RNS Number : 2940B
Strategic Minerals PLC
30 September 2025

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018.

30 September 2025

Strategic Minerals plc
("Strategic Minerals", the "Group" or the "Company")

Half-Year Report 2025

Strategic Minerals plc (AIM: SML; USOTC: SMCDY), an international mineral exploration and production company, is pleased to announce its unaudited interim results for the half year ended 30 June 2025 ("H1 2025" or the "Period").

Financial Highlights

· Revenues: US 2,001,000 (H1 2024: US 2,136,000)

  o 10-day shutdown of Cobre operations due to New Mexico wildfires caused a slight reduction in revenues, which are expected to be more than offset in H2 2025

· Pre-tax profit: US 568,000 (H1 2024: US 950,000)

· Post-tax profit: US 151,000 (H1 2024: US 667,000)

  o Profit impacted by one-off costs associated with Board restructuring, settling in full overdue US tax liabilities from the prior year, and increased investment in exploration activities as the Company entered a new operational phase at the Redmoor Project

· Investments in development projects: US 480,000

  o Redmoor Project: US 378,000

  o Leigh Creek Copper Mine US 38,000

  o Southern Minerals Group US 64,000

· Unrestricted cash at 30 June 2025: US 1,532,000 (31 Dec 2024: US 621,000)

· Oversubscribed £1.0 million placing in April 2025 to advance the Redmoor Project

Operational Highlights (By Subsidiary)

Cornwall Resources
Redmoor Tungsten-Tin-Copper Project, Cornwall, UK

· Significant upscaling of headcount and facilities as drilling commenced for the first time since 2018

· Awarded c.£764,000 UK Government grant funding - together with funds from the Company's April 2025 placing, this fully funds the ongoing exploration programme to accelerate Redmoor towards pre-feasibility

· Re-analysis of historical samples confirmed previous underreporting of certain samples and higher tungsten grades - already Europe's highest grade undeveloped tungsten deposit

- Drilling and sampling of nine boreholes progressing on schedule
    - o Completion of first three boreholes announced post Period-end with all intersecting the full thickness of the sheeted vein system with assay results currently pending

Southern Minerals Group

Cobre Magnetite Stockpile, New Mexico, USA

- Continued strong operational performance in H1 2025 despite 10-day shutdown due to wildfires
    - o Sales volumes: 28,467 tons (H1 2024: 31,327 tons)
- Strong Q3 sales expected to more than offset lost sales during the 10-day shutdown

Leigh Creek Copper Mine

Leigh Creek Copper Project, South Australia

- Granted a six-month call option in April 2025 for A 100,000 to a potential purchaser of Leigh Creek Copper Mine
    - o If exercised, the transaction would deliver up to A 5.9 million in cash payments and shares equivalent to 19.9% in the acquiring company

Board Changes

- Philip Haydn-Slater was appointed as independent Non-Executive Director in January 2025
- Peter Wale stepped down as Executive Director in March 2025

Charles Manners, Executive Chair, commented:

"Strategic Minerals entered a new phase in H1 2025. The turnaround of the Cobre magnetite operation in New Mexico last year provided a springboard for the Company to accelerate development of the Redmoor Tungsten-Tin-Copper Project in Cornwall. We have in Redmoor the opportunity to develop a leading source of critical and strategic minerals to provide resilience to western world supply chains. Now that the Cobre magnetite operation is performing strongly, we are focused on accelerating the development of Redmoor to unlock its true value."

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Notes to Editors

About Strategic Minerals Plc

Strategic Minerals plc (AIM: SML; USOTC: SMCDY) is an AIM-quoted, producing minerals company, actively developing strategic projects in the UK, United States and Australia.

In 2019, the Company completed the 100% acquisition of Cornwall Resources Limited and the Redmoor Tungsten-Tin-Copper Project.

The Redmoor Project is situated within the historically significant Tamar Valley Mining District in Cornwall, United Kingdom, with a JORC (2012) Compliant Inferred Mineral Resource Estimate published 14 February 2019:

Cut-off (SnEq%)	Tonnage (Mt)	WO_3 %	Sn %	Cu %	Sn Eq[1] %	WO_3 Eq %
>0.45 <0.65	1.50	0.18	0.21	0.30	0.58	0.41
>0.65	10.20	0.62	0.16	0.53	1.26	0.88
Total Inferred Resource	11.70	0.56	0.16	0.50	1.17	0.82

1 Equivalent metal calculation notes; Sn(Eq)% = Sn% x 1 + WO3% x 1.43 + Cu% x 0.40. WO_3(EQ)% = Sn% x 0.7 + WO_3 + Cu% x 0.28. Commodity price assumptions: WO3 US 33,000/t, Sn US 22,000/t, Cu US 7,000/t. Recovery assumptions: total WO3 recovery 72%, total Sn recovery 68% & total Cu recovery 85% and payability assumptions of 81%, 90% and 90% respectively

More information on Cornwall Resources can be found at: **https://www.cornwallresources.com**

In September 2011, Strategic Minerals acquired the distribution rights to the Cobre magnetite project in New Mexico, USA, through its wholly owned subsidiary Southern Minerals Group. Cobre has been in production since 2012 and continues to provide a sustainable revenue stream for the Company.

