

Registered number: 6275976

CLOUDBREAK DISCOVERY PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2023**

CLOUDBREAK DISCOVERY PLC

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CLOUDBREAK DISCOVERY PLC

COMPANY INFORMATION

Directors	Andrew Male Emma Priestley Paul Gurney
Company Secretary	Westend Corporate LLP
Registered Office	6 Heddon Street London W1B 4BT
Company Number	6275976
Bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY
Financial Adviser	Novum Securities Limited 2 nd Floor 7-10 Chandos Street London W1G 9DG
Registrar	Share Registrars Ltd Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Bird & Bird LLP 12 New Fetter Lane London EC4A 1JP

CLOUDBREAK DISCOVERY PLC

INTERIM CEO'S REPORT

Company Updates

I am happy to provide shareholders of Cloudbreak with an update on the activity of the Company over the past year. This will be the Company's second full year on the Main Segment of the London Stock Exchange.

As with most junior resource companies, it has been a challenging year, and ours has been no different. During the past year we have however continued to maintain and advance our projects, complete project advancement with our partners and begun to realise the value of some of the exploration and corporate assets we have.

During the course of the year the Company raised a small amount of capital from the market and continued to use its drawdown facility with Crescita Capital LLC. These funds were used for general working capital purposed and to advance the suite of Cloudbreak projects.

In addition, the Company completed corporate restructuring in order to lessen the overheads and expenditures.

In December 2022 we appointed a new Broker and continue to work with them for the advancement of financing opportunities and project generation. In the spring and summer of 2023, Cloudbreak, like most resource companies, has been quiet waiting for market corrections and a renewed buoyancy while continuing to advance the projects the Company has.

In June 2023, the Board accepted the resignation of the CEO and Chairman along with some of the Executive management team. The Board wanted to refocus and re-align Cloudbreak to be more "London centric" and this move allowed for this as well as cost savings. The Board re-aligned and with Andrew Male assuming the interim CEO role, Paul Gurney continues as a Non-Executive Director and Emma Priestley as an Independent Non-Executive Director.

Projects

Cloudbreak has demonstrated the business model's viability and will continue to progress in this manner. The Company currently has two energy investments, Legado Oil & Gas Limited and G2 Energy Corp. While both of these projects have had their own delays and issues, Cloudbreak is happy with their progress and will continue to look for projects of this nature going forward.

Cloudbreak has also realised proceeds from the sale of shares that it holds in other companies as a result of the partnerships it has fostered over the past two years, as well as realising cash proceeds from the sale or optioning of various projects in the mining space.

Outlook

The year ended 30 June 2023 was active for the Group, having hit a number of operational milestones. We further diversified our portfolio with projects in the energy sector and in new jurisdictions.

Despite the global macroeconomic climate, the outlook for the natural resources sector looks robust. Our focus on commodities key to the energy transition movement offers an attractive opportunity for significant shareholder returns as demand, and therefore prices, are set to remain high. Our project generator model allows us to diversify our portfolio across the resource sector, building value while minimizing risk and cost.

We are starting to see some projects reach a point where we could potentially begin receiving more royalty payments further underpinning the benefit of our business model. It is down to the depth of experience within our team that we are able to execute this model successfully.

We look forward to keeping investors updated over the next year and beyond as we generate and pursue new ideas, including lithium assets and bauxite projects, while continuing to diversify into energy royalties and attracting new partnerships.

Financial Review

During the year ended 30 June 2023, the Group earned £364,968 (2022: £559,523) in revenue from property option sale agreements. It realised £677,400 from sales of shares and raised a total of £582,625 through the capital market and £1,473,581 in draws from its drawdown facility. Total capital generated was £2,056,206 and at the end of the fiscal year, there was £244,074 in cash on hand.

Subsequent to the year end the Company raised a further £340,000 in Convertible Loan Notes from existing shareholders and directors.

Whilst the financial statements have been prepared on a going concern basis the Company will be required to raise additional funds within the next 12 months. The Directors are confident that they will be secure the necessary funding, but the current conditions do indicate the existence of a material uncertainty.

The result for the 2023 FY of £3,997,899 (2022: £5,557,029) for the year ended 30 June 2023 consisted mainly of income from property option payments, expenses from professional and consulting fees and realised loss on sale of investments.

CLOUDBREAK DISCOVERY PLC

INTERIM CEO'S REPORT

For a further breakdown on expenses, please refer to note 24 and for further breakdown on value of investments, please refer to note 6.

Financial Position

The Group's Statement of Financial Position as at 30 June 2023 and comparatives at 30 June 2022 are summarised below:

	2023 £	2022 £
Current assets	487,251	1,611,212
Non-current assets	3,216,644	3,805,897
Total assets	3,703,895	5,417,109
Current liabilities	1,704,437	1,395,910
Total liabilities	1,704,437	1,395,910
Net assets	1,999,458	4,021,199

On behalf of the Board, I would like to record our thanks to those who have helped the Company throughout the year.

Andrew Male
Interim CEO
24 October 2023

CLOUDBREAK DISCOVERY PLC

STRATEGIC REPORT

The Directors of the Company present their Strategic Report on the Group for the year ended 30 June 2023.

Principal Activity

The principal activity of the Group is natural resource project and royalty generation as well as acquisition of projects and royalties.

Review of operations

A review of the business of the Company during the year and an indication of likely future developments may be found in the Interim CEO's Statement.

Financial performance review

The loss of the Group for the year ended 30 June 2023 amounts to £3,997,899 (30 June 2022: £5,557,029).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 30 June 2023.

The main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

KPI	2023	2022
Cash and cash equivalents	£244,074	£310,578
Administrative expenses as a percentage of total assets	108.2%	59.6%
Exploration and evaluation cash expenditures	£648,310	£370,848
Carrying value of investment	£891,255	£2,069,302

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statements of Cash Flows).

Administrative expenses are the expenses related to the Group's ability to run the corporate functions to ensure they can perform their operational commitments.

Exploration costs include non-capitalised costs and costs capitalised during the period consist of exploration expenditure on the Group's exploration licences net of foreign exchange rate movements.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Exploration risks

The energy and resource business are controlled by a number of global factors, principally supply and demand which in turn is a key driver of global prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of expenditure ensuring that funds are only applied to high priority targets. The energy sector is a cyclic business and sensitive to several global and regional factors that the company is not able to predict or control.

CLOUDBREAK DISCOVERY PLC

STRATEGIC REPORT

Some of the principal assets of the Group are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to option agreements and legislation defined by the local government; if this legislation is changed or option payments are not made on time, it could adversely affect the value of the Group's assets.

Dependence on key personnel

The Group is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards and weather conditions or other acts of God.

Royalty acquisitions risk

The growth and viability of the Group is dependent on its ability to successfully identify and acquire royalties. The availability of potential royalties which meet the Group's investing policy will depend, inter alia, on the state of the world economy, general business conditions, commodity prices, mining sector appetite, alternative sources of finance and financial markets generally.

Funding risk

The only sources of funding currently available to the Group are through the issue of additional equity capital in the parent company, drawdown additional equity through the Crescita Capital Facility or through bringing in partners to fund exploration and development costs. The Group's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The Group may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its exploration activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

Financial risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Investment risks

The Group holds investments in publicly listed and non-listed securities. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Group might suffer through holding its financial investment portfolio in the face of market movements.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

Going Concern

These financial statements have been prepared on the going concern basis, as set out in Note 2.4.

The consolidated financial statements have been prepared under the going concern assumption. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

CLOUDBREAK DISCOVERY PLC

STRATEGIC REPORT

The Group receives property option income, debenture interest income and royalty income but even along with reducing expenditure for 2024FY, the forecasts indicate that the Group and Parent Company, in order to meet their operational objectives, and expected liabilities as they fall due, will be required to raise additional funds within the next 12 months.

Whilst the Directors are confident that they will secure the necessary funding, the current conditions do indicate the existence of a material uncertainty that may cast significant doubt regarding the applicability of the going concern assumption and the auditors have made reference to this in their audit report. The Directors are confident in the Company's ability to raise additional funds as required, from existing and/or new investors, within the next 12 months. Thus, they continue to adopt the going concern basis of accounting preparing these financial statements.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. The Directors are aware that no system can provide absolute assurance against material misstatement or loss, however, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Group operates as a project generation and royalty business for the natural resources sectors, which is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The nature of the business is important to the understanding of the Group by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under FCA regulations. The application of the s172 requirements are demonstrated throughout this report and the financial statements as a whole, with the following examples representing some of the key decisions made in 2023 and up to the date of the approval of these financial statements:

- **Remunerate the Directors with share options in lieu of cash:** during the year, having decided on a plan to raise new funds to finance operations, the Directors also decided that to maximise funds available for exploration the Directors would be remunerated in part by share options instead of cash. This has the added benefit of more fully aligning the interests of the Directors with those of the members.
- **Ethical responsibility to the community and the environment:** the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption and bribery. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact.

The need to act fairly between members of the Company

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy over the long-term, taking into consideration the impact on stakeholders. The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole.

CLouDBREAK DISCOVERY PLC

STRATEGIC REPORT

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with key private shareholder, analysts and brokers, providing the opportunity to discuss issues and provide feedback at meetings with the Company. All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company.

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

The Board periodically reviews and approves clear frameworks, such as the Company's Code of Business Ethics, to ensure that its high standards are maintained both within the Group and the business relationships we maintain. This, complemented by the various ways the Board is informed and monitors compliance with relevant governance standards, help ensure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.

Consider the interests of the Company's employees

There are no employees in the Group currently; only Directors. Still, the Group is committed to considering the interests of all directors of the Company when decisions or changes are to be made.

Developing relationships with the option agreement partners, suppliers and others

Delivering on our strategy requires strong mutually beneficial relationships with suppliers. The Group values all of its suppliers and aims to build strong positive relationships through open communication and adherence to option agreement terms. The Group is committed to being a responsible entity and doing the right thing for its suppliers and business partners.

The impact of the Company's operations on the community and the environment

The Group is committed to the highest environmental, social and governance standards both internally within the Group and externally with its partners. The Group is committed to being a responsible entity in terms of the community and the wider environment.

Conclusion

The Directors believe that to the best of their wisdom and abilities, they have acted in the way they consider prudent to promote the success of the Company for the benefit of its members as a whole, in the true spirit of the provisions of Section 172 (1) of the Companies Act 2006.

The Group Strategic Report was approved by the Board on 24 October 2023.

Andrew Male
Interim Chief Executive Officer

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REPORT

The Directors are pleased to present their Report and the audited consolidated Financial Statements of the Company and its subsidiaries for the year ended 30 June 2023.

Results and Dividends

Loss on ordinary activities of the Group after taxation amounted to £3,997,899 (2022: loss of £5,557,029). The Directors do not recommend the payment of a dividend (2022: £Nil).

Directors & Directors' interests

The Directors who held office at 30 June 2023 had the following beneficial interests in shares and options of the Group:

	30 June 2023		30 June 2022	
	Ordinary Shares	Options	Ordinary Shares	Options
Emma Priestley	2,000,000	1,850,000	2,000,000	1,100,000
Andrew Male	2,000,000	1,350,000	2,000,000	600,000
Paul Gurney	-	750,000	-	-
Samuel "Kyler" Hardy	-	-	91,626,929	1,500,000
Total	4,000,000	3,950,000	95,626,929	3,200,000

- Samuel "Kyler" Hardy resigned 19 June 2023.

Substantial shareholders

On 23 October 2023, the following parties had notified the Group of a beneficial interest that represents 3% or more of the Group's issued share capital at those dates:

	23 October 2023	
	Holding	Percentage
Crescita Capital	109,327,776	17.99%
Samuel Kyler Hardy	91,816,574	15.10%
Campbell Smyth	26,440,288	4.44%

Corporate responsibility

Greenhouse gas emissions

Given the nature of its activities which include aerial geophysics with a helicopter and the operation of drill rigs, the Group is conscious of greenhouse gas emissions. The Directors are mindful of their responsibilities in this regard and strive to seek opportunities where improvements may be made.

The Board recognises its responsibility to protect the environment and is fully committed to conserving natural resources and striving for environmental sustainability, by ensuring that its facilities are operated to optimise energy usage; minimise waste production; and protect nature and people.

The Company is currently deemed to be a low energy user meaning it has consumed less than 40MWh of energy during the reporting period. This includes the combustion of gas, consumption of fuel for transport and the purchase of electricity for its own use. As such, it is exempt from disclosing actual kWh of energy emitted during the period from its operations and activities. As the Group's operations scale up, it will continue to monitor its energy use and its status as a low energy user. The Group will seek to collect, structure, and effectively disclose related performance data for the material, climate-related risks and opportunities identified where relevant.

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REPORT

Internal controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the period. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Supplier payment policy

The Group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

Going concern

These financial statements have been prepared on the going concern basis, as set out in Note 2.4.

The Directors have prepared cash flow forecasts for the period ending 31 December 2024, which take into account the cost and operational structure of the Group and Parent Company, property option income, debenture interest and any existing licence and working capital requirements. These forecasts indicate that the Group and parent Company's cash resources will not be sufficient to cover the projected expenditure for the period of 12 months from the date of approval of these financial statements. These forecasts indicate that the Group and Parent Company, in order to meet their operational objectives, and expected liabilities as they fall due, will be required to raise additional funds within the next 12 months.

Whilst the Directors are confident that they will secure the necessary funding, the current conditions do indicate the existence of a material uncertainty that may cast significant doubt regarding the applicability of the going concern assumption and the auditors have made reference to this in their audit report. The Directors are confident in the Company's ability to raise additional funds as required, from existing and/or new investors, within the next 12 months. Thus, they continue to adopt the going concern basis of accounting preparing these financial statements.

Directors' and Officers' indemnity insurance

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and Officers. These were made during the period and remain in force at the date of this report.

