RNS Number : 9350X
Tungsten West PLC
04 September 2025

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Tungsten West Plc

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

Financial Results for the Year Ended 31 March 2025

Release of Annual Report

Tungsten West (LON:TUN), the mining company focused on restarting production at the Hemerdon tungsten and tin mine ("Hemerdon" or the "Project") in Devon, UK, is pleased to announce its audited results for the year ended 31 March 2025.

Copies of Tungsten West's Annual Report and Financial Statements for the Financial Year to 31 March 2025 are available to download from the Company's website at www.tungstenwest.com and will shortly be posted to shareholders.

Highlights

- Release of the Development and Economic Plan and completion of the Feasibility Study for Hemerdon, outlining a clear and manageable approach to bring the Project back into production, showcasing:
    - Positive project restart economics at a market price of 400/metric tonne unit ("mtu") of ammonium paratungstate ("APT") the key market index for traded tungsten trioxide ("WO_3"):
        - Internal Rate of Return of 29%
        - Net Present Value at a 7.5% discount rate of US 190 million
        - Life of mine post-tax cash flow of US 456 million
        - Base case 11-year life of mine, 4 years of subsequent stockpile reclaim and an additional 12 years of on-going premium aggregate sales
    - Capacity to process 3.5 million tonnes per annum of primary ore feed at fully permitted production, to produce, on average 3,320 tonnes of WO_3, and 462 tonnes of tin in concentrate per annum.
- Externally, following China's implementation of significant tungsten export restrictions in February 2025 (China accounting for over 80% of the world's global production of tungsten), market supply has remained extremely tight. As a result of this, market prices for APT have risen to above500/mtu, further enhancing the economics of Hemerdon.
- Hemerdon selected by the European Commission as a Strategic Project under the European Union's Critical Raw Materials Act.
- Receipt of a non-binding Letter of Interest from the Export-Import Bank of the United States, the official export credit agency of the U.S., outlining its capacity to provide financial support to a consideration of up to US 95 million for the Company and the Project.
- Raised a further £12.0 million through the issue of Tranches E, F, G and H of the Convertible Loan Noteof which £6.7 million was raised in the period and £5.3 million post-period end.
- The Environment Agency granted the Company a permit to operate its Mineral Processing Facility, the last of the key permits required to further progress the Project.
- Mr Jeffery Court appointed as Chief Executive Officer and to the Board of Directors.
- Mr Alistair Stobie, Chief Financial Officer, appointed to the Board of Directors.
- Further strengthened the Board with the appointment of Mr Stephen Harrison as Non-Executive Chairman.

Ends

For further information, please contact:

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Chairman's Statement

Overview of FY2025

Having joined Tungsten West as Chairman of the Board in December, I am pleased to report on the Group's audited results for the year ended 31 March 2025.

The year has been one of progress. The Company has made decisive and meaningful steps towards reopening the Hemerdon tungsten and tin mine, which will provide a secure tungsten supply chain to the UK and its allies. As announced previously, and as written in previous Annual Reports, we expect to restart mining and processing operations in late 2026.

Jeff Court was appointed as Chief Executive Officer of the Company in August, subsequently joining the board in October. Under Jeff's leadership, utilising his considerable experience, the Company has undertaken a full review of planned mining and processing operations. Much of this work was completed in the period leading to the publication of our Development and Economic Plan for Hemerdon in May 2025. This was followed by the completion and publication of a new Feasibility Study which was announced in August 2025. We have been fortunate to work with excellent consultants and suppliers to refresh and improve our plans to restart mining operations at Hemerdon.

The revised plans include a new crushing, screening and ore sorting front-end, the engineering and addition of Low Frequency Noise ("LFN") enclosures, additional processing equipment modules to enhance performance, cost and recovery, and a full refurbishment of the existing mineral processing facility components. The roll crushers installed by previous operator, Wolf Minerals, were not sufficiently robust to process high volumes of granite and proved a constant point of failure. Working with a highly reputable supplier to the quarrying industry, we have designed a new crushing facility which utilises proven crushing solutions.

Due to export restrictions imposed by China, there remains an extremely limited supply of tungsten currently being exported from China. As a result, there is a significant and increasing gap between Western world demand and supply of tungsten. The export restrictions imposed by China further highlight the supply chain dependence of the Western world for critical metals, such as tungsten, that find application in key industries such as automotive manufacturing, defence and energy generation. This growing imbalance of supply and demand has further improved our project economics.

During the period, the Company raised a further £6.7 million through the further issue of Convertible Loan Notes, and post-period end raised a further £5.3 million in July 2025. The Board remains grateful to the small group of investors who continue to actively support the project.

With a fully permitted site, independently verified revised plans published and growing demand for tungsten, we are confident that our project will be attractive to further investors. The Company is actively working to raise the US 93 million, not including any amounts for debts service or capital raising, required to fund the restarting of mining operations. Hannam & Partners, as broker, have been retained to advise the Company.

Having stepped down as Chairman in December, I am grateful that David Cather has remained on the Board of the Company sharing his knowledge and insight.

Finally, I would like to thank the team at Tungsten West who have supported both management and the Board through this period of progression. It is their dedication that will enable us to recommence mining of critical minerals in the south west of England.

Stephen Harrison

Non-Executive Chairman

CEO's Report

I am pleased to be able to make my first report since joining the Company in October 2024 on our highly significant progress over the last year.

The primary objective in this first period was to finalise a robust re-start plan for the Hemerdon mine that incorporates all

The primary objective in this first period was to finalise a robust re-start plan for the Hemerdon mine that incorporates all the learnings from the prior operations under Wolf Mineral's operation, in addition to drawing upon latest technologies, best practice, further test work programs and input from a range of experts.

A significant amount, but not all, of this work has focused on addressing the shortcomings in the processing plant under prior operations, and I am pleased to say that our updated processing flow sheet and processing plant design incorporates a range of improvements that addresses these shortcomings.

Some of the key improvements to the updated process plant include a new, fit for purpose front-end crushing and screening circuit, a crushed ore stockpile providing buffer from the front-end to the down-stream processing, ore sorters to select higher value material for down-stream processing, installation of new gravity separation process modules and a full plant refurbishment and enhancement for prior areas that remain in the process flow sheet going forward. Further to this, we have also assessed, reviewed and improved many other aspects of the operation, ranging from mine scheduling, ore blending and feed and mitigating our environmental impact. All of this work is incorporated in our extensive Feasibility Study that was completed earlier in 2025 with the summary published in August 2025.

In order to de-risk the project delivery, we have been working in partnership with a leading supplier of engineering, procurement and construction (EPC) services in the UK for the new build components of the project, in addition to undertaking pre-commissioning work on various areas of the pre-existing processing plant.

Further to this, we have also continued to focus on our engagement with our key stakeholders, in particular the Environment Agency, council and the local community groups. We plan to be a long-term part of the region, providing over 300 direct jobs, in addition to over 1,000 indirect jobs. To do this successfully, we must continue to work closely with all our valued stakeholders.

Our next important stage of progressing the project is securing the right funding package for us to make the re-start plan a reality, and undertaking targeted work packages to ensure a streamlined transition to construction as soon as practicable after funding becomes available.

As a philosophy, our approach has always been to focus on the controllables and make the business as robust as possible. Our feasibility study shows Hemerdon will be in the lowest end of the cash cost of production for tungsten. In parallel to this internal work, we have also seen significant improvements in the global tungsten market. As Stephen has noted above, there has been and will continue to be significant changes in the tungsten market. China being a producer of over 80% of the world's tungsten, introduced significant export restrictions in February 2025, and exports have effectively ceased since this time. This has placed unprecedented stress on the global supply chain for tungsten, making the re-start of Hemerdon vital for our down-stream off-takers. We are in close dialogue with all our down-stream partners and appreciate their continued support to assist the Company in progressing its funding discussions to enable us to come on-line as quickly as possible to meet their needs.