In March 2018, the Company acquired the Leigh Creek Copper Mine situated in the copper rich belt of South Australia. The Company has entered into an exclusive Call Option with South Pacific Mineral Investments Pty Ltd trading as Cuprum Metals to acquire 100% of the project.

CHAIRMAN'S STATEMENT

Introduction

Strategic Minerals entered a new phase in H1 2025. The turnaround of the Cobre magnetite operation in New Mexico last year, and associated 200% revenue increase, provided a springboard for the Company to accelerate development of the Redmoor Tungsten-Tin-Copper Project in Cornwall ("Redmoor"). With match grant funding and strong investor demand to support the opportunity, Strategic Minerals was able to commission a £1.5 million, 12-month exploration programme including the first borehole drilling since 2018. This programme is in full swing.

Financial Results

The Cobre magnetite operation in New Mexico is the sole revenue generating engine of the Group. It sustains Strategic Minerals and its main operating subsidiary, Cornwall Resources. The strong recovery in magnetite sales which drove the 200% revenue increase in FY 2024 held firm in H1 2025. A 10-day shutdown due to wildfires caused a slight reduction in sales of 6% in the Period to US 2,001,000 (H1 2024: US 2,136,000) which would otherwise have been consistent with the first half of 2024. We are confident of more than offsetting that lost revenue in the second half of this year, with Q3 2025 sales already looking very healthy.

Moving into an intense operating phase at Redmoor, upscaling headcount and facilities, naturally resulted in an increase in costs which impacted profitability in the Period. Furthermore, a number of one-off costs were incurred in the Period in connection with the restructuring of the Company's Board and the settlement in full of historical taxation due to the IRS in the USA. Pre-tax profit for H1 2025 was therefore US 568,000 (H1 2024: US 950,000) and post-tax profit was US 151,000 (H1 2024: US 667,000). This is a new regime, with a transformed Cobre operation and an accelerated development programme at Redmoor in motion. While the Company is appropriately deploying more investment into Redmoor, we remain committed to keeping Board costs lean.

Bolstered by an oversubscribed placing to raise gross proceeds of c.£1.0 million which completed in

May 2025, the Company ended the Period withUS 1,532,000 of cash as at 30 June 2025 (31 Dec 2024: US 621,000). The strong investor demand reflects growing recognition of Redmoor's potential.

Cornwall Resources Limited ("CRL")

Redmoor Tungsten-Tin-Copper Project, Cornwall, UK ("Redmoor")

In April 2025, the Company announced that CRL was awarded c.£764,000 in match funding from the UK Shared Prosperity Fund under the Cornwall & Isles of Scilly Good Growth Programme. Together with the Company's oversubscribed placing, this has provided the c.£1.5m budget for a 12-month exploration project titled: "Exploration Drilling and Associated Activities to Enable Accelerated Development of the Redmoor Critical Minerals Project". Within the 12-month Project timeframe which began in April 2025, the Company aims to:

- Undertake c.5,000m of new diamond core drilling and other associated activities
- Complete the ongoing relogging programme of historical CRL core
- Combine the results of new drilling and relogging with the aim to produce a new, upgraded and enlarged Mineral Resource Estimate ("MRE")
- Update the economic model, using the updated MRE and incorporating the significantly increased commodity prices since the 2020 Redmoor Scoping Study was produced
- Formulate an investment-ready business case and delivery plan, before the end of March 2026, for moving Redmoor into prefeasibility

By May 2025, drilling pre-commencement and enabling activities were well advanced, with drilling starting just before the end of the Period in late June 2025 - the first since 2018.

Nine new boreholes were planned for a total of approximately 5,300 metres of diamond core drilling over six months. Post-Period end, in September 2025, the first three boreholes were completed at Pad 1, intersecting the full thickness of the Redmoor sheeted vein system and confirming visible wolframite and chalcopyrite consistent with historic mineralisation. A second drill rig was mobilised to site, accelerating the programme with multiple boreholes planned from Pads 2 and 3. Analytical results from these boreholes, together with ongoing relogging and sampling work, will feed into the planned MRE update expected in Q1 2026.