Financial risk management objectives

The Group has disclosed the financial risk management objectives within Note 3 to these Financial Statements.

The task force on climate-related financial disclosures

The task force on climate-related financial disclosures ("TCFD") aim to provide investors, lenders and other stakeholders with information necessary to assess climate related risks and opportunities. The Group takes various actions throughout local operations to mitigate the potential impacts of the Group's activities. The Directors recognise the benefits of disclosing climate-related financial information, but due to the Group's small scale and stage of development, have not yet fully implemented the TCFD recommendations. During 2023/2024 the Directors will establish a cross-functional team to evaluate and implement the TCFD recommendations over the next few years.

Events after the reporting period

Events after the reporting period are set out in Note 28 to the Financial Statements.

Future developments

Details of future developments for the Group are disclosed in the Interim CEO's Report on page 3.

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REPORT

Provision of information to Auditor

So far as each of the Directors is aware at the time this report is approved:

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

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 24 October 2023 and signed on its behalf.

Andrew Male
Interim Chief Executive Officer

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REMUNERATION REPORT

The Company has an established Remuneration Committee. The purpose of the remuneration policy is to attract, retain and motivate Executive Directors of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value.

The Company's auditors, PKF Littlejohn LLP are required by law to audit certain disclosures and where disclosures have been audited, they are indicated as such.

Service Contracts

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Executive Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Executive Directors are allowed to retain fees paid.

The contracts are available for inspection at the Company's registered office.

Implementation Report

Particulars of Directors' Remuneration

Particulars of directors' remuneration, including directors' options are provided in notes 15 and 18 and further referenced in the Directors' report.

Remuneration owing to the Directors' during the year ended 30 June 2023 was:

	Short-term benefits £	Share based payments £	Total £
Directors			
Samuel "Kyler" Hardy ⁽¹⁾	120,000	6,329	126,329
Paul Gurney	30,000	3,798	33,798
Emma Priestly	45,000	3,798	48,798
Andrew Male	120,000	3,798	123,798
	315,000	17,723	332,723

(1) Samuel "Kyler" Hardy resigned on 19 June 2023.

Remuneration hasn't been paid in full to all directors, the amounts referenced above have either been accrued or partially paid. Refer to note 26 for amounts still owing to the Directors.

Remuneration paid to the Directors' during the year ended 30 June 2022 was:

	Short-term benefits £	Share based payments £	Total £
Directors			
Samuel "Kyler" Hardy	-	2,000	2,000
Paul Gurney	7,500	-	7,500
Emma Priestly	-	600	600
Andrew Male	72,476	600	73,076
	79,976	3,200	83,176

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REMUNERATION REPORT

Incentive plans

The Company have an established Option Scheme.

On 9 August 2022, the Directors were granted options over 2,250,000 ordinary shares of 0.1 pence each in the capital of the Company. The Options vested immediately and have an exercise price of 2.25p with a 2-year exercise period.

The Directors held the following options at the beginning and the end of the year:

	As at 30 June 2022	Granted during the year	At 30 June 2023	Exercise price	Expiry date
Emma Priestley	1,100,000	750,000	1,850,000	£0.0225	9/8/2025
Andrew Male	600,000	750,000	1,350,000	£0.0225	9/8/2025
Paul Gurney	-	750,000	750,000	£0.0225	9/8/2025
Total	1,700,000	2,250,000	3,950,000	-	-

Percentage change in the remuneration of the Chief Executive

The previous CEO, Samuel "Kyler" Hardy resigned from the Company on 19 June 2023. The interim CEO is Andrew Male, so therefore no CEO disclosure has been presented.

Performance Graph

The Directors have considered the requirement of the UK 10-period performance graph comparing the company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful as the Company is currently in a loss-making position and is not paying dividends. The Directors will review the inclusion of this table for future reports.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Other matters

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

Directors interests in shares

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 30 June 2023 was:

	30 June 2023	
	Ordinary Shares	% of issued share capital
Emma Priestley	2,000,000	0.33%
Andrew Male	2,000,000	0.33%
Paul Gurney	-	-
Total	4,000,000	0.66%

CLOUDBREAK DISCOVERY PLC

DIRECTORS' REMUNERATION REPORT

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 30 June 2022 was:

	30 June 2022	
	Ordinary Shares	% of issued share capital
Emma Priestley	2,000,000	0.41%
Andrew Male	2,000,000	0.41%
Paul Gurney	-	-
Samuel "Kyler" Hardy ⁽¹⁾	91,626,929	18.96%
Total	95,626,929	19.78%

(1) Samuel "Kyler" Hardy resigned on 19 June 2023.

The Directors' remuneration report was approved by the Board on 24 October 2023.

Emma Priestley
Remuneration Committee Chairman

CLOUDBREAK DISCOVERY PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations, including the AIM Rules for Companies.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with UK-adopted International Accounting Standards (UK-adopted IAS) in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted IAS in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

Directors Responsibility pursuant to Disclosure and Transparent Rules

Each of the Directors whose names and functions are listed on page 2 confirm that, to the best of their knowledge and belief:

- The Financial Statements prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group and Company; and
- the Annual Report and Financial Statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

CLOUDBREK DISCOVERY PLC

CORPORATE GOVERNANCE REPORT

As a Group listed on the Standard Segment of the Official List of the UK Listing Authority, the Group is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board is committed to maintaining high standards of corporate governance and so far, as appropriate given the Group's size and the constitution of the Board, complies and intends to comply with The Corporate Governance Guidelines for Small and Mid-Sized Companies (the "QCA Code").

In light of the Group's size and recent history, the Group has deviated from the QCA Code in the following respects:

- The provisions relating to the composition of the Board and the division of responsibilities are not being complied with as the Board feels these provisions to be inapplicable, given the size of the Group.
- The Board do not consider an internal audit function to be applicable due to the size of the Group.
- A diversity policy as applied to the Group's administrative management and supervisory bodies has not yet been developed.

The Directors are responsible for internal control in the Group and for reviewing effectiveness. Due to the size of the Group, all key decisions are made by the Board. The Directors have reviewed the effectiveness of the Group's systems during the period under review and consider that there have been no material losses, contingencies or uncertainties due to weaknesses in the controls.

The Group hold timely board meetings or informal meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Directors' responsibility to oversee the financial position of the Group and monitor the business and affairs of the Group, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Group at all times. The Board also addresses issues relating to internal control and the Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Directors have established an audit committee, a nomination committee and a remuneration committee with formally delegated duties and responsibilities. Emma Priestley and Paul Gurney are each considered by the Board to be an independent Non-Executive Director. At the date of release, Andrew Male is considered to be an Executive Director.

The QCA Code has ten principles of corporate governance that the Group has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board; and
10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

There follows a short explanation of how the Group will apply each of the principles:

Principle One

Business Model and Strategy

The Board has determined that the best medium and long term value can be delivered through the adoption of a single strategy. The Group's principal activity is natural resource project and royalty generation as well as acquisition of projects and royalties. Cloudbreak maximizes its returns by seeking buyers to purchase its properties or by seeking partners to jointly develop its properties through joint ventures or other partnering mechanisms.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Shareholders are encouraged to attend the Group's Annual General Meeting ("AGM"). Investors also have access to current information on the Group through its website, www.cloudbreakdiscovery.com, and via Andrew Male, Interim Chief Executive Officer, who is responsible for shareholder liaison and is available to answer investor relations enquiries. Shareholders can email the Group at info@cloudbreakdiscovery.com or via a submission on the Group website.

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The Group's Annual Report, Notice of AGM are sent to all shareholders and can be downloaded from our website. Copies of the interim report and other investor presentations are also available on the Group's website. Shareholders are kept up to date via regulatory news flow ("RNS") on matters of a material substance and regulatory nature.

Periodic updates are provided to the market and any deviations to these updates are announced via RNS. At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provide voting shareholders with an opportunity to vote in advance of the AGM if they are unable to vote in person. Our registrars, count the proxy votes which are properly recorded, and the results of the AGM are announced through an RNS.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Group's AGM are as much as possible within the recommended guidelines of the QCA Code. Non-deal roadshows will be arranged throughout the year to meet with existing shareholders and potential new stakeholders to maintain, as much as possible, transparency and dialogue with the market. Additionally, investor presentations can be found on the Group's website.

Principle Three

Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers, regulators and other stakeholders. The Group has close ongoing relationships with a broad range of its stakeholders and provides them via regular contact with the opportunity to raise issues and provide feedback to the Group. The Board regularly reviews and assesses its key resources and relationships and has established processes and systems to ensure that there is close oversight and contact with its minority investee companies and key stakeholders.

Principle Four

Risk Management

The Board is responsible for ensuring that procedures are in place and being implemented effectively to identify, evaluate and manage the significant risks faced by the Group, noting that the Group is primarily an operating company with some remaining minority investments in portfolio companies. A risk assessment matrix has been established by the Group and is updated at regular intervals. The following principal risks, and controls to mitigate them, have been identified:

Risk.	Impact	Probability	Risk Level	Mitigating Actions & Controls	Risk Owner	Accept
Exploration risks	High	Low	Medium	Experience of the Board and the technical senior management team;	CEO	Yes
Dependence on key personnel	High	Medium	Low	Key management have significant equity; Share options awarded; Exciting business opportunities	CEO	Yes
Uninsured risk	Medium	Low	Low	Group's exploration programmes are in the early stages with no mine development or operations in place as of yet	CEO	Yes

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CORPORATE GOVERNANCE REPORT

Funding risk	High	Medium	Medium	Cash on hand, investments held and bought deal equity facility in place sufficient to fund the Comely for the foreseeable future.	CEO	Yes
Financial risks	High	Medium	Medium	No debt held by the Group. The Audit Committee are responsible for overseeing and managing this risk accordingly.	CEO	Yes
Investment risk	High	Medium	Medium	Investments are held in both listed and unlisted entities and the board monitor their investments in a regular basis. For unlisted investments the board attempt to have regular communication with the management team of the investee.	CEO	Yes

Principle Five

A Well Functioning Board of Directors

The Board comprises the Interim Chief Executive Officer, Andrew Male, and two Non-Executive Directors, Paul Gurney and Emma Priestley. Biographical details of the current Directors are set out on the Company's website. Executive and Non-Executive Directors are subject to re-election in accordance with both the requirements of the UK Companies Act 2006 and the Group's articles of association ("Articles"). The Group's Articles state that Directors are subject to re-election at intervals of no more than three years. The letters of appointment for all Directors stipulate the time commitment that each Director is expected to provide to the Group.

The Board meets at least once a month. It has established an Audit Committee, the members of which are Paul Gurney and Emma Priestley. The Nominations Committee consists of Emma Priestley (Chair) and Paul Gurney. A Remuneration Committee has been established and is composed of Emma Priestley (Chair) and Paul Gurney.

Emma Priestley and Paul Gurney are considered to be independent Directors and as such the Group is in compliance with the requirement to have a minimum of two independent Non-Executive Directors on its Board.

The Nominations committee shall review further appointments and make recommendations to the Board.

The Group reports annually in the Directors' Report on the number of Board and committee meetings held during the year and the attendance record of individual Directors. To date, in the current financial year, the Directors have a 100% record of attendance at such meetings. Directors meet formally and informally both in person and by telephone.

Principle Six

Appropriate Skills and Experience of the Directors

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The Board currently consists of three Directors. Westend Corporate LLP acts as the Company Secretary. The Group believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and all of the Directors have experience in the natural resources sector and public markets. Information about the directors can be found on the website.

The Board is kept abreast with developments of governance and London Stock Exchange ("LSE") regulations. The Group's lawyers provide updates on governance issues. The Directors have access to the Group's company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives, as well as the Directors' continued independence. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

Principle Eight

Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole, which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group as a whole and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, employees, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with employees, representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Directors consider that at present the Group has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, with effect from the date on which its shares were admitted to LSE, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on LSE and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Issues of bribery and corruption are taken seriously, the Group has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employment contract specifies that the employee will comply with the policies. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine

Maintenance of Governance Structures and Processes

The Audit Committee is chaired by Paul Gurney with Emma Priestley being the other member. The Board has adopted appropriate delegations of authority which set out matters which are reserved for the Board. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while, as an operating company, execution of the Group's strategy is delegated to the Chief Executive Officer.

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported. It receives reports from Group advisors and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets not less than twice in each financial year, and it has unrestricted access to the Group's auditors.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Group; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. The Board notes requirement for the Group to meet the LSE Rules for Companies such that the Group is suitable at all times to remain admitted to trading on LSE. This includes the requirement for a governance structure compatible with this requirement.

The Board retains full and effective control over the Group and holds regular meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board, they include:

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- approval of the Group's strategic aims and objectives;
- Review of Group performance and ensuring that any necessary corrective action is taken;
- Extension of the Group's activities into new business or geographical areas;
- Any decision to cease to operate all or any part of the Group's business;
- Major changes to the Group's corporate structure and management and control structure;
- Any changes to the Group's listing;
- Changes to governance and key business policies;
- Ensuring maintenance of a sound system of internal control and risk management;
- Approval of half yearly and Annual Report and accounts and preliminary announcements of final year results;
- Reviewing material contracts and contracts not in the ordinary course of business.

As the Group grows, the Directors will ensure that the governance framework remains in place to support the development of the business.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the LSE market. All shareholders are encouraged to attend the Group's AGM where they will be given the opportunity to interact with the Directors.

Investors also have access to current information on the Group through its website, www.cloudbreakdiscovery.com, and via Andrew Male, Interim Chief Executive Officer, who is available to answer investor relations enquiries.

The Group shall include, when relevant, in its Annual Report, any matters of note arising from the Audit Committee (none for the current year).

Copies of all Annual Reports, Notices of Meetings, Circulars sent to shareholders and Admission Documents (in respect of the last five years) are included on the Group's website.