In recognition of Hemerdon's key strategic position in the global tungsten supply chain, we were designated by the European Commission in June 2025 as being a Strategic Project under the European Union's (EU) Critical Raw Materials Act, being one of only 13 projects receiving this designation outside the EU. Further to this, in August 2025 the Company also received a non-binding Letter of Interest from Export-Import Bank of the United States ("EXIM"), the official export credit agency of the U.S. Under the new Supply Chain Resilience Initiative, EXIM can consider financing up to US 95 million for a maximum repayment term of 15 years, with anticipated financing not tied to specific equipment purchases, rather being predicated upon the our offtake agreement with U.S. buyers. Both these recent milestones further cement Hemerdon's position as being key part in the global critical metals supply chain to both Europe and the U.S.

We could not have done all of this work in the timelines without the dedicated hard work from our direct employees, consultants and business partners. I extend my sincere appreciation to all of you for continuing to believe in the incredibly robust business we have in re-starting the Hemerdon mine. In addition, we as a business team, also extend our appreciation to our funding providers who have supported us financially to get to this point where we now have a clear and targeted pathway forward.

Jeff Court

CEO

Consolidated Statement of Comprehensive Income

Year ended 31 March 2025

	Note	**2025 £**	2024 £
Revenue	5	-	722,036
Cost of sales		(1,244,174)	(2,099,895)
Gross loss		**(1,244,174)**	**(1,377,859)**
Administrative expenses		(8,268,993)	(8,966,124)
Other operating income	6	6,235	14,424
Other (losses)/gains	7	(6,432,801)	3,079,384
Operating loss	8	**(15,939,733)**	**(7,250,175)**
Finance income	9	579,880	200,175
Finance costs	9	(6,816,977)	(2,844,319)
Net finance cost	9	**(6,237,097)**	**(2,644,144)**
Loss before tax		**(22,176,830)**	**(9,894,319)**
Income tax credit	13	264,572	194,403

Loss for the year		(21,912,258)	(9,699,916)
Total comprehensive loss		**(21,912,258)**	**(9,699,916)**
Profit/(loss) attributable to:			
Owners of the Company		(21,912,258)	(9,699,916)
		£	£
Basic and diluted loss per share	14	(0.12)	(0.05)

The above results were derived from continuing operations.

Consolidated Statement of Financial Position

Year ended 31 March 2025

	Note	**31 March 2025 £**	31 March 2024 £
Assets			
Non-current assets			
Property, plant and equipment	15	9,455,736	19,266,279
Right-of-use assets	16	1,984,419	1,895,584
Intangible assets	17	4,984,614	5,058,686
Deferred tax assets	13	1,368,014	1,382,901
Escrow funds receivable	19	13,237,420	11,059,151
		31,030,203	**38,662,601**
Current assets			
Inventories	22	29,850	29,850
Trade and other receivables	20	2,986,872	2,809,893
Cash and cash equivalents	21	18,442	1,581,535
		3,035,164	**4,421,278**
Total assets		**34,065,367**	**43,083,879**
Equity and liabilities			
Equity			
Share capital	27	1,887,313	1,870,741
Share premium		51,949,078	51,949,078
Share option reserve		319,526	256,278
Warrant reserve		-	-
Retained earnings		(54,676,325)	(32,764,067)
Equity attributable to owners of the Company		**(520,408)**	**21,312,030**
Non-current liabilities			
Loans and borrowings	24	1,870,366	1,803,533
Provisions	25	4,006,771	5,137,646
Deferred tax liabilities	13	1,368,014	1,382,901
		[illegible]	[illegible]

		7,245,151	**8,324,080**
Current liabilities			
Trade and other payables	23	2,570,049	1,754,903
Loans and borrowings	24	24,770,575	11,692,866
		27,340,624	**13,447,769**
Total liabilities		34,585,775	21,771,849
Total equity and liabilities		34,065,367	43,083,879

The financial statements were approved by the Board on 04 September 2025 and signed on its behalf by:

Alistair Stobie

Director

Company Registration Number: 11310159

Consolidated Statement of Changes in Equity

Year ended 31 March 2025

	Share capital £	**Share premium £**	**Share option reserve £**	**Warrant reserve £**	**Retained earnings £**	**Total £**
At 31 March 2024	**1,870,741**	**51,949,078**	**256,278**	-	**(32,764,067)**	**21,312,030**
Loss for the year	-	-	-	-	(21,912,258)	(21,912,258)
Total comprehensive income	-	-	-	-	(21,912,258)	(21,912,258)
New share capital subscribed	16,572	-	-	-	-	16,572
Share options charge	-	-	63,248	-	-	63,248
At 31 March 2025	**1,887,313**	**51,949,078**	**319,526**	**-**	**(54,676,325)**	**(520,408)**

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

Consolidated Statement of Cash Flows

Year ended 31 March 2025

	Note	**2025 £**	**2024 £**
Cash flows from operating activities			

Loss for the year		(21,912,258)	(9,699,916)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	8	470,036	522,898
Loss on disposal of right to use asset	8	-	6,807
Loss on disposal of tangible fixed assets	8	5,181	**3,137**
Impairment of asset under construction	7	**9,506,522**	**2,157,923**
Gains on escrow account	7	(1,602,739)	(5,721,727)
Gains on restoration provision	7	(1,470,982)	(889,126)
Finance income	9	(579,880)	(200,175)
Finance costs	9	6,816,977	2,844,319
Movement in share-option reserve	10	60,583	(101,088)
Impact of foreign exchange	9	(12,734)	(49,551)
Income tax credit	13	(264,572)	(194,403)
		(8,983,866)	(11,320,902)
Working capital adjustments			
Income tax received		-	458,975
(Increase)/decrease in trade and other receivables	20	(176,979)	3,353,698
Increase/(decrease) in trade and other payables	23	815,146	(840,270)
Decrease in inventories	22	-	84,323
Net cash outflow from operating activities		(8,345,699)	(8,264,176)
Cash flows from investing activities			
Interest received	9	4,350	9,713
Acquisitions of property, plant and equipment	15	(19,885)	(2,703,810)
Acquisitions of intangibles	17	(750)	(39,952)
Net cash outflows from investing activities		(16,285)	(2,734,049)
Cash flows from financing activities			
Interest paid	9	(5,766)	(9,793)
Proceeds from issue of Ordinary Shares, net of issue costs		16,572	131,542
Proceeds from the issue of convertible loan notes, net of issue costs	24	6,751,000	9,241,830
Payments to hire purchase		**(31,873)**	**(20,302)**
Payments to lease liabilities		(198,279)	(201,535)
Net cash inflows from financing activities		6,531,654	9,141,742
Net decrease in cash and cash equivalents		(1,563,093)	(1,856,483)
Cash and cash equivalents at 1 April		1,581,535	3,438,018
Cash and cash equivalents at 31 March		18,442	1,581,535

Notes to the Consolidated Financial Statements

Year ended 31 March 2025

1 General information

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

The address of its registered office is:	The principal place of business is:
Hemerdon Mine	Hemerdon Mine
Drakelands	Drakelands
Plympton	Plympton
Devon	Devon
PL7 5BS	PL7 5BS
United Kingdom	United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

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

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

Going Concern

The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. Over the last year this has been dependent on raising funds via issues of convertible loan notes (CLN). There is no signed commitment from investors to provide further funds under the existing CLN agreement. The Group previously notified CLN holders of multiple defaults of the terms of the CLN agreement. A waiver was subsequently agreed and is in place until 31 December 2025. If further defaults were to arise, or the terms of the waiver be breached or expire before conversion, the notes can be called in for immediate redemption.

At the year-end, the Group had £0.02 million in cash reserves and £2.1 million in late August 2025. The Group expects to supplement its cash reserves through product sales and recovery of amounts previously paid to an equipment supplier for a cancelled order (of £0.7m). The recovery of the amount from the equipment supplier is still subject to negotiation however, the Board believes that this amount will be recoverable during 2025. If these inflows do not arise as expected cash reserves will be depleted sooner than forecast below. If the Group has not completed a major fundraising in late 2025 then it will be need to raise additional short-term funding.

If these fund raises do not occur in 2025 the Group will have insufficient cash to meet its liabilities as they fall due. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and company's ability to continue as a going concern.

In addition to short-term financing, the Group still requires additional funding to complete the MPF rebuild and is in discussions with financing partners to provide the additional capital. The capital amount of the financing, not including financing costs and any financing reserves, if any, is US 93 million.

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

Model 1 - Funding for Operating Costs and Obtain Financing

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

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

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2025.