In parallel with the drilling, the historical core relogging and sampling programme is ongoing, with additional drillcore and soil samples being analysed to strengthen the geological dataset. Results from re-analysis of historical tungsten samples confirmed an average 9.2% increase in tungsten grades, validating upside potential within the existing 2019 MRE, reported in accordance with the JORC Code (2012 Edition). Additional re-analysis of historical drillcore identified significant silver mineralisation associated with copper within the sheeted vein system, further enhancing Redmoor's economic and strategic value.

In support of the accelerated development programme at Redmoor, Strategic Minerals is investing in upgrading CRL's facilities and expanding its technical team. Since the initiation of the match grant funded activities, the team at Redmoor has increased to nine full time, permanent staff, with seven geologists, ensuring the smooth delivery of the exploration drilling programme and other exploration activities. To further support the effective and high-quality delivery of the programme, site upgrades include a significant improvement in core logging facilities and equipment available to the geological team, as well as new long term storage facilities for the existing exploration drill core with capacity for future programmes.

Southern Minerals Group LLC ("SMG")

Cobre magnetite stockpile, New Mexico, USA

Cobre continued to deliver a strong operational performance in H1 2025 with sales volumes of 28,467 tons (H1 2024: 31,327tons). With the benefit new and returning customers last year, and an extension of access to the Cobre magnetite operation's stockpile through to 31 March 2029, this revenue-generating subsidiary of the Company is in very good health. Revenues in H1 2025 were only marginally below H1 2024 as a result of a 10-day shutdown due to wildfires and we expect SMG to make this back up in the second half of this year.

Leigh Creek Copper Mine Pty Ltd ("LCCM")

Leigh Creek Copper Project

In April 2025, Strategic Minerals signed a non-binding Heads of Agreement granting an exclusive call option for A 100,000 to Axis Mining & Minerals Pty Ltd (subsequently novated to South Pacific Mineral Investments Pty Ltd trading as Cuprum Metals ("Cuprum")) to acquire 100% of LCCM. Under the terms of the option, Cuprum may acquire LCCM for an initial cash payment of A 1.9 million and the issue of shares in Cuprum equivalent to 19.9% ownership up to a maximum value of A 3 million. Cuprum intends to list on the Australian Securities Exchange. Additionally, Cuprum will pay a cash earn-out of A 4.0 million from future production. In the event of the share issuance to Strategic Minerals being less than A 3 million as a result of the 19.9% limit, the Earn-Out Consideration shall be adjusted to a higher level to reflect the difference in value from the A 3 million maximum limit.

If the option is exercised, this deal structure will enable Strategic Minerals to divest a non-core asset, direct further non-dilutive funds toward the development of Redmoor, and retain the upside of a potential future copper development through a substantial shareholding in Cuprum.

Board Changes

In January 2025, Philip Haydn-Slater was appointed as an independent Non-Executive Director. Philip brings over 35 years of City experience, primarily in institutional sales and corporate broking. He co-founded HD Capital Partners and previously led Corporate Broking at WH Ireland in London, managing IPOs and secondary placings for resource-focused companies. Shortly after, in March 2025, Executive Director Peter Wale retired from the Board.

Post-Period end in August 2025, I transitioned from Non-Executive Chair to Executive Chair, reflecting my ongoing contributions to rationalising the Group and refocusing its strategy.

Safety

The Company maintains a strong safety culture across all operations. I am pleased to report that no significant safety incidents were recorded during the reporting period.

Outlook

Our overarching strategy is to grow the Company's value by unlocking the potential of the Redmoor Project, utilising sustainable cash flows from the Cobre operation to advance the project. We have in Redmoor the opportunity to develop a leading source of critical and strategic minerals to provide resilience to western world supply chains. Redmoor is already the highest-grade tungsten deposit in Europe and the second highest globally, with the potential to supply approximately 30% of Europe's tungsten needs before considering future upside from a potential upgrading of the MRE. The price of tungsten is soaring, reflecting ongoing shifts in the market, such as the closure of some previously subsidised Chinese operations and a growing emphasis on supply security for defence and high-technology applications. Having got the Cobre magnetite operation into sustainably good health last year, we are focused on accelerating the development of Redmoor to unlock its true value.

