/a	n/a
	2024 Pence	2023 Pence
Basic earnings per share	(1.651)	(1.762)
Diluted earnings per share	n/a	n/a

The impact of the share options is considered anti-dilutive when the Company's result for a period is a loss.

## 6. FINANCIAL INVESTMENTS

Financial assets at fair value through profit or loss:	£'000 Level 1	£'000 Level 2	£'000 Level 3	£'000 Total
Fair value at 31 December 2022	5,244	-	12,327	17,571
Transfer	1,810	-	(1,810)	-
Additions	5,152	-	2,048	7,200
Fair value changes	(3,101)	-	-	(3,101)
Impairment of assets	-	-	(905)	(905)
Loss on disposals	(2,793)	-	-	(2,793)
Disposal	(2,150)	-	-	(2,150)
Fair value at 31 December 2023	4,162	-	11,660	15,822
Additions	-	-	1,762	1,762
Fair value changes	(1,023)	-	-	(1,023)



Fair value changes	(1,023)	-	-	(1,023)
Impairment of assets	-	-	(93)	(93)
Loss on disposals	(1,102)	-	-	(1,102)
Disposal	(1,564)	-	-	(1,564)
Fair value at 31 December 2024	473	-	13,329	13,802
Loss on investments held at fair value through profit or loss				
Fair value loss on investments	(1,023)	-	-	(1,023)
Realised loss on disposal of investments	(1,102)	-	-	(1,102)
Net loss on investments held at fair value through profit or loss	(2,125)	-	-	(2,125)
Financial assets	£'000	£'000	£'000	£'000
	Level 1	Level 2	Level 3	Total
Non-current	-	-	13,329	13,329
current	473	-	-	473
	473	-	13,329	13,802

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices). Level 3 applies inputs, which are not based on observable market data.

Level 1 assets comprise investments in listed securities which are traded on stock markets throughout the world and are held by the Company as a mix of strategic and short term investments. These are classified as current assets by virtue of their liquidity. The listed investments have been valued at bid price, as quoted on their respective Stock Exchanges, at 31 December 2024. During the year ended 31 December 2024 the company disposed of a variety of its shareholdings.

Level 3 assets comprise of investment in exploration costs where licences are not 100% owned by the Company, and investments in other companies.

The Directors conducted an impairment review as of 31 December 2024 and determined that an impairment of £93,000 was necessary for the investment in Ferro Verde.

During 2024, £1,762,000 was invested in exploration costs by the Company (2023: £2,048,000).

## 7. TRADE AND OTHER RECEIVABLES

	31 December 2024	31 December 2023
	£'000	£'000
<b>Current</b>		
Other receivables	75	-
Amounts owed by subsidiaries	3,883	3,883
Prepayments and accrued income	36	54
	<u>3,994</u>	<u>3,937</u>

As at 31 December 2024, the balance included in other receivables relates to unpaid share capital from the December equity issue. This amount was fully settled after the reporting date.

There is no impairment of receivables, and no amounts are past due at 31 December 2024 or 31 December 2023.

The fair value of these financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

## 8. TRADE AND OTHER PAYABLES

	31 December 2024	31 December 2023
	£'000	£'000
Trade payables	364	198
Tax and social security	-	14
Other payables	-	1
Accruals and deferred income	119	75
	<u>483</u>	<u>288</u>

The fair value of trade and other payables has not been disclosed as, due to their short duration, management considers the carrying amounts recognised in the balance sheet to be a reasonable approximation of their fair value.

## 9. BORROWINGS

	31 December 2024 £'000	31 December 2023 £'000
Loan Notes	753	1,221
Interest accrued	2	14
	<u>755</u>	<u>1,235</u>

During the year ended 31 December 2023, the Company entered into a Mezzanine Loan Facility to finance its investment in the Amapá Project.

The Mezzanine Loan Facility ("Loan Facility") involves an unconditional and committed initial tranche by the Investors of US2 million and a further conditional Loan Facility amount of US8 million, subject to agreement by the Investors. The Loan Facility is valid for three years.

The First Tranche of US2 million, drawn down in 2023, has a 24-month term ("Maturity Date"). It has a six-month principal repayment holiday, followed by 18 equal monthly cash repayments thereafter to the Maturity Date. The Loan Facility has an effective annual interest rate of 9.5% and has a 5% implementation on the value of the First Tranche.