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

have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2024 have had a material effect on the financial statements.

Revenue recognition

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

Tax

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

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

Property, plant and equipment

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

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

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

Depreciation

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

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

Goodwill

Goodwill is recognised at cost and reviewed for impairment annually.

Intangible assets

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

The mining rights are subject to amortisation over the useful life of the mine which is 27 years (2024: 27 years). Amortisation will be charged from the date the mine is brought into use. Software is amortised on a straight-line basis using a rate of 33%.

Right-of-use assets

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

Research and development activities

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

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

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

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

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

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

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

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

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

Exploration for and evaluation of mineral resources

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

Cash and cash equivalents

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

Trade receivables

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

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

Escrow funds

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

Trade payables

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

Convertible debt

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

Provisions

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

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

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

Leases

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

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

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

Share capital

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

Share options

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

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

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

Defined contribution pension obligation

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

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

Financial instruments

Initial recognition

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

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

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

Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

Financial liabilities

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

Significant accounting estimates and judgements

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

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

Significant accounting judgements

Impairment of non-current assets

To consider the impairment of the Group's non-current assets, management has calculated a value in use of the Group's cash-generating unit which comprises the Hemerdon Mine. This was determined using a discounted cashflow approach, supported by project cashflow forecasts prepared by management. The value of assets impacted is £14.4 million (2024: £24.3 million).

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

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

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

Management did separately recognise an impairment of £9.5m (2024: £2.2m) in relation to specific costs capitalised to an area of the Mineral Process Facility which has since been eliminated from the process.

Capitalisation of research and development costs

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

Capitalisation of asset under construction costs

The Directors have reviewed any costs relating to the upgrade of the mineral processing facility in accordance with IAS 16 and have capitalised costs if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. At the year end, £4.7 million (2024: £14.1 million) of costs at carrying value have been capitalised. The company acquired the pre-existing machinery in the mineral processing facility for nil cost. Due to the significant period of inactivity, refurbishment of the existing machinery has previously commenced to bring the machinery back into use. The direct costs of restoring or improving the functionality of the plant and machinery have been capitalised on the basis these costs will increase the future cashflows to be generated by the asset. In situations where parts have been replaced no matched disposal has been required in instances where the original asset is carried at nil value.

Founder options

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

Key sources of estimation uncertainty

Restoration provision

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

A 1% change in the discount rate on the Group's restoration estimates would result in an impact of £0.9 million to £1.2 million (2024: £1.1 million to £1.6 million) on the restoration provision. A 5% change in cost on the Group's restoration estimates would result in an impact of £0.2 million (2024: £0.3 million) on the provision for restoration. More information on the restoration provision is disclosed in note 25.

Escrow account

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

A 1% change in the discount rate on the Group's escrow account estimate would result in an impact of £1.5 million to £3.2 million (2024: £2.4 million to £3.1 million) on the escrow account valuation. A one-year change in useful mining life would result in an impact of £0.0 million (2024: £0.1 million) on the escrow account valuation. More information on the escrow account is disclosed in note 19.

Convertible loan notes

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

A two month earlier date of conversion or redemption assumption would result in a £0.8m (2024: £2.1m) increase to the fair value of the year end liability.

Discount rates

The Group has had to assess reasonable discount rates based on market factors to use under IFRS. These discount rates have been used on the right-of-use assets, escrow funds, the restoration provision and share based payments. The discount rate on the right-of-use asset is the rate for an equivalent debt instrument. The escrow funds are discounted at the risk free rate which is the yield on an equivalent long-term UK government bond. The restoration provision is discounted at the risk-free rate plus a premium based on the specific risk associated with this liability. The UK risk-free rate increased over the financial year to 5.2% (2024: 4.4%).

3 Financial risk management

Group

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

Credit risk

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

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

Liquidity risk

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

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

In the short term the key risk is raising sufficient finance to fund the operational costs of the business.

Market risk

Interest rate risk

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

Foreign exchange risk

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

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

Price risk

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

Inflation risk

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

4 Operating segments

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

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

	2025 **£**	**2024** **£**
Customer A	-	**435,072**
Customer B	-	**286,964**

5 Revenue from contracts with customers

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

	2025 **£**	2024 £
Tungsten	-	497,388
Tin	-	224,648
Aggregates	-	-
Sale of goods	-	722,036

6 Other income

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

	2025 **£**	2024 £
Sale of scrap metal	**3,600**	**14,424**
Sublease rental income	**2,635**	**-**
	6,235	**14,424**

7 Other gains and losses

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

	2025 £	2024 £
Gain on restoration provision due to change in discount rate	**1,470,982**	889,126
Gain on escrow account due to change in discount and interest rate	**1,602,739**	5,721,727
Impairment on assets under construction deposits (trade and other receivables)	-	**(1,373,546)**
Impairment on assets under construction (property, plant and equipment)	**(9,506,522)**	**(2,157,923)**
Other gains and losses	**(6,432,801)**	3,079,384

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

8 Operating loss

Arrived at after charging/(crediting):

	2025 £	2024 £
Depreciation of property, plant and equipment	**318,725**	331,335
Depreciation of right-of-use assets	**76,489**	120,281
Loss on disposal of right to use asset	**-**	6,807
Loss on disposal of tangible fixed assets	**5,181**	3,137
Impairment of asset under construction assets and deposits	**9,506,522**	3,531,469
Amortisation of intangibles	**74,822**	71,282
Staff costs	**2,481,436**	3,352,821

9 Finance income and costs

	2025 £	2024 £
Finance income		
Notional interest income on the escrow funds receivable	**575,530**	190,438
Other interest income	**4,350**	9,713
Foreign exchange gains	**-**	24
	579,880	200,175
Finance costs		
Interest expense on other financing liabilities	**(111,491)**	(118,985)
Notional cost on the restoration provision	**(340,107)**	(325,001)
Fair value movement in convertible loan notes designated fair value through profit and loss	**(6,346,879)**	**(2,345,391)**
Bank charges	**(5,766)**	(5,367)
Foreign exchange losses	**(12,734)**	(49,575)
Total finance costs	**(6,816,977)**	(2,844,319)
Net finance costs	**(6,237,097)**	(2,644,144)

10 Staff costs

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

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

	2025 £	2024 £
Wages and salaries	**2,074,586**	2,724,119
Social security costs	**253,935**	331,690
Pension costs, defined contribution scheme	**92,332**	164,738
Share based payment	**60,583**	(101,088)
Amounts capitalised to asset under construction	**-**	233,362
	2,481,436	3,352,821

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

	2025 No.	2024 No.
Project, maintenance, administration and support	**26**	44
Directors	**6**	5
	32	49

11 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2025 £	2024 £
Remuneration	**681,726**	487,035
Pension contribution	**22,541**	19,130
Benefits in kind	**1,489**	1,884
Total cash remuneration	**705,756**	508,049
Share-based payment	**-**	4,025
Total remuneration	**705,756**	512,074

Included in the remuneration above was £nil (2024: £nil) paid in shares rather than cash.