If a significant proportion of votes was ever cast against a resolution by shareholders in General Meeting, the Group would, on a timely basis, provide an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Paul Gurney
Non-Executive Director

24 October 2023

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT

As at 30 June 2023

Opinion

We have audited the financial statements of Cloudbreak Discovery plc. (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Statements of Financial Position, the Consolidated Comprehensive Income Statement, the Consolidated and Company Statements of Changes in Equity, the Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group and parent 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.4 in the financial statements, which indicates that the group will need to raise additional funds either through debt or equity during the going concern period in order to fund exploration expenditure and to meet its liabilities as they fall due. As stated in note 2.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern and associated cash flow forecasts for a period of 20 months from the date of approval of the financial statements. We reviewed the overall forecast which included checking the mathematical accuracy and agreeing the opening position to cash balances. We also made enquiries of management to assess key inputs and assumptions made and drivers of the assessment which includes committed costs and option income expected and we also performed sensitivity analysis on the forecast. This was then agreed to supporting documentation where appropriate. We also evaluated the inputs to the cash flow forecast for reasonableness, compared non-discretionary costs to historic costs incurred by the group, and also considered the availability of funding or access to existing and additional working capital of the group.

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

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit. This is reviewed accordingly during fieldwork and completion dependent on adjustments made during the audit.

The group was audited to a level of materiality for the financial statements as a whole of £82,000 (2022: £105,000), a benchmark calculated using 2% of gross assets of the group. We consider gross assets, which is made up predominantly of investment assets, to be the most significant determinant of the group's financial position and performance used by shareholders and investors for the current year and that the group's future operations are being driven by investments and the performance of the subsidiaries, as the Company has no external borrowings and a small amount of liabilities relative to assets held.

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As at 30 June 2023

The performance materiality applied at the group level was 70% (2022: 70%) of group materiality of £57,400 (2022: £73,500) and we have reported to management misstatements during our audit work above £4,100 (2022: £5,250) for the group, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Performance materiality for the group and parent company was set at 70% of overall materiality due to our accumulated knowledge in respect of the group and the assessed level of risk associated with a listed company operating within the exploration sector.

The materiality applied to the parent company was £58,000 (2022: £64,000) being 2% of expenditure. This benchmark is considered to be the determinant of the parent company's financial position and performance measures considered to be of most relevant to shareholders as it is a head cost centre and is not revenue generative. Performance materiality applied was £40,600 (2022: £44,800) being 70% (2022: 70%) of parent materiality.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. We looked at areas involving significant accounting estimates and judgement by the directors which includes the valuation of investments, including those at fair value through profit or loss (FVPL) and the consideration of future events that are inherently uncertain such as the recoverable value of the parent company's investment in the subsidiaries. We also addressed the risk of management override of internal controls, including an evaluation of whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Of the seven components of the group, a full scope audit was performed on the complete financial information of two components which composed of the parent company and the Canadian subsidiary. A limited scope review was performed on a component assessed as material and the remaining components were subject to analytical review procedures only as they were not significant or material to the group.

Of the components of the group which we performed full scope audit, one is located in Canada and audited in London, conducted by group audit team using a team with specific experience of auditing mining exploration entities and publicly listed entities. The Senior Statutory Auditor interacted regularly with the audit teams during all stages of the audit and was responsible for the scope and direction of the audit process. This, in conjunction with additional procedures performed, gave us appropriate evidence for our opinion on the group and parent company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Valuation and classification of investments in other entities (Note 6)	
Financial investments carrying value as at 30 June 2023 amounted to £891,255 are the most significant balances in the financial statements and are material.	Our audit work included the following: ■ Obtaining the agreements underpinning the investments and understanding the key terms; ■ Obtaining broker statements as proof of ownership; ■ Reviewing the accounting treatment to ensure investments are appropriately classified and valued in accordance with IFRS 9; ■ Undertaking substantive testing on additions, disposals and fair value movements in the year.
Cloudbreak Exploration Inc. (previously known as Cloudbreak Discovery (Canada)) holds shares in other listed and non-listed companies as investments.	
Under International Financial Reporting Standard (IFRS) 9 <i>Financial Instruments</i>, these investments should be valued at the fair value through profit or loss. Some investments are held under level 3 of the fair value hierarchy in accordance with IFRS 13	

CLOUDBREAK DISCOVERY PLC

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As at 30 June 2023

<i>Fair Value Measurement</i> which involves management judgement and estimation due to its lack of active market. There is a risk that these investments are incorrectly valued as at the year end. This is considered a key audit matter,	Any gains or losses on disposal were re-calculated; ▪ Challenging key inputs and assumptions in management's valuation models used to determine the fair value and reviewing accounting entries made to assess whether the basis of valuation is appropriate and fair value adjustments recorded correctly; and ▪ Ensuring disclosures made in the financial statements in relation to critical accounting judgements are adequate. Based on the procedures performed, we found management's assessment of the carrying value and classification of investment in other entities to be supported by the underlying models and the judgements and estimates applied reasonable.
Valuation of investments in subsidiaries – parent company	
Investments in subsidiaries, as shown in Note 6, is the most significant asset in the parent company's Statement of Financial Position. Given that the subsidiaries are dependent on financing from the parent, there is a risk that the investments in subsidiaries and associated loans provided by the parent may not be fully recoverable. The estimated recoverable amount is subjective due to the inherent uncertainty involved in the assessment of early-stage exploration projects in the subsidiaries, we considered the carrying value of the investments to be a key audit matter.	Our work in this area included the following: ▪ Confirmation of ownership of investments by reviewing Company records and filings with the local government registries; ▪ Consideration of recoverability of investments by reference to underlying net asset values in each subsidiary and the cash flow forecasts; ▪ A review of the impairment assessment prepared under IAS 36 Impairment of assets by the company and challenge of key inputs and estimates included therein such as inflows and outflows in the future forecast and relevant discount rates; and ▪ Ensuring disclosures made in the financial statements in relation to are adequate. Based on the procedures performed, we deemed the carrying value of investment in subsidiaries, including any associated loans to be reasonable after the impairment charge recognised by the management.

Other information

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

We have nothing to report in this regard.

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT As at 30 June 2023

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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 group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector. .
- We determined the principal laws and regulations relevant to the group and company in this regard to be those arising from:
 - Listing Rules;
 - UK Companies Act 2006;
 - Anti Bribery Legislation;

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- Market Abuse Directive;
 - The Money Laundering and Terrorist Financing (Amendment) Regulations 2019;
 - Disclosure and Transparency Rules for listed entities;
 - Local industry regulations where the group operates; and
 - Local tax and employment law.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management;
 - Review of Board minutes; and
 - Review of legal expenses
- Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the value and classification of investments in other entities and value of investments in subsidiaries – parent company and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing transactions through the bank statements to identify potentially large and unusual transactions that do not appear to be in line with our understanding of business operations. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

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

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

Other matters which we are required to address

The Company was listed on London stock exchange on 3 June 2021. We were re-appointed as auditor of the public listed entity by the Audit Committee on 24 November 2022 to audit the financial statements for the period ending 30 June 2023. Our total uninterrupted period of engagement is 13 years, covering the periods ending 30 June 2010 to 30 June 2023, including the audit years prior to listing.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

CLOUDBREAK DISCOVERY PLC

INDEPENDENT AUDITOR'S REPORT

As at 30 June 2023

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.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

24 October 2023

CLOUDBREAK DISCOVERY PLC

STATEMENT OF FINANCIAL POSITION As at 30 June 2023

Company number: 06275976

		Group		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	£	£	£	£
Non-Current Assets					
Royalty asset	7	1	1	-	-
Intangible assets	5	236,518	78,694	-	-
Investments	6	891,255	2,069,302	43,046	68,056
Investment in subsidiaries	6	-	-	1,997,048	7,252,886
Leased Asset		29,810	-	-	-
Convertible debenture receivables	8	475,168	1,657,900	475,168	1,657,900
		1,632,752	3,805,897	2,515,262	8,978,842
Current Assets					
Trade and other receivables	10	243,177	1,300,634	77,254	1,676,619
Cash and cash equivalents	11	244,074	310,578	18,684	124,118
Convertible debenture receivables	8	1,583,892	-	1,583,892	-
		2,071,143	1,611,212	1,679,830	1,800,737
Total Assets		3,703,895	5,417,109	4,195,092	10,779,579
Current Liabilities					
Trade and other payables	13	1,704,437	1,395,910	1,454,431	1,357,254
		1,704,437	1,395,910	1,454,431	1,357,254
Total Liabilities		1,704,437	1,395,910	1,454,431	1,357,254
Net Assets					
		1,999,458	4,021,199	2,740,661	9,422,325
Equity attributable to owners of the Parent					
Share capital	14	778,635	654,129	778,635	654,129
Share premium	14	16,753,221	14,821,521	16,753,221	14,821,521
Other reserves	16	519,045	599,093	340,716	297,397
Reverse asset acquisition reserve		(4,134,019)	(4,134,019)	-	-
Retained losses		(11,917,424)	(7,919,525)	(15,131,911)	(6,350,722)
Total Equity		1,999,458	4,021,199	2,740,661	9,422,325

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Income Statement and Statement of Comprehensive Income. The loss for the Company for the year ended 30 June 2023 was £8,781,189 (loss for year ended 30 June 2022: £2,523,971).

The Financial Statements were approved and authorised for issue by the Board of Directors on 24 October and were signed on its behalf by:

Andrew Male
Interim Chief Executive Officer

The Notes on pages 32 to 61 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2023

		Year ended 30 June 2023	Year ended 30 June 2022
		£	£
Continued operations	Note		
Profit on disposal of exploration & evaluation asset sales		364,968	559,523
Administrative expenses	24	(4,006,518)	(3,308,214)
Foreign exchange (losses)/gains		(81,024)	39,380
Operating loss		(3,722,574)	(2,709,311)
Finance income	19	369,587	154,518
Other income		47,121	11,233
Impairment of loans	9	(128,607)	(184,365)
Impairment of property		(12,636)	-
Other gains	20	17,913	8,332
Realised Loss on investments	21	(866,421)	-
Unrealised fair value gain/(loss) on investments	6	309,896	(2,837,437)
Loss before income tax		(3,985,721)	(5,557,029)
Income tax	22	(12,178)	-
Loss for the year attributable to owners of the Parent		(3,997,899)	(5,557,029)
Basic and Diluted Earnings Per Share attributable to owners of the Parent during the period (expressed in pence per share)	23	(0.01)p	(0.01)p

	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Loss for the period	(3,997,899)	(5,557,029)
Other Comprehensive Income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	(123,367)	233,866
Other comprehensive income for the period, net of tax	(4,121,266)	(5,323,163)
Total Comprehensive Income attributable to owners of the parent	(4,121,266)	(5,323,163)

The Notes on pages 32 to 61 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2023

	Note	Share capital £	Share premium £	Reverse asset acquisition reserve £	Other reserves £	Retained losses £	Total £
Balance as at 1 July 2021		560,520	10,905,507	(4,134,019)	511,501	(2,554,928)	5,288,581
Loss for the year		-	-	-	-	(5,557,029)	(5,557,029)
Other comprehensive income for the year		-	-	-	-	-	-
Items that may be subsequently reclassified to profit or loss		-	-	-	-	-	-
Currency translation differences		-	-	-	233,866	-	233,866
Total comprehensive income for the year		-	-	-	233,866	(5,557,029)	(5,323,163)
Issue of shares	14	93,609	3,994,527	-	-	-	4,088,136
Issue costs	14	-	(78,513)	-	-	-	(78,513)
Options Granted	16	-	-	-	11,238	-	11,238
Warrants Granted	16	-	-	-	30,075	-	30,075
Options Exercised	16	-	-	-	(24,962)	24,962	-
Share Options Expired	16	-	-	-	(112,406)	112,406	-
Share Options Cancelled	16	-	-	-	(1,180)	1,180	-
Warrants Exercised	16	-	-	-	(13,024)	13,024	-
Other equity movement	16	-	-	-	4,845	-	4,845
Elimination of other reserves	16	-	-	-	(40,860)	40,860	-
Total transactions with owners, recognised directly in equity		93,609	3,916,014	-	(146,274)	192,432	4,055,781
Balance as at 30 June 2022		654,129	14,821,521	(4,134,019)	599,093	(7,919,525)	4,021,199
Balance as at 1 July 2022		654,129	14,821,521	(4,134,019)	599,093	(7,919,525)	4,021,199
Loss for the year		-	-	-	-	(3,997,899)	(3,997,899)
Other comprehensive income for the year		-	-	-	-	(3,997,899)	(3,997,899)
Items that may be subsequently reclassified to profit or loss		-	-	-	-	-	-
Currency translation differences		-	-	-	(123,367)	-	(123,367)
Total comprehensive income for the year		-	-	-	(123,367)	(3,997,899)	(4,121,266)
Issue of shares	14	124,506	1,934,700	-	-	-	2,059,206
Issue costs	14	-	(3,000)	-	-	-	(3,000)
Options Granted	16	-	-	-	36,723	-	36,723
Warrants Granted	16	-	-	-	6,596	-	6,596
Total transactions with owners, recognised directly in equity		124,506	1,931,700	-	43,319	-	2,099,525
Balance as at 30 June 2023		778,635	16,753,221	(4,134,019)	519,045	(11,917,424)	1,999,458