Charles Manners
Executive Chair
29 September 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2025 (Unaudited) **'000**	**6 months to 30 June 2024** (Unaudited) **'000**	**Year to 31 December 2024** (Audited) **'000**
Continuing operations			

Revenue	2,001	2,136	4,745
Raw materials and consumables used.	(278)	(393)	(846)
Gross profit	1,723	1,743	3,899
Other income	36	-	-
Overhead expenses	(949)	(583)	(1,406)
Amortisation	(194)	(158)	(334)
Depreciation	(12)	(8)	(18)
Impairment	-	(25)	-
Share based payment	-	-	-
Foreign exchange gain/(loss)	(13)	(10)	(13)
Profit from operations	591	959	2,128
Lease Interest	(23)	(9)	(19)
Profit before taxation	568	950	2,109
Income tax (expense)/credit	(379)	(283)	(691)
Profit from continuing operations	189	667	1,418
Loss from discontinued operations	(38)	-	(113)
Profit for the period attributable to:			
Owners of the parent	151	667	1,305
Other comprehensive income			
Exchange gains/(losses) arising on translation of foreign operations	431	(205)	(71)
Total comprehensive (loss)/income attributable to:			
Owners of the parent	582	462	1,234
Profit/ (loss) per share attributable to the ordinary equity holders of the parent:			
Basic and diluted - total operations	¢0.007	¢0.033	¢0.064
Basic and diluted - continuing operations	¢0.009	¢0.033	¢0.070
Basic and diluted - discontinued operations	(¢0.002)	-	(¢0.006)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	6 months to 30 June 2025 (Unaudited) **'000**	**6 months to 30 June 2024** (Unaudited) **'000**	**Year to 31 December 2024** (Audited) **'000**
Assets			
Non-current assets			
Intangible Asset	-	-	-
Deferred Exploration and evaluation costs	6,757	5,592	5,901
Other Receivables	-	133	-
Property, plant and equipment	107	72	60
Right of Use Assets	852	594	1,053
	7,716	6,391	7,014
Current assets			
Inventories	4	4	4

Trade and other receivables	308	519	295
Income Tax prepaid	-	-	31
Assets held for sale	134	-	127
Prepayments	46	-	36
Cash and cash equivalents	1,532	280	621
	2,024	803	1,083
Total Assets	9,740	7,194	8,097
Equity and liabilities			
Share capital	3,362	2,916	2,916
Share premium reserve	50,172	49,387	49,387
Share options reserve	5	5	5
Merger reserve	21,300	21,300	21,300
Warrant Reserve	-	-	-
Foreign exchange reserve	(785)	(1,312)	(1,216)
Other reserves	(23,023)	(23,023)	(23,023)
Accumulated loss	(44,252)	(44,925)	(44,403)
Total Equity	6,779	4,310	4,966
Liabilities			
Non-Current Liabilities			
Lease Liabilities	630	375	737
Provisions	270	1,171	270
	900	1,546	1,007
Current liabilities			
Liabilities held for sale	1,156		1,098
Income Tax Payable	319	333	415
Trade and other payables	318	714	242
Loans and Borrowings	-	68	-
Lease Liabilities	268	223	369
	2,061	1.338	2,124
Total Liabilities	2,961	2,884	3,131
Total Equity and Liabilities	9,740	7,194	8,097

CONSOLIDATED STATEMENT OF CASH FLOW

	6 months to 30 June 2025 (Unaudited) **'000**	**6 months to 30 June 2024** (Unaudited) **'000**	**Year to 31 December 2024** (Audited) **'000**
Cash flows from operating activities			
Profit/ (loss) after tax	151	667	1,305
Adjustments for:			
Depreciation of property, plant, and equipment	12	8	18
Amortisation of Right of Use asset	194	158	334
Impairment charge	38	25	113
Income Tax expense	379	283	691
Lease Interest	23	9	19
(Increase) / decrease in inventory	-	-	-
(Increase) / decrease in trade and other receivables	(13)	(300)	(76)
(Increase) / decrease in prepayments	(10)	-	(36)
Increase / (decrease) in trade and other payables	76	(258)	(721)
Increase /(decrease) in prepaid income tax	-	-	-
Income tax paid	(475)	(20)	(223)
Share based payment expense	-	-	-
Foreign exchange movements	13	-	-
Net cash flows from operating activities	388	572	1,424
Investing activities			
Increase in PPE Development Asset	(38)	(25)	(113)

Increase in PPE Development Asset	[illegible]	[illegible]	[illegible]
Increase in PPE	(64)	-	-
Increase in deferred exploration and evaluation asset	(378)	(233)	(418)
Net cash used in investing activities	(480)	(258)	(569)
Financing activities			
Net proceeds from issue of equity share capital	1,231	-	-
Proceeds from borrowings	-	67	62
Repayment of borrowings	-	(39)	(104)
Lease Payments	(231)	(174)	(343)
Net cash from financing activities	1,000	(146)	(385)
Net increase / (decrease) in cash and cash equivalents	908	168	508
Cash and cash equivalents at beginning of period	621	112	112
Exchange gains / (losses) on cash and cash equivalents	3	-	1
Cash and cash equivalents at end of period	1,532	280	621