Remuneration by each Director is as follows:

	2025 Salary £	**2025 Pension £**	**2025 Loss of office £**	**2025 Benefits £**	**2025 Share-based payment £**	**2025 Total £**
Richard M Maxey	24,000	-	-	-	-	**24,000**
Alistair Stobie	175 916	8,046	-	-	-	**183,962**
David Cather	45,000	-	-	-	-	**45,000**

Martin Wood	29,000	-	-	-	-	**29,000**
Kevin Ross	24,000	-	-	-	-	**24,000**
Jeffrey Court	171,410	4,375	-	-	-	**175,785**
Neil Gawthorpe**	202,400	10,120	-	**1,489**	-	**214,009**
Adrian Bougourd	-	-	-	**-**	-	**-**
Guy Edwards	24,000	-	-	**-**	-	**-**
Stephen Harrison	10,000	-	-	**-**	-	**10,000**
	705, 726	**22,541**	-	**1,489**	**-**	**729,756**

** Denotes the highest paid Director.

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

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

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

** Denotes the highest paid Director.

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

12 Auditors' remuneration

	2025 £	2024 £
Audit of these financial statements	**71,000**	50,000
Other fees to auditors		
Audit of subsidiary financial statements and other assurance services	**82,900**	**83,500**
	153,900	133,500

13 Income tax

Tax charged/(credited) in the income statement:

	2025 £	2024 £
Current taxation		
Adjustments in respect of prior periods	(264,572)	(194,403)

The tax on profit for the year is higher (2024: higher) than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are reconciled below:

	2025 £	**2024** £
Loss before tax	(22,176,830)	(9,894,319)
Corporation tax at standard rate	(5,544,207)	(2,473,580)
Fixed asset differences	2,433,186	587,065
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	1,663,040	370,996
Other differences	750	37
Surrender of tax losses for R&D tax credit refund	(264,572)	(194,403)
Remeasurement of deferred tax for changes in tax rates	-	-
Income not taxable	-	-
Decrease/(increase) from tax losses for which no deferred tax asset was recognised	1,447,231	1,515,482
Total tax credit	(264,572)	(194,403)

Deferred tax

Group

	2025 Intangibles £	**2025 Tangibles £**	**2025 Losses £**	**2025 Other £**	**2025 Total £**
At 1 April 2024	961,084	421,817	(1,382,901)	-	-
Charged to profit and loss	-	(14,887)	14,887	-	-
At 31 March 2025	961,084	406,930	(1,368,014)	-	-

The net deferred tax of £nil is made up of a liability of £1,368,014 and asset of £1,368,014. The unrecognised deferred tax asset for carried forward losses at 31 March 2025 was £10,281,434.

The rate used for the deferred tax is 25% (2024: 25%).

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

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

14 Basic and diluted loss per share

Basic and diluted loss per share is calculated as follows:

	2025 **£**	2024 £
Loss for the year	**(21,912,258)**	(9,699,916)
Weighted average number of shares in issue	**188,495,213**	185,755,355
Basic and diluted loss per share	**(0.12)**	(0.05)

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

15 Property, plant and equipment

Group	**Land and buildings** **£**	**Furniture, fittings and equipment** **£**	**Computer equipment** **£**	**Motor vehicles** **£**	**Other property, plant and equipment** **£**	**Asset under construction** **£**	**Total** **£**
Cost or valuation							
At 1 April 2023	5,189,361	114,709	313,400	141,500	243,455	13,717,101	19,719,526
Additions	-	53	2,100	-	7,726	2,693,931	2,703,810
Disposal	-	-	(3,137)	-	-	-	(3,137)
At 31 March 2024	**5,189,361**	**114,762**	**312,363**	**141,500**	**251,181**	**16,411,032**	**22,420,199**
Additions	-	-	-	-	-	19,885	19,885
Disposal	-	-	(23,478)	-	-	-	(23,478)
At 31 March 2025	**5,189,361**	**114,762**	**288,885**	**141,500**	**251,181**	**16,430,917**	**22,416,606**
Depreciation							
At 1 April 2023	339,688	14,494	82,329	35,435	83,769	108,947	664,662
Charge for the year	105,429	20,804	101,245	46,695	57,162	-	331,335
Impairment	-	-	-	-	-	2,157,923	2,157,923
At 31 March 2024	**445,117**	**35,298**	**183,574**	**82,130**	**140,931**	**2,266,870**	**3,153,920**
Charge for the year	105,428	22,951	89,376	46,695	54,275	-	318,725
Disposal	-	-	(18,297)	-	-	-	(18,297)
Impairment	-	-	-	-	-	9,506,522	9,506,522
At 31 March 2025	**550,545**	**58,249**	**254,653**	**128,825**	**195,206**	**11,773,392**	**12,960,870**
Carrying amount							
At 31 March 2025	**4,638,816**	**56,513**	**34,232**	**12,675**	**55,975**	**4,657,525**	**9,455,736**
At 31 March 2024	4,744,244	79,464	128,789	59,370	110,250	14,144,162	19,266,279
At 31 March 2023	4,849,673	100,215	231,071	106,065	159,686	13,608,154	19,054,864

Included within the net book value of land and buildings above is £3,980,684 (2024: £4,047,460) in respect of freehold land and buildings.

Impairment - Asset under construction

The amount of impairment loss included in profit and loss is £9,506,522 (2024: £2,157,923). The Group has previously capitalised all costs to Asset Under Construction that relate to the ongoing project to upgrade the processing plant and mine site. The impairment principally relates to consulting and design work for a new front-end crushing circuit undertaken in 2021/2022 2022/2023 which will not now be implemented.

16 Right-of-use assets

	Property £	Total £
Cost or valuation		
At 1 April 2023	2,341,570	2,341,570
Write off	(6,807)	(6,807)
At 31 March 2024	**2,334,763**	**2,334,763**
Additions	165,324	165,324
Write off	(79,712)	(79,712)
At 31 March 2025	2,420,375	2,420,375
Depreciation		
At 1 April 2023	318,898	318,898
Charge for the year	120,281	120,281
At 31 March 2024	**439,179**	**439,179**
Charge for the year	76,489	76,489
Write off	(79,712)	(79,712)
At 31 March 2025	435,956	435,956
Carrying amount		
At 31 March 2025	1,984,419	1,984,419
At 31 March 2024	1,895,584	1,895,584

Depreciation on right-of-use assets charged through the profit and loss totals £76,489 (2024: £120,281). Interest expense on lease liabilities charged through the profit and loss totals £111,491 (2024: £118,985). Certain assets held under right-of-use leases are secured by charges held in favour of Hargreaves (UK) Services Limited or the Trustees of Newnham Estate Trust.

Lease liabilities

	2025 Future lease payments £	2025 Discount £	2025 Lease liability £
Within one year	163,664	(101,277)	62,387
In two to five years	459,003	(276,523)	182,480
In over five years	2,908,135	(1,226,808)	1,681,327
	3,530,802	**(1,604,608)**	**1,926,194**

	2024 Future lease payments £	2024 Discount £	2024 Lease liability £
Within one year	213,175	(107,530)	105,645

In two to five years	662,214	(377,706)	284,508
In over five years	2,784,622	(1,265,597)	1,519,025
	3,660,011	**(1,750,833)**	**1,909,178**

The lease liabilities are presented as follows:

	31 March 2025 £	31 March 2024 £
Current liabilities	62,387	105,645
Non-current liabilities	1,863,807	1,803,533
	1,926,194	1,909,178

17 Intangible assets

Group

	Goodwill £	**Mining rights £**	**Software £**	**Total £**
Cost				
At 1 April 2023	1,075,520	3,844,333	191,523	5,111,376
Additions	-	-	39,952	39,952
At 31 March 2024	1,075,520	3,844,333	231,475	5,151,328
Additions	-	-	750	750
At 31 March 2025	1,075,520	3,844,333	232,225	5,152,078
Amortisation				
At 1 April 2023	-	-	21,360	21,360
Amortisation charged to the profit and loss	-	-	71,282	71,282
At 31 March 2024	-	-	92,642	92,642
Amortisation charged to the profit and loss	-	-	74,822	74,822
At 31 March 2025	-	-	167,464	167,464
Carrying amount				
At 31 March 2025	**1,075,520**	**3,844,333**	**64,761**	**4,984,614**
At 31 March 2024	1,075,520	3,844,333	138,833	5,058,686
At 31 March 2023	1,075,520	3,844,333	170,163	5,090,016

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

The carrying amount of the mining rights is £3,844,333 (2024: £3,844,333). The mining rights will begin to be amortised when mining operations restart.

Software amortisation of £74,822 (2024: £71,282) has been charged to the profit and loss presented in administrative expenses.