CLOUDBREAK DISCOVERY PLC

COMPANY STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2023

	Note	Share capital £	Share premium £	Other reserves £	Retained losses £	Total equity £
Balance as at 1 July 2021		560,520	10,905,507	407,656	(3,983,168)	7,890,515
Loss for the year		-	-	-	(2,523,971)	(2,523,971)
Total comprehensive income for the year		-	-	-	(2,523,971)	(2,523,971)
Issue of shares	14	93,609	3,994,527	-	-	4,088,136
Issue Costs	14	-	(78,513)	-	-	(78,513)
Options granted	16	-	-	11,238	-	11,238
Warrants Granted	16	-	-	30,075	-	30,075
Options Exercised	16	-	-	(24,962)	24,962	-
Share Options Expired	16	-	-	(112,406)	112,406	-
Share Options Cancelled	16	-	-	(1,180)	1,180	-
Warrants Exercised	16	-	-	(13,024)	13,024	-
Other equity movement	16	-	-	4,845	-	4,845
Elimination of other reserves	16	-	-	(4,845)	4,845	-
Total transactions with owners, recognised directly in equity		93,609	3,916,014	(110,259)	156,417	4,055,781
Balance as at 30 June 2022		654,129	14,821,521	297,397	(6,350,722)	9,422,325
Balance as at 1 July 2022		654,129	14,821,521	297,397	(6,350,722)	9,422,325
Loss for the year		-	-	-	(8,781,189)	(8,781,189)
Total comprehensive income for the year		-	-	-	(8,781,189)	(8,781,189)
Issue of shares	14	124,506	1,934,700	-	-	2,059,206
Issue Costs	14	-	(3,000)	-	-	(3,000)
Options granted	16	-	-	36,723	-	36,723
Warrants Granted	16	-	-	6,596	-	6,596
Total transactions with owners, recognised directly in equity		124,506	1,931,700	43,319	-	2,099,525
Balance as at 30 June 2023		778,635	16,753,221	340,716	(15,131,911)	2,740,661

The Notes on pages 32 to 61 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

STATEMENTS OF CASH FLOWS For the year ended 30 June 2023

	Note	Group		Company	
		Year ended 30 June 2023	Year ended 30 June 2022	Year ended 30 June 2023	Year ended 30 June 2022
		£	£	£	£
Cash flows from operating activities					
Loss before income tax		(3,997,899)	(5,557,029)	(8,781,189)	(2,523,981)
Adjustments for:					
Exploration and evaluation asset sales		-	(559,523)	-	-
Provision for bad debt		287,052	-	140,000	-
Other income		-	(11,233)	-	-
Other gains		-	(8,332)	-	-
Realised loss on investments		866,421	-	-	-
Change in fair value of investments		(309,896)	2,837,437	14,961	39,623
Change in fair value of convertible debentures		91,106	-	91,106	-
Impairment of loans		128,607	184,365	52,444	123,486
Impairment of property		12,636	-	-	-
Impairment of intercompany investments		-	-	6,056,544	-
Interest income		(369,587)	(154,518)	(309,274)	(101,367)
Intercompany sales		-	-	(155,129)	(406,186)
Unrealised foreign exchange/(loss)		(100,977)	44,615	30,448	(73,125)
Share option expenses	24	43,306	41,325	43,306	41,325
Stock based compensation		-	1,770,000	-	1,770,000
Decrease/(Increase) in trade and other receivables	10	773,143	(776,342)	1,614,494	(766,999)
Increase/(Decrease) in trade and other payables	13	282,930	491,807	108,424	907,376
Net cash used in operating activities		(2,293,158)	(1,697,428)	(1,093,865)	(989,848)
Cash flows from investing activities					
Funds received on sale of investment	6	677,400	210,178	-	-
Funds spent on investment	6	(58,649)	(181,937)	(58,007)	-
Funds spent on leased assets		(29,810)	-	-	-
Funds received on sale of exploration assets	5	47,206	97,508	-	-
Loans to subsidiaries	6	-	-	(732,651)	(762,391)
Interest received		226,382	-	226,382	-
Exploration and evaluation expenses		(222,667)	(41,786)	-	-
Convertible debenture receivable	8	(503,499)	(1,595,635)	(503,499)	(1,595,635)
Net cash generated from (used in) investing activities		136,363	(1,511,672)	(1,067,775)	(2,358,026)
Cash flows from financing activities					
Proceeds from issue of share capital	14	2,059,206	2,318,120	2,059,206	2,318,120
Shares cancelled		-	-	-	-
Cost of shares issued	14	(3,000)	(78,513)	(3,000)	(78,513)
Repayment of leasing liabilities and borrowings		34,085	-	-	-
Net cash generated from financing activities		2,090,291	2,239,607	2,056,206	2,239,607
Net decrease/(increase) in cash and cash equivalents		(66,504)	(969,493)	(105,434)	(1,108,267)
Cash and cash equivalents at beginning of year	11	310,578	1,277,617	124,118	1,232,385
Exchange gain on cash and cash equivalents		-	2,454	-	-
Cash and cash equivalents at end of year		244,074	310,578	18,684	124,118

Major Non-Cash Transactions

During the year ended 30 June 2023, £177,549 worth of investments were received as part of property option income (refer to note 5 and note 6).

The Notes on pages 32 to 61 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. General information

The Company is a public limited company incorporated and domiciled in England (registered number: 06275976), which is listed on the London Stock Exchange. The registered office of the Company is 6 Heddon Street, London, W1B 4BT.

2. Summary of significant Accounting Policies

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 periods presented, unless otherwise stated.

2.1. Basis of preparation of Financial Statements

The Financial Statements have been prepared in accordance with UK-adopted international accounting standards (UK IAS) in accordance with the requirements of the Companies Act 2006. The Financial Statements have also been prepared under the historical cost convention.

The Financial Statements are presented in Pound Sterling rounded to the nearest pound.

The preparation of financial statements in conformity with UK IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are disclosed in Note 4.

2.2. New and amended standards

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 July 2022

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 30 June 2023 but did not result in any material changes to the financial statements of the Group or Company.

ii) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IAS 12	Income taxes	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023
IAS 1	Presentation of Financial Statements regarding the amendments of disclosure of accounting policies	1 January 2023
IAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2024
IAS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds.

2.3. Basis of Consolidation

The Consolidated Financial Statements consolidate the financial statements of the Company and its subsidiaries made up to 30 June. Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Investments in subsidiaries are accounted for at cost less impairment within the Parent Company financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.4. Going concern

The Group Financial Statements have been prepared on a going concern basis. The Directors are of the view that, the Group has funds to meet its planned expenses over the next 12 months from the date of these financial statements.

As at 30 June 2023, the Group had cash and cash equivalents of £244,074. The Directors have prepared cash flow forecasts to 31 December 2024, which take into account the cost and operational structure of the Group and Parent Company, property option income, debenture interest and any existing licence and working capital requirements. These forecasts indicate that the Group and Parent Company's cash resources are not sufficient to cover the projected expenditure for a period of 12 months from the date of approval of these financial statements. These forecasts indicate that the Group and Parent Company, in order to meet their operational objectives, and meets their expected liabilities as they fall due, will be required to raise additional funds within the next 12 months.

In common with many entities in the resource sector, the Company will need to raise further funds within the next 12 months in order to meet its expected liabilities as they fall due. Whilst the Directors are confident that they will be secure the necessary funding, the current conditions do indicate the existence of a material uncertainty Which may cast significant doubt about the ability of the Group and parent company to continue as a going concern. The auditors have made reference to this material uncertainty in their independent auditor's report.

2.5. Foreign currencies

a) *Functional and presentation currency*

Items included in the Financial Information are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the parent company is Pounds Sterling as is the functional currency of the UK subsidiaries which are Imperial Minerals (UK) Limited and Kudu Resources Limited. The functional currency of the Canadian subsidiary, Cloudbreak Exploration Inc. is Canadian Dollars. The functional currency of the US subsidiaries, Cloudbreak Discovery (US) Ltd. and Cloudbreak Energy (US) Ltd. is US Dollars. The functional currency of the Guinea subsidiary, Kudu Resources Guinea is the Guinean Franc. The Financial Information in The Group's overseas subsidiaries are translated in accordance with IAS 21 – The Effect of Changes in Foreign Exchange Rates.

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement in other comprehensive income. The financial statements are presented in Pounds Sterling (£), the functional currency of Cloudbreak Discovery Plc is Pounds Sterling, as is the functional currency of the UK subsidiaries which are Imperial Minerals (UK) Limited and Kudu Resources Limited.

2.6. Fair value measurement

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

2.7. Finance Income

Interest income is recognised using the effective interest method.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

2.8. Other income

The other income of the Group comprises royalty income. It is measured at the fair value of the consideration received or receivable after deducting discounts and other withholding tax. The royalty income becomes receivable on extraction and sale of the relevant underlying commodity, and by determination of the relevant royalty agreement.

2.9. Cash and cash equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

2.10. Trade and other receivables and prepaids

Trade receivables are amounts due from third parties in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.11. Royalty assets at fair value through profit and loss

Royalty financial assets are recognised or derecognised on completion date where a purchase or sale of the royalty is under a contract, and are initially measured at fair value, including transaction costs. All of the Group's royalty financial assets have been designated as at fair value through profit and loss ("FVTPL"). The royalty financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the 'revaluation of royalty financial assets' line item of the income statement.

2.12. Investments in subsidiaries

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

2.13. Intangible assets

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets hold potential to be successful in finding specific resources. Expenditure included in the initial exploration and evaluation assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a resource. Capitalisation of pre-production expenditure ceases when the prospective property is capable of commercial production.

Exploration and evaluation assets are recorded and held at cost

Exploration and evaluation assets are not subject to amortisation, as such at the year-end all intangibles held have an indefinite life but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ('CGU's'), which are based on specific projects or geographical areas. The CGU's are then assessed of impairment using those specified in IFRS 6.

Whenever the exploration for and evaluation of resources in cash generating units does not lead to the discovery of commercially viable quantities of resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement.

Exploration and evaluation assets recorded at fair-value on business combination

Exploration assets which are acquired as part of a business combination are recognised at fair value in accordance with IFRS 3. When a business combination results in the acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

2.14. Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15. Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair Value through Profit or Loss (FVTPL)

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

Due to the nature of these assets being unlisted investments or held for the longer term, the investment period is likely to be greater than 12 months and therefore these financial assets are shown as non-current assets in the Statement of financial position.

Amortised Cost

These assets comprise the types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest.

The Group's financial assets measured at amortised cost comprise trade and other receivables, convertible debenture receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts.

(a) Recognition and measurement

Amortised cost

Regular purchases and sales of financial assets are recognised on the trade date at cost – the date on which the Group commits to purchasing or selling the asset. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Fair value through the profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. The Group holds equity instruments that are classified as FVTPL as these were acquired principally for the purpose of selling.

Financial assets at FTVPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Fair value is determined by using market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures its investments in quoted shares using the quoted market price.

(b) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

CLOUDBREAK DISCOVERY PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, based on analysis of internal or external information. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(d) Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

2.16. Financial Investments

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

Listed investments are valued at closing bid price on 30 June 2023. Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at cost less impairment.

2.17. Equity

Equity comprises the following:

- "Share capital" represents the nominal value of the Ordinary shares;
- "Share Premium" represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares;
- "Reverse asset acquisition reserve" represents the retained losses of the Company before acquisition and the Company equity at reverse acquisition.
- "Other reserves" represents the foreign currency translation reserve, warrant reserve and share option reserve where;
 - "Foreign currency translation reserve" represents the translation differences arising from translating the financial statement items from functional currency to presentational currency;
 - "Warrant reserve" represents share warrants awarded by the Group;
 - "Share option reserve" represents share options awarded by the Group;
- "Retained earnings" represents retained losses.

2.18. Share based payments

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The Group operates an equity-settled, share-based scheme under which the Group receives services from employees or contractors as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

2.19. Taxation

No current tax is yet payable in view of the losses to date for all entities in the Group apart from Cloudbreak Exploration Inc., who had a tax payable amount of \$19,641 CAD (£12,178) for the year.

Deferred tax is recognised for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets (including those arising from investments in subsidiaries), are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be used.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are not discounted.

3. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. None of these risks are hedged.

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Risk management is carried out by the Canadian based management team under policies approved by the Board of Directors.

3.1. Treasury policy and financial instruments

During the years under review, the financial instruments were cash and cash equivalents, shares in listed and unlisted companies and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Group has raised funds to finance future activities through the placing of shares, placing of shares via the Crescita Capital LLC draw down facility, together with share options and warrants. There are no differences between the book value and fair value of the above financial assets. The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Unlisted investments

The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment.

Market risk & foreign currency risk

The Group is exposed to market risk, primarily relating to interest rate and foreign exchange movements. The Group does not hedge against market or foreign exchange risks as the exposure is not deemed sufficient to enter into forwards or similar contracts.

Credit risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

Liquidity risk and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Group in the day-to-day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

4. Critical accounting estimates and judgements

The preparation of the Financial Information in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Information and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce this Financial Information.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

Share based payment transactions

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The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and to suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates.

Classification of royalty arrangements: initial recognition and subsequent measurement

The Directors must decide whether the Group's royalty arrangements should be classified as:

- Intangible assets in accordance with IAS 38 Intangible Assets; or
- Financial assets in accordance with IFRS 9 Financial Instruments

The Directors use the following selection criteria to identify the characteristics which determine which accounting standard to apply to each royalty arrangement:

Type 1 – Intangible assets: Royalties, are classified as intangible assets by the Group. The Group considers the substance of a simple royalty to be economically similar to holding a direct interest in the underlying mineral asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator) and price risk (returns vary depending on the future commodity price, driven by future supply and demand) are all risks which the Group participates in on a similar basis to an owner of the underlying mineral licence. Furthermore, in a royalty intangible, there is only a right to receive cash to the extent there is production and there are no interest payments, minimum payment obligations or means to enforce production or guarantee repayment. These are accounted for as intangible assets under IAS-38.

Type 2 – Financial royalty assets (royalties with additional financial protection): In certain circumstances where the risk is considered too high, the Group will look to introduce additional protective measures. This has taken the form of minimum payment terms. Once an operation is in production, these mechanisms generally fall away such that the royalty will display identical characteristics and risk profile to the intangible royalties; however, it is the contractual right to enforce the receipt of cash which results in these royalties being accounted for as financial assets under IFRS 9. There are currently no royalties classified as financial royalty assets.