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital '000	**Share premium reserve '000**	**Merger Reserve '000**	**Warrant Warrant Reserve '000**	**Share options reserve '000**	**Initial Re-structure Reserve '000**	**Foreign Exch. reserve '000**	**F e**
Balance at 1 January 2024	**2,916**	**49,387**	**21,300**	**5**	**-**	**(23,023)**	**(1,145)**	**(**
Profit for the year	-	-	-	-	-	-	-	
Foreign exchange translation	-	-	-	-	-	-	(71)	
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	(71)	
Balance at 31 December 2024	**2,916**	**49,387**	**21,300**	**5**	**-**	**(23,023)**	**(1,216)**	**(**
Profit for the period	-	-	-	-	-	-	-	
Foreign exchange translation	-	-	-	-	-	-	431	
Total comprehensive income for the year	-	-	-	-	-	-	431	
Shares issued in the period	446	891	-	-	-	-	-	
Share issue costs	-	(106)	-	-	-	-	-	
Balance at 30 June 2025	**3,362**	**50,172**	**21,300**	**5**	**-**	**(23,023)**	**(785)**	**(**

All comprehensive income is attributable to the owners of the parent Company.

NOTES FORMING PART OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General Information

Strategic Minerals Plc ("the Company") is a public company incorporated in England and Wales. The consolidated interim financial statements of the Company for the six months ended 30 June 2025 comprise the Company and its

Interim financial statements of the Company for the six months ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Significant accounting policies

Basis of preparation

In preparing these financial statements the presentational currency is US dollars. As the entire group's revenues and majority of its costs, assets and liabilities are denominated in US dollars it is considered appropriate to report in this currency.

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

These financial statements have been prepared in accordance with International Financial Standards and UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The financial statements have been prepared on a historical cost basis, except for the acquisition of LCCM and the valuation of certain investments which have been measured at fair value, not historical cost.

Going concern basis

The Directors have considered the Group and Parent Company's (together "the Group") ability to continue as a going concern through review of cash flow forecasts prepared by management for the period to 31 December 2026 and a review of the key assumptions on which these are based and sensitivity analysis.

The Company forecasts that to have sufficient funds to meet all operating costs until December 2026, the Group is reliant on cash being generated from the Cobre asset in line with forecast.

As outlined by the Board, it is intended that any funds required to progress either the Redmoor project or Cobre will be sourced either at the asset or Group level. Management are actively pursuing such funding.

The Directors have reasonable expectation that the Group will have access to sufficient resources by way of debt or equity markets should the need arise. Consequently, the consolidated financial statements have been prepared on a going concern basis.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

New standards, interpretations, and amendments effective 1 July 2025:

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which have not been adopted early.

Investment in joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement.
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement

- Any other facts and circumstances (in any other contractual arrangements).

The Group accounts for its interests in joint ventures initially at cost in the consolidated statement of financial position. Subsequently joint ventures are accounted for using the equity method where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its joint ventures are recognised only to the extent of unrelated investors' interests in the joint venture. The investor's share in the joint ventures' profits and losses resulting from these transactions is eliminated against the carrying value of the joint venture.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues, and expenses in accordance with its contractually conferred rights and obligations. In accordance with IFRS 11 Joint Arrangements, the Group is required to apply all of the principles of IFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3.Where there is an increase in the stake of the joint venture entity from an associate to a subsidiary and the acquisition is considered as an asset acquisition and not a business combination in accordance with IFRS3, this step up transaction is accounted for as the purchase of a single asset and the cost of the transaction is allocated in its entirety to that asset with no gain or loss recognised in the income statement. The step-up acquisition of CRL in 2019 has been accounted for as a purchase of a single asset and the cost of the transaction is allocated in its entirety to that balance sheet.

3. Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

(a) Carrying value of intangible assets

Management assesses the carrying value of the exploration and evaluation assets for indicators of impairment based on the requirements of IFRS 6 which are inherently judgemental. This includes ensuring the Group maintains legal title, assessment regarding the commerciality of reserves and the clear intention to move the asset forward to development.

The Redmoor projects are early-stage exploration projects and therefore Management have applied judgement in the period as to whether the results from exploration activity provide sufficient evidence to continue to move the asset forward to development. There are no indicators of impairment for the Redmoor project in the period to 30 June 2025.

(b) Share based payments

The fair value of share-based payments recognised in the statement of comprehensive income is measured by use of the Black Scholes model after taking into account market-based vesting conditions and conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour based on past experience.

(c) Carrying value of amounts owed by subsidiary undertakings.

IFRS9 requires the parent company to make certain assumptions when implementing the forward- looking expected credit loss model. This model is required to be used to assess the intercompany loan receivables from its subsidiaries for impairment. Arriving at an expected credit loss allowance involved considering different scenarios for the recovery of the intercompany loan receivables, the possible credit losses that could arise and probabilities for these scenarios.

arise and probabilities for these scenarios.