Impairment

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

	2025	2024
Discount rate	**7.5 %**	**8%**
Expected duration of mining activities	**27 years**	**27 years**
Tungsten grade	**>0.50**	**>0.45**
Tungsten metal price	**400**	**350**
Foreign exchange rate	**1.28**	**1.28**

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

18 Investments

Group subsidiaries

Details of the Group subsidiaries as at 31 March 2025 are as follows:

			Proportion of ownership interest and voting rights held	
Name of subsidiary	Principal activity	Registered office	**2025**	2024
Drakelands Restoration Limited* Company number 11854467	Mining of tungsten and tin	Hemerdon Mine. Drakelands, Plympton, Devon United Kingdom PL7 5BS England and Wales	**100%**	100%
Tungsten West Services Limited** Company number 12430582	Provision of services to the Group	Hemerdon Mine. Drakelands, Plympton, Devon United Kingdom PL7 5BS England and Wales	**100%**	100%
Aggregates West Limited** Company number 12575686	Sales of aggregates	Hemerdon Mine. Drakelands, Plympton, Devon United Kingdom PL7 5BS England and Wales	**100%**	100%

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

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

19 Escrow funds

	31 March 2025 £	31 March 2024 £
Non-current financial assets		
Escrow funds	**13,237,420**	11,059,151

These are funds being held under escrow with a third party which will be released back to the Group on the cessation of mining once restoration works have been completed. The funds have been discounted to present value over the expected useful life of the mine. During the year, the discount rate was revised to 5.2% (2024: 4.4%) and the expected future interest yield to 4.8% (2024: 3.7%) resulting in a gain of £1,602,739 (2024: gain of £5,721,727). The actual funds held in the escrow account at year end were £14,633,857 (2024: £13,740,012).

20 Trade and other receivables

	31 March 2025 £	31 March 2024 £
Trade receivables	**5,074**	56,373
Deposits	**2,765,284**	2,631,435
Prepayments	**145,317**	37,431
Other receivables	**71,197**	84,654
	2,986,872	2,809,893

The average credit period on sales of goods is 30 days (2024: 30 days). No interest is charged on outstanding trade receivables. The carrying amount of trade and other receivables approximates the fair value.

As the Group is in the early phases of operations and making a few minor sales, expected credit losses are being considered on a customer-by-customer basis. At the year-end, trade receivables include a provision of £66,751 (2024: £68,262).

21 Cash and cash equivalents

	31 March 2025 £	31 March 2024 £
Cash at bank	**18,442**	1,581,535

22 Inventories

	31 March 2025 £	31 March 2024 £
Inventories	**29,850**	29,850

23 Trade and other payables

	31 March 2025 £	31 March 2024 £
Trade payables	**1,177,693**	434,515
Accrued expenses	**1,089,820**	950,512
Social security and other taxes	**284,625**	94,304
Outstanding defined contribution pension costs	**17,744**	11,000
Corporation tax liability	**-**	264,572
Other payables	**167**	-
	2,570,049	1,754,903

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 45 days (2024: 45 days). No interest is charged on overdue amounts.

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

24 Loans and borrowings

	31 March 2025 £	31 March 2024 £

Non-current loans and borrowings		
Lease liabilities	**1,863,807**	1,771,527
Hire purchase	**6,559**	32,006
	1,870,366	1,803,533

	31 March 2025 £	31 March 2024 £
Current loans and borrowings		
Lease liabilities	**62,387**	80,557
Hire purchase	**25,088**	25,088
Convertible loan notes	**24,683,100**	11,587,221
	24,770,575	11,692,866

Convertible loan notes

Throughout the last two financial years the group has issued 7 tranches of Convertible Loan Notes with a nominal value of £17,107,043. The bonds were initially due for conversion into ordinary shares 365 days from the first issue date, being June 2024. The holders have the option to exchange the convertible loan notes for an equivalent instrument prior to conversion. The notes bear interest at 20% per annum. The loan notes convert in to ordinary shares at the lower of £0.03 per share or the equity conversion price, being the price at which new ordinary shares are issue pursuant to an equity raise, less a discount of fifty per cent. The notes are secured by a charge over certain assets of the group held by the security agent Kroll Trustee Services Limited.

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

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

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

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

On 16 August 2023 the note holders agreed a waiver of the breaches which would have expired on 31 January 2024. On 15 December 2023 the note holders agreed a waiver of the breaches until 30 June 2024. On 15 October 2024 the note holders agreed a waiver of the breaches until 31 March 2025. On 25 March 2024 an amendment was agreed to the original terms of the note purchase agreement to extend the conversion date to 598 days from the first issue date, being January 2025. In the latest amendment to the original agreement, dated 13 January 2025, this was extended to 932 days, being December 2025.

Movement in liability

	31 March 2025 £	31 March 2024 £
Brought forward	**11,587,221**	**-**
Cash received	**6,751,000**	**10,356,043**
Directly attributable costs incurred	**(2,000)**	**(1,114,213)**
Fair value movement in year	**6,346,879**	**2,345,391**
Carried forward	**24,683,100**	11,587,221

25 Provisions

Group

	Restoration provision £	Total £
At 1 April 2024	**5,137,646**	5,137,646
Change in inflation and discount rate	(1,470,982)	(1,144,581)
Increase due to passage of time or unwinding of discount	340,107	340,107
At 31 March 2025	4,006,771	4,333,172
Non-current liabilities	4,006,771	4,333,172

This provision is for the obligation to restore the mine to its original state once mining operations cease, discounted back to present value based on the estimated life of the mine. Prior to discounting the Directors estimate the provision at current costs to be £13,201,256 (2024: £13,201,256).

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

Management has considered these risks and used a discount rate of 7.0% (2024: 6.4%), an inflation rate of 2% - 7.5% (2024: 2% - 7.5%) and an estimated mining period of 27 years (2024: 27 years). At the reporting date these assumptions represent management's best estimate of the present value of the future restoration costs.

26 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £92,332 (2024: £164,738).

Contributions totaling £17,744 (2024: £11,000) were payable to the scheme at the end of the year and are included in creditors.

27 Share capital

Allotted, called up and fully paid shares

	31 March 2025		31 March 2024	
	No.	**£**	No.	£
Ordinary Shares of £0.01 each	188,731,307	1,887,313	187,074,111	1,870,741

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

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

	31 March 2025 £	31 March 2024 £
Number of shares brought forward	**187,074,111**	180,551,615
Issue of shares on 13 June 2023 at £0.03 per share	**-**	6,522,496
Issue of shares, founder share incentives, on 22 May 2024 at £0.01 per share	**1,657,196**	-
	188,731,307	187,074,111

28 Share-based payments

Warrants

Details and movements

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

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

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

	31 March 2025 No.	31 March 2024 No.
Outstanding, start of year	**-**	**2,170,740**
Granted during the year	**-**	**-**
Exercised during the year	**-**	**-**
Expired during the year	**-**	**(2,170,740)**
Outstanding, end of year	**-**	**-**

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

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

The exercise price of warrants outstanding at 31 March 2024 and 31 March 2025 is £nil and their remaining contractual life is nil.

Founder share incentives

Details and movements

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

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

	31 March 2025 No.	31 March 2024 No.
Outstanding, start of year	**18,229,148**	**18,229,148**
Granted during the year	**-**	-
Exercised during the year	**(1,657,196)**	-
Outstanding, end of year	**16,571,952**	**18,229,148**

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

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

EMI share options

Details and movements

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

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

	31 March 2025 No.	31 March 2024 No.
Outstanding, start of year	**400,002**	1,533,335
Granted during the year	**-**	-
Forfeited during the year	**-**	(1,133,333)
Exercised/(lapsed) during the year	**-**	-
Outstanding, end of year	**400,002**	400,002

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

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

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

The exercise price of share options outstanding at 31 March is £0.45 (2024: £0.45) and their remaining contractual life is estimated at 24 months (2024: 21 months).

	31 March 2025		31 March 2024	
	Average Exercise Price £	**Options**	**Average Exercise Price £**	**Options**
Outstanding, start of year	0.45	400,002	0.37	1,533,335
Granted during the year	**-**	**-**	-	-
Exercised/(lapsed) during the year	**-**	**-**	(0.34)	(1,133,333)
Outstanding, end of year	**0.45**	**400,002**	0.45	400,002

CSOP share options

Details and movements

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

	31 March 2025 No.	31 March 2024 No.
Outstanding, start of year	**333,330**	**2,583,316**
Granted during the year	-	-
Exercised/(lapsed) during the year	-	**(2,249,986)**
Outstanding, end of year	**333,330**	**333,330**

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

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

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

The exercise price of share options outstanding at 31 March 2025 was £0.275 (2024: £0.275) and their remaining contractual life was 6 months (2024: 1 year and 6 months). The options lapse after 7 years and 6 months from the balance sheet date (2024: 8 years and 6 months).