Estimated impairment of convertible loan notes receivable & Convertible debenture receivables

Anglo African Minerals Plc ('AAM')

The Group has assessed whether the AAM convertible loan notes receivable which has been previously fully impaired in the prior year, should remain impaired in the current year or be reversed. They have reassessed this asset and determined that there are no conditions to reverse the impairment.

G2 Energy Corp. ("G2")

The Group also assessed whether the G2 convertible debenture receivable should be impaired and based on the current production levels and the programme at the Masten Unit Energy Project, they have determined it should not be impaired as G2, through the funding from the Company, now have the funds required to undertake the exploration activity and advance the project. The terms of the debenture is still being met by both parties and G2 are paying the necessary interest payments. The directors assessed this debenture in accordance with IFRS and concluded it is a financial asset accounted for as amortised cost as the financial asset is held within a business model with the objective to hold and collect the contractual cash flows which is in the form of interest and principal payments. As part of the debenture agreement, the Group received a 3.25% Overriding Royalty Interest in the project which has limited production and revenues. In accordance with IFRS the directors has assessed the royalty interest and accounted for it as intangible assets in accordance with IAS 38 because there is only a right to receive cash to the extent there is production and there are no interest payments, minimum payment obligations or means to enforce production or guarantee repayment. These are accounted for as intangible assets under IAS 38. The directors considered the fair value of the royalty assets which they receive in exchange as part of the debenture agreement for which they did not pay any consideration. Fair value is determined based on discounted cash flow models (and other valuation techniques) using assumptions considered to be reasonable and consistent with those that would be applied by a market participant. The determination of assumptions used in assessing fair values is subjective and the use of different valuation assumptions could have a significant impact on financial results. The current royalty covers a very small production site. During the year ended 30 June 2023, £35k was received, with a total of £61k being received to date from this royalty. Following their assessment, the directors concluded that the fair value of the royalty agreement was not material

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and has not been recognised as intangible asset. As part of the debenture agreement, the Group received 6,500,000 warrants for G2, however management have deemed that these warrants have no material value at this stage as the assets held by G2 are predominantly made up of early-stage exploration and production assets which currently producing limited amounts of revenue. The group is in regular communication with G2 and is monitoring the results of its exploration activities that will be undertaken as the result of the funding by the Group to G2.

Texas Legacy Exploration LLC ("Texas Legacy")

The Group assessed whether the Texas Legacy convertible debenture receivable should be impaired and based on the programme at the Butte Strawn Energy Project, they have determined it should not be impaired as Texas Legacy have the funds required to undertake the exploration activity and proceed with their projects. During the year, after review from the Group, it was agreed that the principal value of the debenture should be reduced from \$1,500,000 USD to \$600,000 USD with no further obligations for the Group. As part of the revised debenture agreement, the Group have the option to receive a 2% overriding royalty in lieu of cash of all the outstanding principal amount of the debenture.

Unlisted investments

The Group is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any fair value movement required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost value. This valuation method was considered the most appropriate by management due to the limited information available related to the unlisted investments as at 30 June 2023. Management have assessed whether any fair value movement on the unlisted investments is required at 30 June 2023 and have determined that none is required.

Recovery of other receivables

Included in other receivables is an amount of £140,000 as at 30 June 2023 in respect of unpaid ordinary share capital issued on 3 June 2021. The Directors plan to take action to recover the amount owed and believe that the amount will be recovered in full in due time, but because this outcome is not certain and the balance has been owed for an extended period of time, a provision for bad debt for the full amount has been implemented.

Valuation of exploration and evaluation assets

Exploration and evaluation costs have a carrying value of 30 June 2023 of £236,518 (2022: £78,694). Such assets have an indefinite useful life as the Group has the right to renew exploration licenses or options and the asset is only amortised once extraction of the resource commences. The value of the Group's exploration and evaluation expenditure will be dependent upon the success of the Group in discovering economic and recoverable resources, especially in the countries of operation where political, economic, legal, regulatory and social uncertainties are potential risk factors. The future revenue flows relating to these assets is uncertain and will also be affected by competition, relative exchange rates and potential new legislation and related environmental requirements. The Group's ability to continue its exploration programs and develop its projects is dependent on future fundraisings and utilising the Crescita Capital LLC drawdown facility. The ability of the Group to continue operating within some of the jurisdictions contemplated by management is dependent on a stable political environment which is uncertain based on the history of the country. This may also impact the Group's legal title to assets held which would affect the valuation of such assets. There have been no changes made to any past assumptions.

The Directors have undertaken a review to assess whether circumstances exist which could indicate the existence of impairment as follows:

- The Group no longer has title to mineral leases or the title will expire in the near future and is not expected to be renewed.
- A decision has been taken by the Board to discontinue exploration due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the costs incurred will not be fully recovered from future development and participation.

Following their assessment, the Directors concluded that an impairment charge of £12,636 (2022: Nil) was necessary. This impairment arose as a result of the termination of the Stateline property option agreement by Volt lithium.

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5. Intangible assets

As at June 30, 2023, the Group's exploration and evaluation assets are as follows:

Exploration & Evaluation Assets	Group	
	30 June 2023 £	30 June 2022 £
South Timmins, British Columbia	1	1
Klondike Property	-	1
Atlin West Property	1	1
Yak Property	1	1
Stateline Property	-	13,013
Rizz Property	1	6,053
Icefall Property	1	9,018
Northern Treasure Property	111,023	34,638
Silver Vista Property, British Columbia	-	1
Silver Switchback Property, British Columbia	-	1
Rupert Property, British Columbia	1	15,966
Apple Bay Property, British Columbia	1	-
Foggy Mountain, British Columbia	43,220	-
Bobcat Property, Idaho	48,183	-
Elk Creek, Pennsylvania	34,085	-
As at June 30	236,518	78,694

As at June 30, 2023, the Group's reconciliation of exploration and evaluation assets are as follows:

Exploration & Evaluation Assets	Group	
	30 June 2023 £	30 June 2022 £
Cost		
As at 1 July	78,694	30,679
Additions	222,667	139,294
Disposals	(47,206)	(97,508)
Impairments	(12,636)	-
Net proceeds from sale	-	1
Forex movement	(5,001)	6,228
As at June 30	236,518	78,694

South Timmins Property, Canada

During the year ended June 30, 2021, the Group paid \$27,540 CAD (£16,080) in asset staking costs to acquire twelve mineral titles in Ontario, Canada known as the South Timmins property.

On 23 September 2021, the Group entered into an option agreement with 1315956 BC Ltd, under which 1315956 BC Ltd may acquire up to a 100% interest in the Group's South Timmins property subject to a 1% net smelter return ("NSR") to the Group. In order for 1315956 BC Ltd to fully exercise the option on the South Timmins Property, they must pay the Group an aggregate of \$495,000 CAD, issue 2,250,000 common shares of 1315956 BC Ltd and incur exploration expenses of \$1,515,000 with a minimum of \$265,000 CAD in the first year.

To date, the Group has received cash payments of \$270,000 (£157,579) and 500,000 shares in relation to the option payments due under the agreement.

No payments due during the 2023 FY.

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Silver Switchback Property, Canada

On May 8, 2020, the Group entered into an option agreement to purchase 100% of the rights to the Silver Switchback Property located in British Columbia, Canada. To earn a 100% interest, the Group must make aggregate cash payments of \$75,000 CAD (\$15,000 CAD paid - £8,850), issue 1,850,000 shares (250,000 shares issued at a value of \$40,000 CAD - £23,356) in the Group and incur work commitments on the property of \$475,000 CAD over three years. The property is subject to a 2% NSR which the Group may re-purchase 1.5% for \$1,250,000 CAD.

On August 27, 2020, the Group entered into an option agreement with Norseman, under which Norseman may acquire up to a 100% interest in the Group's Silver Switchback Property subject to a 1% NSR to the Group. In order for Norseman to fully exercise the option on the Silver Switchback Property, they must pay the Group \$30,000 CAD (received), issue 750,000 common shares and assume certain obligations due to the original vendor over three years. Norseman will have the right to repurchase one-half (0.5%) of the NSR from the Group for \$500,000 CAD. The Group has received cash payments of \$30,000 CAD and 750,000 Norseman shares in relation to the option payments due under the agreement.

During the year ended 30 June 2023, the option was cancelled, and the property was terminated.

Silver Vista, Canada

On May 8, 2020, the Group entered into an option agreement to purchase 100% of the rights to the Silver Vista Property located in British Columbia, Canada. To earn a 100% interest, the Group will need to make aggregate cash payments of \$65,000 CAD (\$20,000 CAD paid - £11,678), issue 1,375,000 shares (370,000 shares issued at a value of \$75,000 CAD - £43,793) in the Group and incur work commitments on the property of \$275,000 CAD, over three years. The property is subject to a 2% NSR which the Group may acquire one-half (1%) for \$1,000,000 CAD.

During the year ended June 30, 2021, the Group made a payment of \$80,000 CAD (£46,713) to a prior optionor to fulfil prior option agreement obligation.

On September 21, 2020, the Group entered into an option agreement with Norseman, under which Norseman may acquire up to a 100% interest in the Group's Silver Vista Property subject to a 1% NSR payable to the Group. In order for Norseman to fully exercise the option on the Silver Switchback Property, they must pay the Group \$50,000 CAD (received - £29,500), and issue 2,000,000 common shares (received and valued at \$40,000 CAD - £23,600). Norseman will have the right to repurchase one-half (0.5%) of the NSR for \$500,000 CAD.

During the year ended 30 June 2023, the option was cancelled, and the property was terminated.

Rupert, Canada

On September 11, 2018, the Group entered into an asset purchase agreement with a company controlled by a director of the Group and two unrelated persons to purchase the Rupert Property, located in British Columbia, Canada. As consideration for the property, the Group issued 2,000,000 common shares valued at \$100,000 CAD (£59,000) and granted a 2% NSR. At any time, 1% of the NSR can be purchased by the Group for \$1,500,000 CAD. Of the common shares issued to acquire the property, 1,000,000 were issued to a company that was controlled by a director of the Group. The Group also agreed to incur aggregate expenditures on the property of \$800,000 (\$100,000 CAD - £59,000 incurred).

On December 11, 2020, the Group sold the Rupert Property to Buscando Resources Corp. ("Buscando"), a company with a director in common. Payments to be received by the Group are as follows:

- \$150,000 CAD in total cash payments with \$25,000 CAD (£14,750) on closing (received), \$50,000 CAD on or before 12 months after Buscando is listed on a public exchange (still owing at 30 June 2023), \$75,000 CAD on or before 24 months after Buscando is listed on a public exchange;
- 3,750,000 shares in total issued to the Group with 1,000,000 shares issued on closing (received and valued at \$50,000 CAD - £29,500), 1,250,000 on or before 12 months after Buscando is listed on a public exchange (received and valued at \$125,000 CAD - £74,653), 1,500,000 on or before 24 months after Buscando is listed on a public exchange; and
- \$200,000 expenditures incurred on the property with \$100,000 CAD on or before 12 months after Buscando is listed on a public exchange, \$100,000 CAD on or before 24 months after Buscando is listed on a public exchange.

As a result of the sale to Buscando, the original vendors waived the exploration commitments required by the Group under the September 11, 2018, agreement.

During the 2023FY, \$50,000 CAD (£29,862) was due as a cash payment and is still owed to the Group in relation to the option payments due under the agreement.

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Atlin West, Canada

On August 9 2021, the Group entered into an option agreement with 1315843 BC Ltd to purchase 100% of the rights to the Atlin West Project located in British Columbia, Canada. To earn a 100% interest, 1315843 BC Ltd make aggregate cash payments of \$700,000 CAD, issue 8,000,000 shares in 1315843 BC Ltd and make payments of \$325,000 over a three-year period to Cloudbreak. Upon completion of the work Cloudbreak will transfer 100% interest. Cloudbreak will retain a net 2% NSR. The Group has previously received cash payments of \$100,000 CAD and 3,000,000 shares in relation to the option payments due under the agreement.

No payments due during the 2023 FY.

Yak, Canada

On October 13 2021, the Group entered into an option agreement with Moonbound Mining Ltd ('Moonbound'). In respect of the Yak Project located in British Columbia, Canada. Moonbound will issue Cloudbreak 2,700,000 common shares and make aggregate cash payments of \$145,000 CAD over a three-year period. Additionally, Moonbound will commit to spending up to \$700,000 CAD in exploration expenditure on the property and enter into a public transaction within six months of the agreement. Upon completion of the obligations, Cloudbreak will transfer 100% interest and retain a net 2% NSR. The Group has previously received cash payments of \$35,000 CAD (£20,903) and 700,000 shares in relation to the option payments due under the agreement.

No payments due during the 2023 FY.

Klondike, United States

On July 15 2021, the Group entered into the Klondike project based in Colorado, United States, with Alianza Minerals Ltd.

On December 7 2021, Cloudbreak and Alianza Minerals entered into an option agreement with Volt Lithium Corp. (formerly known as Allied Copper Corp.) for the advancement of the Klondike project. Volt Lithium will issue Cloudbreak and Alianza 7,000,000 common shares and make a total of \$400,000 CAD in cash payments over a three-year period. Upon completion of the obligations, the alliance will transfer 100% interest in the Klondike project to Volt Lithium. Volt Lithium will also issue 3,000,000 warrants exercisable for a 36-month term. To date, the Group has received cash payments of \$200,000 CAD and 2,000,000 shares in relation to the option payments due under the agreement.

On 2 February 2023, the option agreement was terminated by Volt Lithium so no further payments will be received.