The following were considered: the exploration project risk, the future sales potential of product, value of potential reserves and the resulting expected economic outcomes of the project.

(d) Carrying Value of Development Assets

Management assesses the carrying value of development assets for indicators of impairment based on the requirements of IAS36 which are inherently judgemental.

The following are the key assumptions used in this assessment of Carrying value.

i) Mineable reserves over life of project
ii) Forecasted Copper pricing
iii) Capital and operating cost assumptions to deliver the mining schedule
iv) Foreign exchange rates
v) Discount rate
vi) Estimated project commencement date.

If the carrying amount of the Development asset exceeds the recoverable amount, the asset is impaired. The Group will reduce the carrying amount of the asset to its recoverable amount and recognise an impairment loss. The assessment is carried out twice per year - end of half year reporting period and end of annual reporting period.

(e) Determination of incremental borrowing rate for leases

Under IFRS 16, where the interest rate implicit in the lease cannot be readily determined the incremental borrowing rate is used. The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

Judgements

(b) Investments in subsidiaries

Investment in subsidiaries comprises of the cost of acquiring the shares in subsidiaries.

If an impairment trigger is identified and investments in subsidiaries are tested for impairment, estimates are used to determine the expected net return on investment. The estimated return on investment takes into account the underlying economic factors in the business of the Company's subsidiaries including estimated recoverable reserves, resources prices, capital investment requirements, and discount rates among other things.

(c) Contingent consideration as part of Asset acquisition

Judgement was required in determining the accounting for the contingent consideration payable as per of the CRL acquisition. The group has an obligation to pay A 1m on net smelter sales arising from CRL production reaching A 50m and a further A 1m on net smelter sales arising from CRL production reaching A 100m.

Whilst a possible obligation exists in relation to the consideration payable, given the early stage of the project it was concluded that at reporting date it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation

4. Segment information

The Group has four main segments during the period:

- Southern Minerals Group LLC (SMG) - This segment is involved in the sale of magnetite to both the US domestic market and historically transported magnetite to port for onward export sale.
- Head Office - This segment incurs all the administrative costs of central operations and finances the Group's operations. A management fee is charged for completing this service and other certain services and expenses.
- Development Asset - This segment holds the Leigh Creek Copper Mine Development Asset in Australia and incurs all related operating costs.
- United Kingdom - The investment in the Redmoor project in Cornwall, United Kingdom is held by this segment.

Factors that management used to identify the Group's reportable segments.

The Group's reportable segments are strategic business units that carry out different functions and operations and operate in different jurisdictions.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the board and management team which includes the Board and the Chief Financial Officer.

Measurement of operating segment profit or loss, assets, and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with International Accounting Standards.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities. Loans and borrowings are allocated to the segments in which the borrowings are held. Details are provided in the reconciliation from segment assets and liabilities to the Group's statement of financial position.

6 Months to 30 June 2025 (Unaudited)	**SMG '000**	**Head Office '000**	**United Kingdom '000**	**Development Asset '000**	**Intra Segment Elimination '000**	**Total '000**
Revenues	2,001	-	-	-	-	2,001
Gross profit	2,001	-	-	-	-	2,001
Raw materials/consumables	(278)	-	-	-	-	(278)
Overhead expenses	(440)	(409)	(100)	-	-	(949)
Management fee income/(expense)	-	-		-	-	-
Interest	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Amortisation	(194)	-	-	-	-	(194)
Impairment	-	-		(38)	-	(38)
Depreciation	(12)	-	-	-	-	(12)
Foreign exchange gain/(loss)	-	(13)	-	-	-	(13)
Other income	-	-	36			36
Segment profit /(loss) from operations	1,077	(422)	(64)	(38)	-	553
Lease Interest	(23)		-			(23)
Segment profit /(loss) before taxation	1,054	(422)	(64)	(38)	-	530