If the Company elects not to settle a monthly payment in cash (each being a "Missed Payment"), they will automatically grant a right for the Missed Payment to be settled in shares as per the non-cash repayment terms contained in the Loan Facility Agreement ("Non-Cash Repayment"). Following a Non-Cash Repayment, the Investors will be automatically granted conversion rights over such principal and interest balances due concerning the Missed Payment. The Investors will then have the right for 12 months to convert such amounts either at a price equal to 12.7 pence (representing a 30% premium to the closing price on 25/05/2023) or at a 7% discount to the average of the five daily VWAPs chosen by the Investors in the 20 trading days preceding its conversion notice or at the price the Company issues further equity if lower than the existing conversion price.

Cadence has provided a security package to the Investors as part of the Loan Facility. This package includes a floating charge over the Company's investments, placing its holding in European Metals Holdings into escrow and the issue of new ordinary shares to the Investors ("Initial Issued Shares"). The Initial Issued Shares represent 50% of the value of the First Tranche, or 8,251,224 new ordinary shares. These initial Issued Shares will be used as part of any Non-Cash Repayments if applicable. On the Maturity Date, the Company can utilise the Initial Issued Shares to pursue its investment strategy or for working capital purposes. If it has settled all amounts in cash and these Initial Issued Shares revert to the Company.

As part of the Loan Facility, the Company has agreed to grant 8,251,224 warrants to subscribe for ordinary shares in the Company at an exercise price of 13.2 pence (representing roughly a 35% premium to the current share price of the Company's Shares) with a 48-month term.

During the year ended 31 December 2024, £841,000 ( 1,065,000) in capital and interest was repaid. During the year ended 31 December 2023, £1,622,000 ( 2,000,000) less costs was drawn down. £124,000 ( 153,000) was repaid through the issue of the Initial Issued Shares. The borrowing costs (and resulting fx) have been capitalised under IAS23, in both years, as the sole purpose of the loan was to finance the Amapá Project.

Repayment terms for the loan were renegotiated during the year, with the final repayment date extended to November 2025 from May 2025.

As the extension of the repayment date consisted of a non-substantial loan-modification, the gross carrying amount of the loans was recalculated as the present value of the modified contractual cash flows that were discounted at the loans' original effective interest rate and a modification gain was recognised in profit or loss.

Additionally, during the year ended 31 December 2024, a second short term loan agreement for 250,000 was entered into, of which £79,000 ( 100,000) was drawn down by 31 December 2024, and the remaining 150,000 was drawn down in January & February 2025. The loan carried a 15% interest rate, and was repaid March 2025, through the transfer of the Ferro Verde asset to the lender.

## 10. SHARE CAPITAL

	31 December 2024 £'000	31 December 2023 £'000
<b>Allotted, issued and fully paid</b>		
173,619,050 deferred shares of 0.24p	417	417
295,971,038 ordinary shares of 1p (31 December 2023: 180,971,037 ordinary shares of 1p)	<u>2,959</u>	<u>1,809</u>

		3,376	2,226
	Ordinary shares	Ordinary Share	Share
	No.	Capital	Premium
		£'000	£'000
Allotted and issued			
At 1 January 2023	172,719,813	1,727	37,612
Issue of shares during the year	8,251,224	82	42
At 31 December 2023	180,971,037	1,809	37,654
Issue of shares during the year	115,000,001	1,150	1,125
Share issue costs	-	-	(188)
At 31 December 2024	295,971,038	2,959	38,591

During the year ended 31 December 2024 the following shares were issued: On 11 April 2024, 16,666,667 shares were issued for proceeds of £500,000. On 19 July 2024, 30,000,000 shares were issued for proceeds of £750,000. On 24 December 2024, 68,333,334 shares were issued for proceeds of £1,025,000.

As at 31 December 2024, an amount of £75,000 in respect of unpaid share capital remained outstanding. This amount was fully settled after the reporting date.