Stateline, United States

On February 9 2022, Cloudbreak and Alianza Minerals entered into an option agreement with Volt Lithium Corp (formerly known as Allied Copper Corp) in respect of the Stateline Project in Colorado, United States. Volt Lithium will issue the alliance 4,250,000 common shares over a three-year period and make aggregate cash payments of \$315,000 CAD (\$40,000 CAD paid) with a further \$50,000 CAD due on closing. Additionally, Volt Lithium will commit to spending up to £3,750,000 CAD in exploration expenditure on the property over three years. The alliance will retain a net 2% NSR, not subject to a buy down provision.

On August 9 2022, Cloudbreak and Alianza Minerals agreed to amend the terms of the Stateline option agreement with Volt Lithium entered into on 9 February 2022. Under the modified terms, Volt Lithium will be able to delay the issuance of shares and warrants whilst keeping the agreement in good standing. Outstanding Volt Lithium shares will become payable to Alianza and Cloudbreak as either party reduces its equity holding through sale or other type of divesture, or if additional shares are issued in Volt Lithium which would dilute either party's holdings. Up to 30 June 2022, the Group has received cash payments of \$65,000 CAD and 250,000 shares in relation to the option payments due under the agreement.

To date, the Group has received cash payments of \$25,000 CAD (£14,931) and 250,000 shares in relation to the option payments due under the agreement.

No payments due during the 2023 FY.

On 11 August 2023, the option agreement was terminated by Volt Lithium so no further payments will be received.

Icefall, Canada

On March 3 2022, the Group entered into an option agreement with 1311516 BC Ltd in respect of the Icefall Project in British Columbia, Canada. 1311516 BC Ltd will issue 2,000,000 common shares to Cloudbreak's subsidiary Cloudbreak Exploration Inc. and make an aggregate of \$120,000 CAD in cash payments to the Group. Additionally, 1311516 will commit to spending up to £700,000 CAD in exploration expenditure on the property over three years. This will need to be done to earn an interest of 75% in the project. Upon completion of the terms Cloudbreak and 1311516 BC Ltd will enter a joint venture in which each

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party will be responsible for its pro-rata share of expenditures on the project. Up to 30 June 2022, the Group has received cash payments of \$25,000 CAD and 2,000,000 shares in relation to the option payments due under the agreement.

During the 2023FY, \$25,000 CAD (£14,931) was due as a cash payment and is still owed to the Group of in relation to the option payments due under the agreement.

Rizz, Canada

On February 25 2022, the Group entered into an option agreement with 1311516 BC Ltd in respect of the Rizz Project in British Columbia, Canada. 1311516 BC Ltd will issue 3,000,000 common shares to Cloudbreak and make an aggregate of \$120,000 CAD in cash payments to the Group. Additionally, 1311516 BC Ltd will commit to spending up to \$750,000 CAD in exploration expenditure on the property over three years. This will need to be done to earn an interest of 75% in the project. Upon completion of the terms, Cloudbreak and 1311516 BC Ltd will enter a joint venture in which each party will be responsible for its pro-rata share of expenditures on the project. Up to 30 June 2022, the Group received cash payments of \$25,000 CAD and 3,000,000 shares in relation to the option payments due under the agreement.

During the 2023FY, \$25,000 CAD (£14,931) was due as a cash payment and is still owed to the Group of in relation to the option payments due under the agreement.

Northern Treasure, Canada

During 2022, the Group staked the Northern Treasure property for \$50,645 CAD which is located in Northern British Columbia. The Company continues to actively explore this property and look for a partner to develop the property further.

On 28 October 2022, Cloudbreak announced that Precision GeoSurveys has completed a high-resolution helicopter-borne magnetic survey over the Northern Treasure Project in British Columbia.

Foggy Mountain, Canada

In April 2022, the Group staked the Foggy Mountain property which is located in Central British Columbia.

On 19 October 2022, Cloudbreak announced that that it has completed a reconnaissance surface programme at the property. The Company continues to actively explore this property and look for a partner to develop the property further.

Bobcat, United States

On 6 December 2022, the Group entered a holding and cost share agreement with Longford Capital Corp pertaining to the holding, exploration, operations and development of the Bob Cat property in Idaho. The Group acquired 50% interest in the property for \$60,000 USD (£47,517).

Elk Creek, United States

On 21 November 2022, the Group acquired an oil and gas lease for \$43,157 USD (£34,178), for a property based in Pennsylvania, USA. The lease gives the Group full permission to conduct any and all due diligence on the leased premises, which includes inspections, tests, environmental assessments, soil studies, surveys and more.

6. Investments in subsidiary undertakings

	Company	
	30 June 2023 £	30 June 2022 £
Shares in Group Undertakings		
At beginning of period	7,252,886	6,485,487
Additions	-	5,008
Shares transferred to CEI	(5,000)	-
Impairments	(6,056,544)	-
At end of period	1,191,342	6,490,495
Loans to group undertakings	805,706	762,391
Total	1,997,048	7,252,886

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Following the Directors intangible asset impairment assessment using the discounted cash flow model, the Directors concluded that the impairment of the investment in and the loan receivable from Cloudbreak Exploration Inc with a carrying value of £7,922,540 be impaired to £1,865,996. The full amount of the impairment has been allocated to the investment in subsidiary. The need for the impairment was a result of a reduction in exploration assets and investments since the original valuation in June 2021.

Investments held by Company

	Company	
	30 June 2023 £	30 June 2022 £
At beginning of the period	68,056	107,679
Shares transferred to CEI	(68,056)	-
G2 Energy Corp	58,007	-
Fair value movement	(14,961)	(39,623)
Total	43,046	68,056

Subsidiaries

Details of the subsidiary undertakings at 30 June 2023 are as follows:

Name of subsidiary	Registered office address	Country of incorporation and place of business	Proportion of ordinary shares held by parent (%)	Proportion of ordinary shares held by the Group (%)	Nature of business
Imperial Minerals (UK) Limited	6th Floor, 60 Gracechurch Street, London, EC3V 0HR	United Kingdom	100%	100%	Dormant
Cloudbreak Exploration Inc.	Suite 520/999 West Hastings Street, Vancouver BC V6C2W2	Canada	100%	100%	A mineral property project generator
Cloudbreak Discovery (US) Ltd.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801	USA	100%	100%	Mineral exploration projects
Kudu Resources Limited	12 New Fetter Lane, London, United Kingdom, EC4A 1JP	United Kingdom	100%	100%	Mineral exploration projects
Cloudbreak Energy (US) Ltd.	1209 Orange Street, Wilmington, New Castle, Delaware, 19801	USA	100%	100%	Oil and Gas acquisitions
Kudu Resources Guinea	Coleah Domino, 1 st Floor, Office B, BF 4370, Commune De Matam, Conakry	Guinea	100%	100%	Mineral exploration projects

CLOUDBREAK DISCOVERY PLC

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Investments held by subsidiaries

Financial assets at fair value through profit or loss are as follows:

	Level 1 £	Level 2 £	Level 3 £	Total £
30 June 2022	1,900,685	-	168,617	2,069,302
Additions	236,198	-	-	236,198
Disposals	(677,311)	-	(89)	(677,400)
Fair value changes	309,896	-	-	309,896
Realised loss on investments	(866,421)	-	-	(866,421)
Foreign exchange	(131,322)	-	(48,998)	(180,320)
30 June 2023	771,725	-	119,530	891,255

As at June 30, 2023, investments were classified as held for trading and recorded at their fair values based on quoted market prices (if available). Investments that do not have quoted market prices are measured at cost due to the limited amount of information available related to the fair value of the investments.

Calidus Resources Corp. and Canary Biofuels Inc. are Level 3 investments, all other investments listed below are Level 1.

Imperial Helium Corp.

On April 20, 2020, the Group purchased 450,000 preferred shares in Imperial Helium Corp. for \$45 CAD (£26). On December 15, 2020, 45,000 of these preferred shares were converted into common shares for no additional consideration. On December 11, 2020, the Group purchased \$110,000 CAD (£66,138) in Imperial Helium Corp. convertible debenture notes that yielded 10%. On May 18, 2021, the convertible debenture converted into 575,767 ordinary shares of Imperial Helium Corp.

During the year ended 30 June 2023, the Group sold their shares in Royal Helium Corp (formerly known as Imperial Helium Corp) for a total of \$150,503 CAD (£89,884).

Temas Resources Corp.

On September 23, 2020, the Group sold its La Blache property to Temas Resources Corp. ("Temas") for a cash payment of \$30,000 CAD (£17,517) and 10,000,000 Temas shares which had a value at the time of \$2,000,000 CAD (£1,167,815). The Group retained a 2% NSR on the La Blache property. The Temas shares are subject to pooling restrictions with 2,500,000 Temas shares released March 23, 2021, and 7,500,000 Temas released September 23, 2021. In 2022, the Group sold 29,000 shares for \$2,020 CAD (£1,290).

During the year ended 30 June 2023 the Group sold 457,000 of their shares in Temas Resources for a total of \$28,474 CAD (£17,006) and had a share consolidation with a ratio of 9:1. At 30 June 2023, the fair value of the Temas Resources shares was \$147,996 CAD (£88,230).

Norseman Silver Inc.

On 23 August 2021, the Group received 380,000 shares in Norseman from the option agreement for the Silver Switchback property for \$129,200 CAD (£74,235).

On 31 May 2021, the Group received 1,000,000 shares in Norseman from the option agreement for the Caribou property for \$170,000 CAD (£108,575).

During the year ended 30 June 2022, the Group sold 1,766,500 shares in Norseman for a total of \$352,002 CAD (£208,888).

During the year ended 30 June 2023, the Group received 1,200,000 warrants and sold their shares in Norseman for a total of \$528,200 CAD (£315,455).

Buscando Resources Corp.

On December 31, 2020, the Group sold the Rupert property to Buscando, in exchange for 1,000,000 shares in Buscando at a value of \$50,000 CAD (£29,195).

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During the year ended 30 June 2022, the Group purchased an additional 50,000 shares in Buscando for a total of \$6,840 CAD (£4,305)

During the year ended 30 June 2023, the Group purchased 10,000 shares for a total of \$1,080 CAD (£645) and received 1,250,000 shares for \$0.10 CAD each from the Rupert Property option agreement.

At 30 June 2023, fair value of the Buscando shares is \$246,000 CAD (£146,657).

Linceo Resources Corp.

On August 17, 2019, the Group sold the Granny Smith and Fuji mineral claims to Linceo Media Group ("Linceo"), a company with a director in common, for 4,000 shares in Linceo at a value of \$47,600 CAD (£27,793) and retained a 2.5% NSR on each property. During the year ended June 30, 2021, the Group impaired the shares in Linceo to \$1. Management assessed the value at year end and confirmed there is no further changes to the fair value of the Linceo shares.

AAM shares

On June 2, 2021, the Group acquired 12,500,000 AAM share purchase warrants that had a conversion price of \$0.03 USD and expiry date of July 1, 2021 and acquired 11,000,000 AAM ordinary shares. The Group issued 1,200,000 ordinary shares to acquire the 12,500,000 AAM share purchase warrants (£36,000 value) and 3,520,000 ordinary shares (£105,600 value) to acquire the 11,000,000 AAM ordinary shares. The warrants expired on July 1, 2021, with the £36,000 impaired to \$1. During the year ended June 30, 2021, the Group impaired the shares in AAM to \$1. Management assessed the value at year end and confirmed there is no further changes to the fair value of the AAM shares.

Moonbound Mining Ltd

On October 13 2021, the Group received 700,000 shares from Moonbound Mining Ltd. from the option agreement for the Yak property for \$35,000 CAD (£20,638.70).

During the year ended 30 June 2023, the Group sold their shares in Moonbound Mining for a total of \$75,843 CAD (£45,295).

Power Group Project Ltd.

On October 1, 2021, the Group took part in a private placement with 1315843 BC Ltd whereby the Company purchased 2,350,000 shares at a price of \$0.0001 per share which had a value of \$235 CAD (£137) when received.

On October 1, 2021, the Group received 3,000,000 shares from 1315843 BC Ltd. in relation to the option agreement with 1315843 BC Ltd for the West Atlin property. The 1315843 BC Ltd shares had a value of \$300 CAD (£175) when received.

In December 2021, 1315843 BC Ltd. was acquired by Power Group Projects Ltd. ("PGP") with the 5,350,000 held in 1315843 BC Ltd. exchanged for 5,350,000 PGP shares.

During the year ended 30 June 2023, the Group received 10,350,000 shares in Power Group Projects from a share transfer from Mary Yelich related to shares that were owed to the Group, and a share conversion from 1311516 BC Ltd.

At 30 June 2023, fair value of the Power Group Projects shares is \$153,500 CAD (£91,512).

Calidus Resources Corp.

On September 1, 2021, the Group received 500,000 shares from Calidus Resources Corp. for the option agreement for the South Timmins property for \$500 CAD (£320).

This is a level 3 investment, with no public information available so management have kept the value at cost.

Prosper Africa Resources Ltd.

On March 7, 2022, the Group purchased 1,500,000 shares from Prosper Africa Resources Ltd. for \$150 CAD (£96). Management assessed the value at 30 June 2022 and confirmed there is no further changes to the fair value of the Prosper Africa Resources shares.

During the year ended 30 June 2023, this investment was written off by the Group.

Volt Lithium Corp (formerly known as Allied Copper Corp.)

On 3 February 2022, the Group received 1,000,000 shares from Volt Lithium Corp. from the option agreement for the Klondike project for \$225,000 (£130,661).

During the year ended 30 June 2023, the Group sold 959,500 shares in Volt Lithium Corp. for a total of \$249,082 CAD (£148,758).

At 30 June 2023, fair value of the Volt Lithium Corp. shares is \$75,530 CAD (£45,029).

Canary Biofuels Inc.

On 28 June 2022, the Group purchased 59,700 shares from Canary Biofuels Inc. for \$200,095 (£127,753). This is a level 3 investment, with no public information available so management have kept the value at cost..