	31 March 2025		31 March 2024	
	Average Exercise Price £	**Options**	Average Exercise Price £	Options
Outstanding, start of year	**0.275**	**333,330**	0.275	2,583,316
Granted during the year	-	-	-	-
Exercised/(lapsed) during the year	-	-	(0.275)	(2,249,986)
Outstanding, end of year	**0.275**	**333,330**	0.275	333,330

29 Commitments

Capital commitments

As at 31 March 2025 the Group had contracted to purchase plant and machinery amounting to £1,178,774 (2024: £1,746,455). Of this an amount of £123,320 (2024: £nil) is dependent on the commencement of mining operations.

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £8,329,000 (2024: £9,329,000) committed at present or on the commencement of mining operations and represented contractual amounts due to the mining contractor and further committed payments to the funds held in the escrow account under the escrow agreement. Included within other financial commitments is £3,000,000 (2024: £4,000,000) which is considered to be payable between one to five years after mining operations commence.

Contingent liabilities

As at 31 March 2025 the Group is liable for payment of any withholding tax arising on the convertible loan notes. On the basis that it considers the likelihood of a withholding tax liability arising as unlikely no provision has been made in the financial statements. Based on interest accrued to the year end were the liability to arise the Group's estimate of the contingent liability is £1,000,000 (2024: £200,000).

As at 31 March 2025 the Group had an obligation to dispose of waste materials found onsite. It is the intention of management to dispose of the waste through the onsite Mine Waste Facility. If external disposal is required the Company would incur third party disposal fees estimated at £700,000 (2024: £700,000). As third party costs were not deemed probable no provision is included in the financial statements but are considered to represent a contingent liability at the year end.

30 Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	At 1 April 2024 £	**Financing cash flows £**	**New finance £**	**Other changes £**	**Converted to equity £**	**At 31 March 2025 £**
Lease liabilities	1,909,178	(227,792)	-	276,455	-	1,957,841
Convertible loan notes	11,587,221	-	6,751,000	6,344,879	-	24,683,100
	13,496,399	(227,792)	6,751,000	6,621,334	-	26,640,941

			Non-cash changes			
	At 1 April 2023 £	**Financing cash flows £**	**New finance £**	**Other changes £**	**Converted to equity £**	**At 31 March 2024 £**
Lease liabilities	2,016,456	(226,263)	-	118,985	-	1,909,178
Convertible loan notes	-	-	9,241,830	2,345,391	-	11,587,221
	2,016,456	(226,263)	9,241,830	2,464,376	-	13,496,399

31 Classification of financial and non-financial assets and liabilities

The classification of financial assets and liabilities by accounting categorisation for the year ending 31 March 2025 was as follows:

	2025 Financial assets at amortised cost £	2024 Financial assets at amortised cost £	**2025 Financial assets at FVTPL £**	2024 Financial assets at FVTPL £
Assets				
Non-current assets				
Escrow funds receivable	-	-	**13,237,420**	11,059,151
Current assets				
Trade and other receivables	**2,841,555**	2,772,462	-	-
Cash and cash equivalents	**18,442**	1,581,535	-	-
	2,859,997	4,353,997	**13,237,420**	11,059,151

	2025 Financial liabilities at amortised cost £	2024 Financial liabilities at amortised cost £	**2025 Financial liabilities at FVTPL £**	2024 Financial liabilities at FVTPL £
Liabilities				
Non-current liabilities				
Loans and borrowings	**(1,870,366)**	(1,803,533)	-	-

Current liabilities

Trade and other payables	**(2,570,047)**	(1,754,903)	**-**	-
Loans and borrowings	**(87,475)**	(105,645)	**(24,683,100)**	(11,587,221)
	(4,527,888)	(3,664,081)	**(24,683,100)**	(11,587,221)

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included in level 1 that are observable, directly or indirectly.
- Level 3 inputs are unobservable.

The group's Escrow funds receivable is measured at fair value of £13,237,420 (2024: £11,059,151). These are classified as level 3. They are valued based on discounted cash-flows. A number of inputs such as the risk-free rate are observable inputs but there are also significant unobservable inputs such as the expected interest yield.

The group's convertible loan notes are measured at fair value of £24,683,100 (2024: 11,587,221). These are classified as level 3. They are valued based on a scenario pricing model. A number of inputs such as the market value of shares are observable inputs but there are also significant unobservable inputs such as the discount rate and the probabilities assessed for each scenario.

32 Financial risk review

Group

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

Credit risk

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

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

Liquidity risk

The Directors regularly monitor forecast and actual cash flows and match the maturity profiles of financial assets and liabilities to ensure proper liquidity risk management and to maintain adequate reserves and borrowing facilities. In the view of the Directors, the key risk to liquidity is in meeting short-term cash flow needs. See further discussion of short term liquidity risk in the going concern section of note 2.

Market risk

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

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

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

33 Related party transactions

Convertible loan notes

During the year convertible loan notes of £5,250,000 were issued to parties connected to various Directors of the group (2024: £6,593,763). The convertible loan notes accrued interest of £2,057,797 (2024: £665,645) during the year.

Key management personnel

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

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

New and amended Standards and Interpretations applied

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

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

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

Standard or Interpretation	Effective for annual periods commencing on or after
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Classification & Measurement of Financial Instruments (Amendments to IFRS 9 & IFRS 7)	1 January 2026
Annual Improvements - Volume 11 (IFRS 1, 7, 9, 10 & IAS 7)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 & IFRS 7)	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements-Basis for Conclusions	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements-Illustrative Examples	1 January 2027

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

35 Post balance sheet events

On 08 May 2025 the Group announced that conditions precedent of CLN Tranche G Part B were achieved, drawing down £0.9m.

On 02 July 2025, the Company raised £4.3 million by way of Tranche H of the CLN.

On 05 August 2025 the Company announced that it had completed an updated feasibility study.

Independent Auditor's Report to the members of Tungsten West plc

Report on the parent company financial statements

Opinion

We have audited the financial statements of Tungsten West plc (the "parent company") for the year ended 31 March 2025, which comprise the Company Statement of Financial Position, Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its loss for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Notes 2 and 37 in the financial statements, which indicate that the group has yet to secure the short term finance it needs to continue in operational existence for the foreseeable future. As stated in Note 2 and 37, these events or conditions, along with other matters as set forth in Note 2 and 37 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

The key audit matters identified for the company related to the management override of controls, going concern, convertible loan notes and assessment of credit losses on group loan receivables. Further detailed work in respect of the first three matters are set out in our group audit report.

KEY AUDIT MATTER	RESPONSE AND CONCLUSION
Credit loss provision against group loan receivables **The company has provided interest free loans repayable on demand to its trading subsidiaries. As the subsidiaries lack the cash reserves to repay these balances on demand the expected credit loss must be assessed under IFRS 9. The uncertainty regarding the future preparation of an updated feasibility study and ability to secure project finance has impacted the assessment of credit losses on these loans.**	Our audit work included: • Assessment and challenge of the key assumptions applied by management. • Reperformance of management's calculation. • Discussions and enquiries with management. • Assessment of the accuracy and completeness of accounts disclosure in light of the above. As a result of the procedures performed, we are satisfied that credit loss provision is valued and disclosed with material accuracy.

Our application of materiality

Misstatements, including omissions, are considered to be material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We use quantitative thresholds of materiality, together with qualitative assessments in planning the scope of our audit, determining the nature, timing and extent of our audit procedures and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the company financial statements should be based on gross assets as it is a holding company. Overall company materiality was set at £412,000, performance materiality of £247,500 and individual errors above £20,600 were reported to the audit committee.

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. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 parent company 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 Statement of Directors' Responsibilities set out on page 28 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 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 legal and regulatory framework applicable to the company and the industry in which it operates. We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (IFRS and Companies Act 2006) and the relevant tax compliance regulations in the UK. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty, including compliance with the Health and Safety at Work etc Act 1974 and the ongoing monitoring requirements imposed by the UK Environment Agency under the Environment Act 1995.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

• Reviewed legal and professional costs to identify legal costs in respect of non compliance;

• Discussions and enquiries with management whether there have been any known instances, allegations or suspicions of fraud or non compliance with laws and regulations; and

• Review of board minutes or correspondence with regulators, where available, including the UK Environment Agency.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting. Our procedures involved the following:

• Review of nominal journal entries for reasonableness; and

• Review of significant accounting estimates for bias, in particular the key accounting estimates.