6 Months to 30 June 2024 (Unaudited)	**SMG '000**	**Head Office '000**	**United Kingdom '000**	**Development Asset '000**	**Intra Segment Elimination '000**	**Total '000**
Revenues	2,136	-	-	-	-	2,136
Gross profit	2,136	-	-	-	-	2,136
Other Income	-	-	-	-	-	-
Raw materials/consumables	(393)	-	-	-	-	(393)
Overhead expenses	(342)	(214)	(5)	-	-	(561)
Management fee income/(expense)	(200)	200		-	-	-
Interest	-	(13)	(8)	-	-	(21)
Share based payments	-	-	-	-	-	-
Amortisation	(158)	-	-	-	-	(158)
Impairment	-	-	-	(25)	-	(25)
Depreciation	(8)	-	-	-	-	(8)
Foreign exchange gain/(loss)	-	227	-	-	(238)	(11)
Segment profit /(loss) from operations	1,035	200	-	(25)	(238)	959
Lease Interest	(9)	-	-	-	-	(9)
Finance Expense	-	-	-	-	-	-
Segment profit /(loss)						

before taxation	1,026	200	(13)	(25)	(238)	950

Year to 31 December 2024 (Audited)	**SMG '000**	**Head Office '000**	**United Kingdom '000**	**Development Asset '000**	**Intra Segment Elimination '000**	**Total '000**
Revenues	4,745	-	-	-	-	4,745
Total Revenue	4,745	-	-	-	-	4,745
Othe Revenue	-	-	-	-	-	-
Raw Materials/Consumables	(846)	-	-	-	-	(846)
Overhead expenses	(737)	(618)	(19)	-	-	(1,374)
Management fee income/(expense)	(100)	102		-	(2)	-
Share based payments	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Amortisation- right of use asset	(334)	-	-	-	-	(334)
Interest	-	(9)	-	-	-	(9)
Depreciation	(18)	-	-	-	-	(18)
(Loss)/ gain on intercompany loans	-	-	-	-	-	-
Foreign exchange gain/(loss)	-	(933)	-	-	920	(13)
Segment profit /(loss) from operations	2,710	(1,458)	(19)	-	918	2,151
Lease Interest	(19)	-	-	-	-	(19)
Finance Expense	-	(11)	(12)	-	-	(23)
Segment profit /(loss) before taxation	2,161	(1,469)	(31)	-	918	2,109

As at 30 June 2025 (Unaudited)	**SMG '000**	**Head Office '000**	**United Kingdom '000**	**Development Asset '000**	**Total '000**
Additions to non-current assets	64	-	378	-	442
Reportable segment assets	1,443	1,321	6,844	132	9,740
Reportable segment liabilities	1,533	142	130	1,156	2,961

As at 30 June 2024 (Unaudited)	**SMG '000**	**Head Office '000**	**United Kingdom '000**	**Development Asset '000**	**Total '000**
Additions to non-current assets	-	-	233	25	258
Reportable segment assets	1,358	56	5,640	140	7,194
Reportable segment liabilities	1,065	495	116	1,208	2,884

As at 31 December 2024 (Audited)	SMG '000	Head Office '000	United Kingdom '000	Development Asset '000	Total '000
Additions to non-current assets	-	-	418	113	531
Reportable segment assets	1,649	397	5,924	127	8,097
Reportable segment liabilities	1,854	153	26	1,098	3,131

	External revenue by location of customers		Non-current assets by location of assets	
	30 June 2025 '000	30 June 2024 '000	30 June 2025 '000	30 June 2024 '000
United States	2,001	2,136	949	650
United Kingdom	-	-	6,767	5,608
Australia	-	-	-	133
	2,001	2,136	7,716	6,391

Revenues by key customers

Revenues from Customer A totalled 281,740 (2024: 323,163), which represented 14% (2024: 15%) of total domestic sales in the United States, Customer B totalled 907,679 (2024: 1,022,442) which represented 45% (2024: 48%) Customer C totalled 633,012 (2023: 404,104) which represented 32% (2024: 19%), and Customer D totalled 184,547 (2024: 334,977) which represented 9% (2024: 16%).

5. Operating Loss

	6 months to 30 June 2025 (Unaudited) '000	6 months to 30 June 2024 (Unaudited) '000	Year to 31 December 2024 (Audited) '000
Operating gain/loss is stated after charging/(crediting):			
Other Income	(36)	-	-
Directors' fees and emoluments	155	39	160
Equipment rental	-	-	11
Equipment maintenance	-	31	60
Fees payable to the company's auditor for the audit of the parent company and consolidated financial statements	-	-	89
Non- Audit Services	-	6	-
Salaries, wages, and other staff related costs	330	336	686
Legal, professional and consultancy fees	244	53	138
Other Expenses	220	76	230
Overhead Expenses	949	541	1,374
Lease Interest	23	9	19
Interest	-	21	9
Finance Fee			23
Foreign exchange	13	10	13
Amortisation of Right of use assets	194	158	334
Depreciation	12	8	18

Depreciation	12	[illegible]	[illegible]
Share based payments	-	-	-
Discontinued operations	-	-	113
Impairment	38	25	-
Total	1,229	772	1,903