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At 30 June 2023, the cost of the Canary Biofuels Inc. shares is \$200,095 CAD (£119,230).

Alchemist Mining Inc.

On 14 January 2022, the Group purchased 1,250,000 shares from Alchemist Mining Inc. for \$93,750 (£54,184).

During the year ended 30 June 2023, the Group sold 305,000 shares in Alchemist mining for a total of \$106,022 (£63,319). At 30 June 2023, fair value of the Alchemist Mining shares is \$614,250 (£366,194).

1311516 B.C. Ltd

On 3 March 2022, the Group received 3,000,000 shares from 1311516 B.C. Ltd from the option agreement for the Rizz property for \$5,010 CAD (£2,963).

On 9 March 2022, the Group received 2,000,000 shares from 1311516 B.C. Ltd from the option agreement for the Icefall property for \$3,340 CAD (£1,978).

Management assessed the value at year end and confirmed there is no further changes to the fair value of the 1311516 B.C. Ltd shares.

G2 Energy Corp.

During the year ended 30 June 2023, the Group received 6,017,000 shares from G2 Energy Corp. 5,110,000 of these shares were received in place of the quarterly interest that was due to be paid to the Group as part of the debenture agreement entered on 31 May 2022, and 907,000 of the shares were received for legal fees covered by the Group, for G2.

At 30 June 2023, fair value of the G2 Energy Corp. shares is \$72,204 CAD (£43,046).

7. Royalty Asset

Apple Bay Property, Canada

On April 5, 2017, the Group purchased a 1.50% production royalty on the Apple Bay property located in British Columbia, Canada. The production royalty was purchased for 3,000,000 shares of the Group at a deemed value of \$0.10 CAD (£0.058) per share from a company controlled by the CEO of the Group. During the year ended June 30, 2021, the Group determined that the royalty was impaired and reduced the balance to £1. As at June 30, 2023, included in Royalty Assets is £1 (June 30, 2022 – £1) attributed to the Apple Bay property.

8. Debentures Receivable

	Group	
	30 June 2023 £	30 June 2022 £
Opening	1,657,900	-
Additions	503,499	1,595,635
Royalties to be received	-	11,233
Royalty payments related to previous year	(11,233)	-
Fair Value Movement	(91,106)	51,032
At end of period	2,059,060	1,657,900

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For the year ended 30 June 2023

Masten Unit, United States

On 31 May 2022, the Group entered into an agreement with G2 Energy Corp. ('G2') on the Masten Unit Energy Project located in Cochran County Texas, United States. Whereby the Company will provide G2 with a \$2,000,000 USD debenture on a two-year term in exchange for a 3.25% Overriding Royalty Interest in the Project. G2 will pay 12% per annum interest to the Company, calculated and paid quarterly in cash or shares at the discretion of the Company. As part of the agreement, The Group received 6,500,000 warrants for G2, however management have deemed that these warrants have no value at this stage as the assets held by G2 are predominantly made up of the early stage exploration assets on which they have received from the Company. The group is in regular communication with G2 and is monitoring the results of its exploration activities that will be undertaken as the result of the funding by the Group to G2.

Butte Strawn, United States

On 16 August 2022, the Company entered into an agreement with Iron Forge Holdings (III) Ltd (IF3). Whereby the company will provide IF3 with a \$1,500,000 USD debenture for the Butte Strawn Energy Project located in Irion County, Texas. \$500,000 USD was paid on signing. IF3 will pay 12.5% per annum interest to the Company, calculated and paid quarterly in cash or shares at the discretion of the Company. The Company received 6,000,000 warrants with a strike price of \$0.35 CAD with a three-year term from financial close. On 16 June 2023, it was agreed that the principal value of the debenture be reduced from \$1,500,000 USD to \$600,000 USD with no further obligations for the Group. All accrued interest not paid as of the date of the agreement has been forgiven and both parties agreed to cancelling the warrants. The overriding royalty was reduced from 6% to 2%.

9. Convertible loans

		Group	
		30 June 2023	30 June 2022
		£	£
Convertible loan note	\$500,000 USD (£395,975)	76,163	60,878
Convertible loan note	\$420,000 USD (£332,668)	28,157	75,720
Convertible loan note	\$49,790 USD (£39,437)	6,573	11,763
Convertible loan note	\$250,000 USD (£6,573)	17,714	36,004
Impairment provision		(128,607)	(184,365)
		-	-

On March 20, 2019, the Group issued a \$500,000 USD (£361,847) unsecured convertible loan note to Anglo-African Minerals plc ("AAM"). The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had an original maturity date of September 20, 2019. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. The maturity date of the convertible loan note was subsequently extended to March 20, 2020, and the Group was issued 21,029,978 AAM warrants per the terms of the extension. These warrants have a strike price of \$0.025 USD per share, with an expiry date of September 19, 2021. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful. As at June 30, 2023, Management have accrued interest amounting £76,163 (2022 - £60,878) on the convertible loan and this same value has been impaired during the year.

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM from Cronin Services Ltd., a company controlled by the former Chairman and CEO of the Group, that had a principal value of \$420,000 USD (£303,744) and accrued interest of \$61,261 (£44,304) for total value of \$481,261 USD (£348,048). The Group issued 14,166,790 ordinary shares and 7,083,395 share purchase warrants to acquire this note. Each share purchase warrant may be converted into one ordinary share of the Group at £0.05 per ordinary share and expires June 2, 2025. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had a maturity date of May 31, 2021. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful. As at June 30, 2023, Management have accrued interest amounting £28,157 (2022 - £75,720) on the convertible loan and this same value has been impaired during the year. The overall decrease is from foreign exchange movement on interest and principal.

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On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM from Cronin Capital Corp., a company controlled by the former Chairman and CEO of the Group, that had a principal value of \$49,790 USD (£35,949) and accrued interest of \$9,826 USD (£7,094) for total value of \$59,617 USD (£43,043). The Group issued 1,630,832 ordinary shares and 1,630,832 share purchase warrants to acquire this note. Each share purchase warrant may be converted into one ordinary share of the Group at £0.05 per ordinary share and expires 2025 June 2. The convertible loan note bears interest at 15% per annum and compounds monthly, is unsecured, and had a maturity date of 2020 September 30. The convertible loan note is convertible into common shares of AAM at \$0.005 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful. As at June 30, 2023, Management have accrued interest amounting £6,573 (2022 - £11,763) on the convertible loan and this same value has been impaired during the year.

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM by Reykers Nominees Limited that had a principal value of \$250,000 USD (£180,500) and accrued interest of \$52,776 (£38,104) for total value of \$302,776 USD (£218,604). The Group also acquired 12,500,000 AAM share purchase warrants that had a conversion price of \$0.03 USD and expiry date of July 1, 2021 and acquired 11,000,000 AAM ordinary shares. The Group issued 8,912,756 ordinary shares to acquire this convertible note, 1,200,000 ordinary shares to acquire the 12,500,000 AAM share purchase warrants and 3,520,000 ordinary shares to acquire the 11,000,000 AAM ordinary shares. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had a maturity date of 30 June 2020. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability of the convertible loan was considered doubtful and the shares and warrants impaired. As at June 30, 2023, Management have accrued interest amounting £17,714 (2022 - £36,004) on the convertible loan and this same value has been impaired during the year.

10. Trade and other receivables

The following table sets out the fair values of financial assets within Trade and other receivables.

	Group		Company	
	30 June 2023 £	30 June 2022 £	30 June 2023 £	30 June 2022 £
Other Receivables	69,879	16,427	47,523	16,428
Inter-company Receivables	-	-	-	406,186
Tax Receivables	18,372	15,627	-	-
Sundry Receivables	142,475	204,574	142,475	190,000
Trade Receivables	272,247	-	-	-
Prepayments	27,256	1,064,005	27,256	1,064,005
Provision for bad debt	(287,052)	-	(140,000)	-
	243,177	1,300,634	77,254	1,676,619

The fair value of all current receivables is as stated above.

Included in sundry receivables is an amount of £140,000 (2022: £190,000) as at 30 June 2023 in respect of unpaid ordinary share capital issued on 3 June 2021. A provision of £140,000 has been included for this after review from management.

The maximum exposure to credit risk at the year-end date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Trade and other receivables are all denominated in £ sterling.

The carrying amounts of the Group and Company's trade and other receivables are denominated in the following currencies:

CLOUDBREAK DISCOVERY PLC

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	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	£	£	£	£
UK Pounds	83,604	1,130,433	77,254	1,676,619
Canadian Dollars	146,250	30,201	-	-
US Dollars	8	-	-	-
Guinea Franc	13,315	-	-	-
	243,177	1,160,634	77,254	1,676,619

11. Cash and cash equivalents

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	£	£	£	£
Cash at bank and in hand	244,074	310,578	18,684	124,118

The majority of the entities cash at bank is held with institutions with at least a AA- credit rating. A bank account in the UK which holds a small percentage of cash is held with institutions whose credit rating is unknown.

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

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	£	£	£	£
UK Pounds	6,523	107,707	1,593	107,707
US Dollars	17,091	16,411	17,091	16,411
Canadian Dollars	220,460	186,460	-	-
	244,074	310,578	18,684	124,118

12. Financial Instruments by Category

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group reports in Sterling. Internal and external funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group does not use derivative financial instruments such as forward currency contracts, interest rate and currency swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

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Capital management

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

The capital structure of the Group consists of total shareholders' equity as set out in the 'Statement of Changes in Equity'. All working capital requirements are financed from existing cash resources and the Crescita draw down facility.

Capital is managed on a day to day basis to ensure that all entities in the Group are able to operate as a going concern. Operating cash flow is primarily used to cover the overhead costs associated with operating as London Standard-listed company.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Whilst the Group's payables exceeds the cash at bank, the Directors are confident they can raise the funds required to meet its obligations.

The Board receives forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date the Group had cash balances of £244,074 and the financial forecasts indicated that the Group is expected to raise funds to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft or other borrowing facilities.

Interest rate risk

As the Group has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Group's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Group might suffer through holding its financial investment portfolio in the face of market movements, which was a maximum of £891,255 (2022: £2,069,302).

The investments in equity of quoted companies that the Group holds are less frequently traded than shares in more widely traded securities. Consequently, the valuations of these investments can be more volatile.

CLOUDBREAK DISCOVERY PLC

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Market price risk sensitivity

The table below shows the impact on the return and net assets of the Group if there were to be a 20% movement in overall share prices of the financial investments held at 30 June 2023.

	2023	2022
	Other comprehensive income and Net assets	Other comprehensive income and Net assets
	£	£
Decrease if overall share price falls by 20%, with all other variables held constant	(1,069,506)	(2,367,554)
Decrease in other comprehensive earnings and net asset value per Ordinary share (in pence)	(1.23)	(0.0049)p
Increase if overall share price rises by 20%, with all other variables held constant	1,069,506	2,367,554
Increase in other comprehensive earnings and net asset value per Ordinary share (in pence)	1.23	0.0049p

The impact of a change of 20% has been selected as this is considered reasonable given the current level of volatility observed and assumes a market value is attainable for the Group's unlisted investments.

Currency risk

The Directors consider that there is minimal significant currency risk faced by the Group. The current foreign currency transactions the Group enters are denominated in CAD\$ and USD\$ in relation to transactions associated with exploration and evaluation option payments and property expenditures. The Group maintains minimal foreign currency holdings to minimize this risk.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Group. The Group's maximum exposure to credit risk is:

	2023	2022
	£	£
Cash at bank	244,074	310,578
Other receivables	243,177	1,160,633
Convertible debenture receivable	2,059,060	1,657,900
	2,546,311	3,129,111

The Group's cash balances are held in accounts with HSBC, BLK.FX, Bank of Montreal and with its Investment Broker accounts.

Fair value of financial assets and liabilities

Financial assets and liabilities are carried in the Statement of Financial Position at either their fair value (financial investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash at bank).

The fair values are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade and other receivables

The following table sets out the fair values of financial assets within Trade and other receivables.

CLOUDBREAK DISCOVERY PLC

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	2023 £	2022 £
Financial assets		
Trade and other receivables - Non interest earning	243,177	1,160,633

There are no financial assets which are past due and for which no provision for bad or doubtful debts has been made.

Trade and other payables

The following table sets out financial liabilities within Trade and other payables. These financial liabilities are predominantly non-interest bearing. Other liabilities include tax and social security payables and provisions which do not constitute contractual obligations to deliver cash or other financial assets.

	2023 £	2022 £
Financial liabilities		
Trade and other payables – Non interest earning	1,704,437	1,395,910

13. Trade and other payables

The following table sets out the fair values of financial assets within Trade and other payables.