Further details on the procedures planned are included in the key audit matters section of this report above and the group report.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor's-responsibilities-for. This description forms part 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 audit 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.

Duncan Leslie

(Senior Statutory Auditor)

For and on behalf of PKF Francis Clark, Statutory Auditor

Melville Building East

Unit 18, 23 Royal William Yard

Plymouth

Devon

PL1 3GW

Date:

Company Statement of Financial Position

Year ended 31 March 2025

	Note	**2025 £**	2024 £
Fixed assets			
Tangible fixed assets	40	28,935	31,194
Investments in subsidiary undertakings	41	4,190,460	4,187,796
		4,219,395	4,218,990
Current assets			
Receivables due within one year	42	167,076	31,894,336
Receivables due after more than one year	42	35,941,304	-
Cash at bank and in hand	43	13,093	1,268,756
		36,121,473	33,163,092
Total Assets		**40,340,868**	37,382,082
Equity and liabilities			
Equity			
Share capital	46	1,887,313	1,870,741
Share premium		51,949,078	51,949,078
Share option reserve		319,526	256,278
Retained earnings		(39,398,958)	(28,797,230)
Equity attributable to owners of the Company		**14,756,959**	25,278,867
Current liabilities			
Trade and other payables	44	900,809	515,994
Convertible loan notes	45	24,683,100	11,587,221
Total liabilities		**25,583,909**	12,103,215
Total equity and liabilities		**40,340,868**	37,382,082

The Company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The Company made a loss for the financial year of £10,601,728 (2024: £7,782,971).

The Company accounts were approved by the Board on 04 September 2025 and signed on its behalf by:

Alistair Stobie

Director

Company Registration Number: 11310159

Company Statement of Changes in Equity

Year ended 31 March 2025

	Share capital £	**Share premium £**	**Share option reserve £**	**Warrant reserve £**	**Retained earnings £**	**Total £**
At 31 March 2023	**1,805,516**	**51,882,761**	**357,366**	**740,867**	**(21,755,126)**	**33,031,384**
Loss for the year	-	-	-	-	**(7,782,971)**	**(7,782,971)**
Total comprehensive income	-	-	-	-	**(7,782,971)**	**(7,782,971)**

New share capital subscribed	65,225	66,317	-	-	-	**131,542**
Expired warrants	-	-	-	**(740,867)**	740,867	-
Share options charge	-	-	**85,138**	-	-	**85,138**
Forfeiture of share options	-	-	**(186,226)**	-	-	**(186,226)**
At 31 March 2024	**1,870,741**	**51,949,078**	**256,278**	-	**(28,797,230)**	**25,278,867**
Loss for the year	-	-	-	-	**(10,601,728)**	**(10,601,728)**
Total comprehensive income	-	-	-	-	**(10,601,728)**	**(10,601,728)**
New share capital subscribed	16,572	-	-	-	-	16,572
Share options charge	-	-	63,248	-	-	63,248
At 31 March 2025	**1,887,313**	**51,949,078**	**319,526**	**-**	**(39,398,958)**	**14,756,959**

Notes to the Company Financial Statements

Year ended 31 March 2025

36 General information

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

The address of its registered office is:	The principal place of business is:
Hemerdon Mine	Hemerdon Mine
Drakelands	Drakelands
Plympton	Plympton
Devon	Devon
PL7 5BS	PL7 5BS
United Kingdom	United Kingdom

37 Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework ('FRS 101').

No profit and loss account is presented for Tungsten West plc, as permitted by section 408 of the Companies Act 2006.

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

Reduced disclosures applied

In preparing the Company financial statements the Company has applied the following disclosure exemptions allowed under FRS 101, therefore the following are omitted:

- A Company statement of cash flows as required by IAS 1 and IAS 7.
- Financial instruments disclosures under IFRS 7.
- Fair value disclosure under IFRS 13.
- Related party disclosures with wholly owned subsidiaries of the Group.
- Reconciliations of share capital movements required by IAS 1.
- Comparative information for property, plant and equipment.
- Disclosing information on leases required by IFRS 16 in a single note.

The Group's financial statements are included within this document.

Going concern

The Directors consider the Company to be a going concern however the Company is reliant on the trading activity of the wider Group.

The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. Over the last year this has been dependent on raising funds via issues of convertible loan notes (CLN). There is no signed commitment from investors to provide further funds under the existing CLN agreement. The Group previously notified CLN holders of multiple defaults of the terms of the CLN agreement. A waiver was subsequently agreed and is in place until 31 December 2025. If further defaults were to arise, or the terms of the waiver be breached or expire before conversion, the notes can be called in for immediate redemption.

At the year-end, the Group had £0.02 million in cash reserves and £2.1 million in late August 2025. The Group expects to supplement its cash reserves through product sales and recovery of amounts previously paid to an equipment supplier for a cancelled order (of £0.7m). The recovery of the amount from the equipment supplier is still subject to negotiation however, the Board believes that this amount will be recoverable during 2025. If these inflows do not arise as expected cash reserves will be depleted sooner than forecast below. If the Group has not completed a major fundraising in late 2025 then it will be need to raise additional short-term funding.

If these fund raises do not occur in 2025 the Group will have insufficient cash to meet its liabilities as they fall due. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and company's ability to continue as a going concern.

In addition to short-term financing, the Group still requires additional funding to complete the MPF rebuild and is in discussions with financing partners to provide the additional capital. The capital amount of the financing, not including financing costs and any financing reserves, if any, is US 93 million.

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

Model 1 - Funding for Operating Costs and Obtain Financing

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

As a result, the Board intends that the Group and Company to be able to operate as a going concern for the foreseeable future. Consequently, the Board continue to adopt the going concern basis in preparing these financial information despite the material uncertainty referred to above.

Summary of significant accounting policies and key accounting estimates

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

Property, plant and equipment

Land and buildings are stated at the cost less any depreciation or impairment losses subsequently accumulated (cost model).

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

Depreciation

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

Asset class	**Depreciation method and rate**
Furniture, fittings and equipment	5% - 20% Straight Line
Other property, plant and equipment	5% Straight Line

Right-of-use assets

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

Investments

Fixed asset investments are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are either due on demand or have maturities of three months or less from inception.

Convertible debt

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

Leases

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

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

Significant accounting estimates and judgements

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

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

Convertible loan notes

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

A two month earlier date of conversion or redemption assumption would result in a £0.8m (2024: £2.1m) increase to the fair value of the year end liability.

Probability estimate in calculating expected credit losses

The Company calculates expected credit losses on financial assets, including inter-company loans, in accordance with IFRS 9 - Financial Instruments. In determining these expected credit losses, the Company incorporates probability estimates based on a range of possible outcomes.

Incorporation of probability estimates

The calculation of expected credit losses involves the incorporation of probability estimates to reflect the likelihood of different credit events occurring. The Company considers various factors, including historical data, economic conditions, industry-specific information, and forward-looking information to develop these probability estimates.

Economic conditions

The Company considers current and expected future economic conditions when developing probability estimates. The most significant economic risk to the Company is lenders appetite to invest long term in the Company. Management estimates the chance of success at 85%.

Overall, the expected credit loss provision at year-end is £25,085,361 (2024: £23,189,706) which represents a 41% effective provision. The effective provision rate is higher than expected based on the probability of recovery estimate, which was assessed overall at 72%, due to the 100% provision on Tungsten West Services Limited as the company is not expected to generate future profits to repay the inter-company loan.

Sensitivity analysis

The Company has performed a sensitivity analysis to assess the impact of different scenarios on the expected credit losses for inter-company loans. The analysis considered changes in economic conditions, default rates, and other relevant factors. A 10% increase in probability estimate would reduce the expected credit loss by £6.1 million (2024: £4.3 million). A 10% decrease in probability estimate would increase the expected credit loss by £6.1 million (2024: £4.3 million).

Based on this analysis, management believes that the loss allowance recognised is appropriate given the current economic environment and specific characteristics of the inter-company loans.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding fixed assets, prepayments, and deferred tax liabilities.