6. Intangible assets - exploration and evaluation costs

	6 months to 30 June 2025 (Unaudited) '000	**6 months to 30 June 2024 (Unaudited) '000**	**Year to 31 December 2024 (Audited) '000**
Cost			
Opening balance for the period	5,901	5,568	5,568
Additions for the period	378	235	444
Grant Reimbursement	-	-	(26)
Foreign exchange difference	478	(211)	(85)
Closing balance for period	6,757	5,592	5,901

7. Property, plant and equipment

	Development Asset '000	**Plant and Machinery '000**	**Total '000**
Cost			
At 1 January 2024 (audited)	8,033	723	8,756
Additions	113	-	113
Reclassify to disposal asset	(8,146)	(328)	(8,474)
Foreign exchange difference	-	7	7
At 31 December 2024 (audited)	-	402	402
Additions	-	64	64
Foreign exchange difference	-	(12)	(12)
At 30 June 2025 (unaudited)	-	454	454
Depreciation			
At 1 January 2024 (audited)	(8,033)	(643)	(8,676)
Charge for the period - impairment	(113)	-	(113)
Charge for the period - depreciation	-	(18)	(18)
Reclassify to disposal asset	8,146	328	8,474
Foreign exchange difference	-	(9)	(9)
At 31 December 2024 (audited)	-	(342)	(342)
Charge for the period - depreciation	-	(12)	(12)
Foreign exchange difference	-	7	7
At 31 June 2025 (audited)	-	(347)	(347)
Carrying Value			
As at 30 June 2025 (unaudited)	-	72	72

As at 30 June 2025 (unaudited)		72	72
As at 31 December 2024 (audited)	-	60	60
As at 30 June 2024 (unaudited)	-	72	72

8. Leases

The Group has leases for an office, plant and machinery and a vehicle. Each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

	Plant, Machinery and Vehicles '000	**Total '000**
Right of Use Assets	'000	'000
As at 1 January 2024 (audited)	453	453
Additions	302	302
Amortization	(161)	(161)
As at 30 June 2024 (unaudited)	594	594
Additions	638	638
Amortization	(179)	(179)
As at 31 Dec 2024 (Audited)	1,053	1,053
Additions	-	-
Amortization	(201)	(201)
As at 30 June 2025 (unaudited)	852	852

	Plant, Machinery and Vehicles	Total
Lease Liabilities		
As at 1 January 2024 (audited)	455	455
Additions	300	300
Interest Payments	9	9
Lease Payments	(166)	(166)
As at 30 June 2024 (unaudited)	598	598
Additions	675	675
Interest Payments	10	10
Lease Payments	(177)	(177)
As at 31 Dec 2024 (Audited	1,106	1,106
Additions	-	-
Interest Payments	23	23
Lease Payment	(231)	(231)
As at 30 June 2025 (unaudited)	898	898

Lease Liability	June 2025	June 2024	December 2024
Current	268	223	369
Non-Current	630	375	737
	898	598	1,106

9. Dividends

No dividend is proposed for the period.

10. Earnings per share

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial year as provided below.

	6 months to 30 June 2025 (Unaudited) '000	6 months to 30 June 2024 (Unaudited) '000	Year to 31 December 2024 (Audited) '000
Weighted average number of shares - Basic	2,117,253,750	2,015,964,616	2,015,964,616
Weighted average number of shares - Diluted	2,117,253,750	2,015,964,616	2,015,964,616
Earnings (loss) for the period	151,000	667,000	1,305,000
Earnings per share in the period - Basic	¢0.007	¢0.033	¢0.064
Earnings per share in the period - Diluted	¢0.007	¢0.033	¢0.064

11. Share capital and premium

	30 June 2025 No	30 June 2025 '000	30 June and 31 December 2024 No	30 June and 31 December 2024 '000
Allotted, called up and fully paid Ordinary shares	2,349,297,949	53,534	2,015,964,616	52,303

During the period, in May 2025 the Company issued 333,333,333 Ordinary shares of 0.1pence each at a price of 0.3 pence per share to raise gross proceeds of £1,000,000.

Share options and warrants

The following Warrants were in issue during the period. No Warrants or Options were issued, lapsed or expired during the period.

Date of Grant	Number of warrants	Exercise price	Expiry date
10 March 2023	10,000,000	0.50p	31 December 2025
01 April 2024	10,000,000	0.50p	31 December 2025

12. Post balance date events

Subsequent to 30 June 2025, on 15 August 2025 options over 145 million new ordinary shares of £0.001 each in the Company were issued. These Options have an exercise price of £0.004 per share and expire on 15 August 2035. The options carry certain vesting rights, with 50% becoming exercisable upon the share price trading above 0.5p per share for a 30-day VWAP, and 50% become exercisable upon publication of a new Mineral Resource Estimate.

Copies of this interim report will be made available on the Company's website, www.strategicminerals.net.

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