	Group		Company	
	30 June 2023 £	30 June 2022 £	30 June 2023 £	30 June 2022 £
Trade payables	1,493,943	1,217,736	1,303,186	1,194,500
Accruals	151,396	157,353	139,687	142,084
Other Creditors	59,098	20,821	11,558	20,670
Trade and other payables	1,704,437	1,395,910	1,454,431	1,357,254

The carrying amounts of the Group and Company's trade and other payables are denominated in the following currencies:

	Group		Company	
	30 June 2023 £	30 June 2022 £	30 June 2023 £	30 June 2022 £
UK Pounds	1,497,746	1,357,254	1,454,431	1,357,254
Canadian Dollars	172,606	38,656	-	-
US Dollars	34,085	-	-	-
	1,704,437	1,395,910	1,454,431	1,357,254

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14. Share capital and premium

	Number of shares	Share capital £	Share premium £	Total £
As at 1 July 2021	389,565,060	560,520	10,905,507	11,466,027
Issue of new shares – 21 July 2021	500,000	500	14,500	15,000
Issue of new shares – 31 December 2021	500,000	500	14,500	15,000
Issue of new shares – 4 January 2022	58,000,000	58,000	1,682,000	1,740,000
Warrant exercised – 28 February 2022	100,000	100	4,900	5,000
Issue of new shares – 1 March 2022 ⁽¹⁾	19,596,931	19,597	1,371,660	1,391,257
Warrant exercised – 4 March 2022	1,428,874	1,429	41,437	42,866
Warrant exercised – 7 March 2022	100,000	100	4,900	5,000
Warrant exercised – 9 March 2022	783,335	783	22,717	23,500
Issue of new shares – 31 March 2022	12,000,000	12,000	738,000	750,000
Warrant exercised – 6 April 2022	400,000	400	11,600	12,000
Warrant exercised – 13 April 2022	200,000	200	9,800	10,000
As at 30 June 2022	483,174,200	654,129	14,821,521	15,475,650
Issue of new shares – 5 July 2022	16,800,000	16,800	361,200	378,000
Issue of new shares – 19 July 2022	26,027,776	26,028	556,597	582,625
Issue of new shares – 5 August 2022	10,000,000	10,000	169,000	179,000
Issue of new shares – 1 September 2022	12,000,000	12,000	168,000	180,000
Issue of new shares – 28 September 2022	14,000,000	14,000	166,180	180,180
Issue of new shares – 25 October 2022	18,500,000	18,500	185,000	203,500
Issue of new shares – 2 December 2022	15,000,000	15,000	161,850	176,850
Issue of new shares – 27 January 2023	4,300,000	4,300	42,570	46,870
Issue of new shares – 18 April 2023	7,876,829	7,878	121,303	129,181
As at 30 June 2023	607,678,805	778,635	16,753,221	17,531,856

(1) Includes issue costs of £3,000

On 5 July 2022, the Group issued and allotted 16,800,000 new ordinary shares at a price of 2.25 pence per share as part of a drawdown on the Crescita Capital LLC facility.

On 19 July 2022, the Group issued and allotted 26,027,776 new ordinary shares at a price of 2.25 pence per share as part of a fundraise in which Shard Capital acted as the Group's sole broker.

On 5 August 2022, the Group issued and allotted 10,000,000 new ordinary shares at a price of 1.79 pence per share as part of a drawdown on the Crescita Capital LLC facility.

On 1 September 2022, the Group issued and allotted 12,000,000 new ordinary shares at a price of 1.50 pence per share as part of a drawdown on the Crescita Capital LLC facility.

On 28 September 2022, the Group issued and allotted 14,000,000 new ordinary shares at a price of 1.30 pence per share as part of a drawdown on the Crescita Capital LLC facility.

On 25 October 2022, the Group issued and allotted 18,500,000 new ordinary shares at a price of 1.10 pence per share as part of a drawdown on the Crescita Capital LLC facility.

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On 2 December 2022, the Group issued and allotted 15,000,000 new ordinary shares at a price of 1.179 pence per share as part of a drawdown on the Crescita Capital LLC facility.

On 27 January 2023, the Group issued and allotted 4,300,000 new ordinary shares at a price of 1.09 pence per share as part of a drawdown on the Crescita Capital LLC facility.

On 18 April 2023, the Group issued and allotted 7,876,829 new ordinary shares at a price of 1.64 pence per share as part of a drawdown on the Crescita Capital LLC facility.

15. Share based payments

The outstanding share options and warrants as at 30 June 2023 are shown below:

	Options	Warrants	Weighted average exercise price (£)
As at 30 June 2021	5,050,000	43,615,967	0.015
Options - Cancelled	(1,566,667)	-	0.27
Options - Exercised	(83,333)	-	0.03
Options - Issued	11,250,000	-	0.03
Warrants - Exercised	-	(2,928,876)	0.04
Warrants - Issued	-	3,150,002	0.04
Warrants - Expired	-	(20,615,401)	0.11
As at 30 June 2022	14,650,000	23,221,692	0.04
Options - Cancelled	(150,000)	-	0.03
Options - Exercised	-	-	-
Options - Issued	7,250,000	-	0.02
Warrants - Exercised	-	-	-
Warrants - Issued	-	2,950,000	0.02
Warrants - Expired	-	(7,926,968)	0.05
As at 30 June 2023	21,750,000	18,244,724	0.04

The Company and Group have no legal or constructive obligation to settle or repurchase the options or warrants in cash.

The fair value of the share options and warrants was determined using the Black Scholes valuation model. The parameters used are detailed below:

	2021 Warrants	2021 Warrants	2022 Warrants	2022 Warrants	2023 Warrants
Granted on:	2/06/2021	2/06/2021	13/8/2021	1/3/2022	9/8/2022
Number of warrants	4,530,497	8,714,227	2,750,002	400,000	2,950,000
Life (years)	2.71 years	4 years	2 years	2 years	1 year
Share price (pence per share)	0.10p	0.05p	0.025p	0.10p	0.025p
Risk free rate	0.55%	0.81%	0.58%	0.80%	2.07%
Expected volatility	100%	100%	20.28%	140.94%	51.43%
Expected dividend yield	-	-	-	-	-
Total fair value	£46,092	£157,695	£2,750	£27,314	6,596

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	2021 Options	2022 Options	2023 Options
Granted on:	2/06/2020	25/8/2021	9/8/2022
Number of options	5,050,000	11,250,000	7,250,000
Life (years)	3.08 years	4 years	3 years
Share price (pence per share)	0.025p	0.03p	0.025p
Risk free rate	0.64%	0.62%	1.78%
Expected volatility	100%	20.55%	51.43%
Expected dividend yield	-	-	-
Total fair value	£99,572	£11,238	£36,723

The expected volatility of the options is based on historical volatility for the six months prior to the date of granting.

The risk-free rate of return is based on zero yield government bonds for a term consistent with the option life.

A reconciliation of options and warrants granted over the year to 30 June 2023 is shown below:

2023					2022				
Range of exercise prices (£)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	Weighted average exercise price (£)	Number of shares	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	
0 – 0.029	0.02	14,750,000	3.047	3.047	0.0286	16,300,000	4.282	4.282	
0.03 – 0.049	0.03	11,600,000	1.431	1.431	0.0500	16,641,195	1.740	1.740	
0.05 – 0.099	0.05	8,714,227	1.971	1.971	0.1000	4,530,497	1.630	1.630	
0.10 – 0.15	0.10	4,930,497	0.650	0.650	0.1125	400,000	1.670	1.670	

16. Other reserves

	Group			Total £
	Share option reserve £	Warrant option reserve £	Foreign currency translation reserve £	
At 30 June 2022	84,667	212,717	301,709	599,093
Currency translation differences	-	-	(123,367)	(123,367)
Issued Options	36,723	-	-	36,723
Issued Warrants	-	6,596	-	6,596
At 31 June 2023	121,390	219,313	178,342	519,045

17. Employee benefit expense

The total number of Directors who served in the year was 4 (2022: 4). There are no employees of the Group.

The following amounts were paid during the year to Directors:

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For the year ended 30 June 2023

	Group	
	Year ended 30 June 2023	Year ended 30 June 2022
Staff costs	£	£
Directors Fees and Consulting Fees	315,000	79,976
Employee salaries and Tax	33,515	-
	348,515	79,976

Amounts included in Directors fees and salaries include £315,000 (2022: £79,976) in relation to director fees and consulting fees. Details of fees paid to Companies and Partnerships of which the Directors detailed above are Directors and Partners have been disclosed in Note 26.

18. Directors' remuneration

	Year ended 30 June 2023			
	Short-term benefits	Post- employment benefits	Share based payments	Total
	£	£	£	£
Directors				
Kyler Hardy ⁽¹⁾	120,000	-	6,329	126,329
Paul Gurney	30,000	-	3,798	33,798
Emma Priestly	45,000	-	3,798	48,798
Andrew Male	120,000	-	3,798	123,798
	315,000	-	17,723	332,723

(1) Kyler Hardy resigned on 19 June 2023.

Remuneration hasn't been paid in full to all directors, the amounts referenced above have either been accrued or partially paid. Refer to note 26 for amounts still owing to the Directors.

Emma Priestley's Director fees related to the previous financial year were invoiced and accounted for in the current financial year.

3,500,000 options were issued to directors on 9 August 2022 for their services. The options have an exercise price of £0.0225 and expire on 9 August 2025. Details of the Share Option charges can be found in Note 15

	Year ended 30 June 2022			
	Short-term benefits	Post- employment benefits	Share based payments	Total
	£	£	£	£
Directors				
Kyler Hardy	-	-	2,000	2,000
Paul Gurney	7,500	-	-	7,500
Emma Priestly	-	-	600	600
Andrew Male	72,476	-	600	73,076
	79,976	-	3,200	83,176

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19. Finance income

	Group	
	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Interest income on convertible loan	143,224	138,107
G2 Technology – debenture interest	197,061	16,411
Texas Legacy Exploration – debenture interest	29,302	-
Finance Income	369,587	154,518

The interest income on the convertible loan is interest on the AAM convertible loans. This interest is subsequently impaired. Refer to note 9 for further information.

20. Other gains

	Group	
	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Other gains	17,913	8,332
Other gains	17,913	8,332

21. Loss on disposal of investments

	Group	
	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Realised loss on disposal of investments	(866,421)	-
Loss on disposal of investments	(866,421)	-

22. Income tax expense

No charge to taxation arises due to the losses incurred.

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

	Group	
	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Loss before tax	(3,997,899)	(5,557,029)
Tax at the applicable rate of 18.00% (2022: 17%)	(719,622)	(944,695)
Effects of:		
Expenditure not deductible for tax purposes	8,179	8,181
Net tax effect of losses carried forward	723,621	936,514
Tax (charge)/refund	(12,178)	-

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NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2023

The weighted average applicable tax rate of 18% (2022: 17%) used is a combination of the 19% standard rate of corporation tax in the UK, 15% Canadian corporation tax and 21% US corporation tax.

The Company has tax losses of approximately £2,853,785 (2022: £2,130,164) available to carry forward against future taxable profits. No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

23. Earnings per share

Group

The calculation of the basic loss per share of £0.01 (2022: £0.01) is based on the loss attributable to equity owners of the group of £3,997,899 (2022: loss of £5,697,030), and on the weighted average number of ordinary shares of 578,496,992 (2022: 428,042,226) in issue during the period.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 15.

24. Expenses by nature

	Group	
	Year ended 30 June 2023	Year ended 30 June 2022
	£	£
Professional fees	1,123,570	1,564,654
Consulting fees	1,581,215	1,184,930
Employees and Contractors	228,515	-
Transfer agent and filing fees	-	110,965
Travel	94,302	86,597
Insurance	37,312	30,929
IT & Software services	13,938	2,608
Public Relations	150,119	188,160
Premises and Office costs	10,447	18,040
Property costs/exploration costs	425,643	-
Share option expense	43,306	41,325
Other expenses	298,151	80,006
Total administrative expenses	4,006,518	3,308,214

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25. Commitments

License commitments

The Group owns a number of exploration licences in Canada. These licences include commitments to pay minimum spend requirements. The Group have entered into option agreements on all of their properties aside from newly staked properties, Northern Treasure and Foggy Mountain. As part of these option agreements, the minimum spend obligations have been passed onto the Optionees. Refer to note 6 for further information.

As at 30 June 2023 these are as follows:

	Group
	Minimum spend requirement
	£
Not later than one year	674,709
Later than one year and no later than five years	99,589
Total	774,298

26. Related party transactions

Details of the Directors' remuneration can be found in Note 18. Key Management Personnel are considered to be the Directors.

At June 30, 2023, the Group held investments of £280,214 in Temas Resources, Volt Lithium (previously Allied Copper Corp), Calidus Resources and Buscando Resources where Kyler Hardy is also a Director (2022: £1,589,124). The holdings of these investments are connected to requirements in the property option agreements whereby the optionees are to make payments in shares. All companies except for Calidus Resources are Level 1 investments and are not directly controlled by Kyler Hardy. For further information, please refer to note 6.

During the year, the Group paid Cronin Services £759,073 for the provision of consulting and management services during the year (2022: £1,234,952) a company controlled by the previous CEO, Kyler Hardy. These were in relation to consultancy fees under a management service agreement dated 1 February 2020 and 1 June 2021. In November, there was an updated contract agreed between the Group and Cronin Services related the consultancy services provided. This agreement involved Cronin services providing monthly CFO, technical, marketing and office services for the Group, for a monthly fee of \$27,500 USD and annual director fees for Kyler of £120,000. Throughout the year, Cronin Capital and Cronin Services invoiced the Group £829,322. The Group paid amounts totalling nil (2022: £5,034) to Cronin Capital Corp. The amount outstanding owing to Cronin Capital and Cronin Services at the year-end was £996,515 (2022: £965,340).

During the year, the Group paid amounts totalling £59,000 (2022: 72,476) to Westridge Management International Ltd. A company controlled by Andrew Male, a Director of the group. The amount outstanding owing to Westridge Management at the year-end was £65,000 (2022: £14,000). Andrew was also issued 750,000 options with an exercise price of £0.0225 during the year.

During the year, the Group made no payments (2022: nil) to Windy Apple Ventures Ltd. A company controlled by Paul Gurney, a Director of the group. The amount accrued and outstanding owing to Windy Apple Ventures Ltd. at the year-end was £22,500 (2022: £nil). Paul was also issued 750,000 options with an exercise price of £0.0225 during the year.

During the year, the Group made no payments (2022: nil) to Emma Priestley. The amount accrued and outstanding owing to Emma at the year-end was £30,000 (2022: £nil). Emma was also issued 750,000 options with an exercise price of £0.0225 during the year.

27. Ultimate controlling party

The Directors believe there is no ultimate controlling party.

28. Events after the reporting date

On 11 July 2023, the Company issued convertible loan notes (CLN). The gross proceeds totalled £340,000 and the CLN's have a maturity date set at 31 January 2024, with an annual interest rate of 12%. Paul Gurney, Non-Executive Director of the Company participated in the CLN.