#### Investment in Own Shares

At 31 December 2024 the Company held in Trust 6,380,000 (2023: 6,380,000) of its own shares with a nominal value of £63,800 (2023: £63,800). The Trust has waived any entitlement to the receipt of dividends in respect of its holding of the Company's ordinary shares. The market value of these shares at 31 December was £0.11m (2023: £0.37m). In the current period nil were repurchased (2023: nil) and nil were transferred into the Trust (2023: nil), with nil (2023: nil) reissued on award of shares to directors.

The deferred shares have no voting rights and are not eligible for dividends.

## 11. SHARE BASED PAYMENTS

#### Share Options

The Company operates share option schemes for certain employees (including directors). Options are exercisable at the option price agreed at the date of grant. The options are settled in equity once exercised. The expected life of the options varies between 1 and 6 years. All options issued in the prior years vested immediately, with no vesting requirements.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the period are as follows:

	31 December 2024		31 December 2023	
	Number	WAEP £	Number	WAEP £
Outstanding at the beginning of the year	7,200,000	0.290	7,200,000	0.290
Outstanding at the end of the year	7,200,000	0.290	7,200,000	0.290
Exercisable at year end	7,200,000		7,200,000	

The share options outstanding at the end of the period have a weighted average remaining contractual life of 1.33 years (31 December 2023: 2.33 years) and have the following exercise prices and fair values at the date of grant:

First exercise date (when vesting conditions are met)	Grant date	Exercise price £	Fair value £	31 December 2024 Number	31 December 2023 Number
30 April 2021	30 April 2021	0.29	0.02742	7,200,000	7,200,000
				7,200,000	7,200,000

At 31 December 2024 7,200,000 options were exercisable (31 December 2023: 7,200,000).

For those options and warrants granted where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Black-Scholes model. The inputs into the model for share based payments recognised in the current and prior year were as follows:

	Risk free rate	Share price volatility	Expected life	Share price at date of grant
30 April 2021	0.19%	21.6%	5 years	£0.2375

Expected volatility was determined by calculating the historical volatility of the Company's share price for 12 months prior to the date of grant. The expected life used in the model has been adjusted, based on

[illegible]

Investments (carried at fair value)	473	-	-	473	4,162	-	-	4,162
Other long term financial assets	13,329	-	-	13,329	11,660	-	-	11,660
Other receivables	-	75	-	75	-	-	-	-
Receivables from investee companies	-	3,883	-	3,883	-	3,883	-	3,883
Prepayments and accrued income	-	36	-	36	-	54	-	54
Cash and cash equivalents	-	655	-	655	-	215	-	215
<b>Total</b>	<b>13,802</b>	<b>4,649</b>	<b>-</b>	<b>18,451</b>	<b>15,822</b>	<b>4,152</b>	<b>-</b>	<b>19,974</b>

Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the investment.

#### Investments

The Company's investment in shares in Listed Companies are included as a financial investment and has been classified as Level 1, as market prices are available, and the market is considered an active, liquid market.

The Company's investment in exploration costs where licences are not 100% owned by the Company, and investments in other companies are classified as non-current Level 3.

The credit risk on liquid funds is limited because the Company only places deposits with leading financial institutions in the United Kingdom.

#### **a Liquidity risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Directors prepare rolling cash flow forecasts and seek to raise additional equity funding whenever a shortfall in funding is forecast. Details of the going concern basis of preparing the financial statements are included in the principal accounting policies.

#### **Market risk**

The amount and quality of minerals available and the related costs of extraction and production represent a significant risk to the Company. The Company is exposed to fluctuating commodity prices in respect of the underlying assets. The Company seeks to manage this risk by carrying out appropriate due diligence in respect of the projects in which it invests.

The Company is exposed to the volatility of the stock markets around the world, on which it holds shares in various listed entities, and the fluctuation of share prices of these underlying companies. The Company manages this risk through constant monitoring of its investments share prices and news information but does not hedge against these investments.

#### **Interest rate risk**

The Company only has borrowings at fixed coupon rates and therefore minimal interest rate risk, as this is deemed its only material exposure thereto.

#### **Foreign exchange risk**

The Company had borrowings of £755,000 (USD 945,000) at 31 December 2024, which are subject to exchange rate fluctuations. The Company had borrowings of £1,235,000 (USD 1573,000) at 31 December 2023. The Company operates foreign currency bank accounts to help mitigate the foreign currency risk

Company operates foreign currency bank accounts to help mitigate the foreign currency risk.