The Group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the financial instrument.

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

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

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

Expected Credit Losses on Inter-Company Loans

The Company has extended loans to its subsidiaries (inter-company loans). Management has assessed the expected credit losses associated with these inter-company loans in accordance with IFRS 9 - Financial Instruments.

Measurement of Expected Credit Losses

The expected credit losses for inter-company loans have been measured based on a forward-looking assessment of credit risk, taking into consideration both historical data and reasonable and supportable information about future events. The Company uses the following stages to classify the inter-company loans and measure the corresponding expected credit losses:

Stage 1: Loans with no significant increase in credit risk since initial recognition

Inter-company loans that have not experienced a significant increase in credit risk since initial recognition are considered to be in Stage 1. For these loans, the Company recognises a loss allowance equal to 12-month expected credit losses.

Stage 2: Loans with a significant increase in credit risk since initial recognition

Inter-company loans that have experienced a significant increase in credit risk since initial recognition are considered to be in Stage 2. For these loans, the Company recognises a loss allowance equal to lifetime expected credit losses.

Stage 3: Loans that are credit-impaired

Inter-company loans that are credit-impaired are classified as Stage 3. Credit-impaired loans are those for which there is evidence of a measurable decrease in estimated future cash flows since initial recognition. For these loans, the Company recognises a loss allowance equal to lifetime expected credit losses.

Determination of Expected Credit Losses

The determination of expected credit losses involves assessing a range of possible outcomes and their respective probabilities. The Company considers relevant factors, including economic conditions, industry-specific factors, and forward-looking information.

Derecognition

Financial assets

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

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

Financial liabilities

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

Share capital

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

Share options and warrants

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

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

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

Tax

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

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

38 Company staff costs

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

	2025 **£**	2024 £
Wages and salaries	112,000	134,000
Social security costs	12,140	13,099
Pension costs, defined contribution scheme	-	(1,339)
Share based payments	60,583	(104,379)
	184,723	**41,381**

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

	2025 **No.**	2024 No.
Management	**5**	4
Total	**5**	4

Remuneration of the Directors is disclosed in note 11 to the Consolidated Financial Statements.

39 Deferred tax

The unrecognised deferred tax asset for carried forward losses as at 31 March 2025 was £2,894,986 (2024: £2,984,112).

40 Tangible fixed assets

	Furniture, fittings and equipment **£**	**Other property, plant and equipment** **£**	**Total** **£**
Cost			
At 1 April 2024	2,048	36,983	39,031
Additions	-	-	-
At 31 March 2025	**2,048**	**36,983**	**39,031**
Depreciation			
At 1 April 2024	1,537	6,300	7,837
Charge for the year	410	1,849	2,259
At 31 March 2025	**1,947**	**8,149**	**10,096**
Carrying amount			
At 31 March 2025	**101**	**28,834**	**28,935**
At 31 March 2024	511	30,683	31,194

41 Investment in subsidiary undertakings

Summary of the Company investments

	31 March 2025 £	31 March 2024 £
Investments in subsidiaries	**4,190,460**	**4,187,796**

Subsidiaries

Cost		
Opening cost	**4,555,646**	4,533,257
Additions	**2,664**	22,389
Closing cost	**4,558,310**	4,555,646
Provision		
Opening provision	**(367,850)**	-
Impairment	**-**	(367,850)
Closing provision	**(367,850)**	(367,850)

Additions in the current year relate to further investment in subsidiaries as a result of share options in the Company granted to employees of those subsidiaries.

Information on the Company's subsidiary undertakings is disclosed in note 18 to the Consolidated Financial Statements.

42 Receivables

	31 March 2025 £	31 March 2024 £
Trade receivables	**-**	54,114
Net receivables from subsidiaries	35,941,304	31,798,316
Prepayments	129,491	10,045
Other receivables	37,585	31,861
	36,108,380	31,894,336
Less - amount due after more than one year	**(35,941,304)**	-
Amount due within one year	**167,076**	31,894,336

The full balance within net receivables from subsidiaries is due on demand. It is unlikely that recovery of this balance will be made within one year of the balance sheet date and therefore the balance has been presented in amounts due after more than one year.

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

As the company is in the early phases of operations and making a few minor sales, credit losses are being considered on a customer-by-customer basis. No credit losses against trade receivables were identified as at year end.

Loss allowance for inter-company loans

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

As of the reporting date, the Company has assessed the expected credit losses on its inter-company loans and recognised a loss allowance as follows:

Stage 1: £Nil representing the 12-month expected credit losses

Stage 2: £10.6 million representing the lifetime expected credit losses

Stage 3: £14.5 million representing the lifetime expected credit losses

The total loss allowance for inter-company loans as of the reporting date is £25.1 million.

The overall credit loss of 41% allows for factors including restructuring of the group and non-recoverable balances from subsidiaries for which income is now no longer planned due to corporate restructuring activities and other internal factors.

	31 March 2025 £
At 1 April 2024	23,189,706
Increase during the year	1,895,655
At 31 March 2025	25,085,361
Gross receivables from subsidiaries	**61,026,665**
Overall credit loss	(25,085,361)
Net receivables from subsidiaries	**35,941,304**

43 Cash at bank and in hand

	31 March 2025 £	31 March 2024 £
Cash at bank	**13,093**	1,268,756

44 Trade and other payables

	31 March 2025 £	31 March 2024 £
Trade payables	**700,669**	157,834
Accrued expenses	**189,548**	350,451
Social security and other taxes	**10,592**	7,709
Other payables	**-**	-
	900,809	515,994

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 45 days (2024: 45 days). No interest is charged on overdue amounts.

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

45 Convertible loan notes

Throughout the last two financial years the company has issued 7 tranches of Convertible Loan Notes with a nominal value of £17,107,043. The bonds were initially due for conversion into ordinary shares 365 days from the first issue date, being June 2024. The holders have the option to exchange the convertible loan notes for an equivalent instrument prior to conversion. The notes bear interest at 20% per annum. The loan notes convert in to ordinary shares at the lower of £0.03 per share or the equity conversion price, being the price at which new ordinary shares are issue pursuant to an equity raise, less a discount of fifty per cent. The notes are secured by a charge over certain assets of the group held by the security agent Kroll Trustee Services Limited.

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

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

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

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

On 16 August 2023 the note holders agreed a waiver of the breaches which would have expired on 31 January 2024. On 15 December 2023 the note holders agreed a waiver of the breaches until 30 June 2024. On 15 October 2024 the note holders agreed a waiver of the breaches until 31 March 2025. On 25 March 2024 an amendment was agreed to the original terms of the note purchase agreement to extend the conversion date to 598 days from the first issue date, being January 2025. In the latest amendment to the original agreement, dated 13 January 2025, this was extended to 932 days, being December 2025.

Movement in liability

	31 March 2025 £	31 March 2024 £
Brought forward	**11,587,221**	**-**
Cash received	**6,751,000**	**10,356,043**
Directly attributable costs incurred	**(2,000)**	**(1,114,213)**
Fair value movement in year	**6,346,879**	**2,345,391**
Carried forward	**24,683,100**	**11,587,221**

46 Share capital

Allotted, called up and fully paid shares

	31 March 2025		31 March 2024	
	No.	**£**	No.	£
Ordinary Shares of £0.01 each	188,731,307	1,887,313	187,074,111	1,870,741

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

Further information on share capital is disclosed in note 27 to the Consolidated Financial Statements.

47 Share-based payments

Information on share-based payments is disclosed in note 28 to the Consolidated Financial Statements.

48 Commitments

During a previous financial year the Company signed a contract to pay £200,000 (2024: £200,000) compensation to a third party once mining operations commenced.

Contingent liabilities

As at 31 March 2025 the Company is liable for payment of any withholding tax arising on the convertible loan notes. On the basis that it considers the likelihood of a withholding tax liability arising as unlikely no provision has been made in the financial statements. Based on interest accrued to the year end were the liability to arise the Company's estimate of the contingent liability is £1,000,000 (2024: £200,000).

49 Related party transactions

Information on related party transactions is disclosed in note 33 to the Consolidated Financial Statements.

50 Post balance sheet events

Information on post balance sheet events is disclosed in note 35 to the Consolidated Financial Statements.