Exposure to currency risk Currency risk sensitivity to a +/- 10% change in the exchange rate is shown for the net currency position per currency. The summary of quantitative data relating to the Group's exposure to currency risk as reported to the Group management is as follows.

GBP thousand	USD	AUD	BRL
Exposure	(787)	(78)	1
Sensitivity Analysis (+/-10%)	79	8	-

## Financial liabilities

The Company's financial liabilities are classified as follows:

	31 December 2024			31 December 2023		
	Other financial liabilities at amortised cost	Liabilities not within the scope of IAS 39	Total	Other financial liabilities at amortised cost	Liabilities not within the scope of IAS 39	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade payables	364	-	364	198	-	198
Accruals and deferred income	-	119	119	-	75	75
Tax and social security	-	-	-	14	-	14
Other payables	-	-	-	1	-	1
Borrowings	755	-	755	1,235	-	1,235
<b>Total</b>	<b>1,119</b>	<b>119</b>	<b>1,238</b>	<b>1,448</b>	<b>75</b>	<b>1,523</b>

## Maturity of financial liabilities

All financial liabilities at 31 December 2024 mature in less than one year. At 31 December 2023 £302,000 of borrowings mature between one and two years.

## Borrowing facilities for the period ended 31 December 2024

The Company had no committed and undrawn borrowing facilities at 31 December 2024 (31 December 2023: £Nil).

The Company had no committed undrawn facilities at 31 December 2024 or 31 December 2023.

## Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for the shareholders;
- to support the Company's stability and growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure, to ensure an optimal capital structure, and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

## 13. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Short-term borrowings	Long-term borrowings	Total
<b>1 January 2024</b>	<b>933</b>	<b>302</b>	<b>1,235</b>
<b>Cash-flows:</b>			
- loans received	79	-	79
- Interest charged	265	-	265
- Repayments	(841)	-	(841)
<b>Non-cash:</b>			
- Transfer to current	302	(302)	-
- Unrealised Foreign exchange movement	17	-	17
<b>31 December 2024</b>	<b>755</b>	<b>-</b>	<b>755</b>

Short-term Long-term

	2024 borrowings	2023 borrowings	Total
<b>1 January 2023</b>	-	-	-
<b>Cash-flows:</b>			
- loans received	1,338	-	<b>1,338</b>
- Interest charged	224	-	<b>224</b>
- Repayments	(162)	-	<b>(162)</b>
<b>Non-cash:</b>			
- Transfer to non-current	(302)	302	-
- Loans repaid in shares	(124)	-	<b>(124)</b>
- Unrealised Foreign exchange movement	(41)	-	<b>(41)</b>
<b>31 December 2023</b>	<b>933</b>	<b>302</b>	<b>1,235</b>

#### 14. RELATED PARTY TRANSACTIONS

The Company was charged rent totalling £28,221 by Gunsynd Plc, a company of which Don Strang is a director (2023: £26,572). Of this £11,805 (2023: £11,250) was accrued and £13,833 (2023: £Nil) was unpaid at 31 December 2024.

During the year ended 31 December 2023 Mojito was closed and the Company wrote off an intergroup balance owed to its wholly owned subsidiary, Mojito Resources Limited, in the amount of £4.18 million. This transaction represents the forgiveness of the debt by the subsidiary to the parent company. The write-off was approved by the board of directors of both companies and was deemed necessary due to broader restructuring or simplification strategy aimed at streamlining the corporate structure. As a result of the write-off, the parent company's liabilities were reduced by £4.18 million.

Key Management Personnel are considered to be the Company Directors only, and their fees and remuneration are disclosed in the Directors Remuneration, and within Note 2 to the financial statements. As at 31 December 2024, Trade and other payables included amounts totalling £136,000 that were outstanding and payable to the Directors. This comprised £36,000 due to Mr A. Fairbourn, £50,000 due to Mr A. Suckling, and £50,000 due to Mr D. Strang.

#### 15. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 17 January 2025, the Company announced the grant of 14,720,000 share options exercisable at 2p per option. The options vest immediately and expire on 31 December 2030. 3,680,000 options were granted to each of the four Directors. The new options represent 4.97% of the Company's issued share capital.

#### 16. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, there is no controlling party.

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