PATHFINDER MINERALS PLC

ANNUAL REPORT AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Pathfinder Minerals plc
Registered in England & Wales
Registered company no. 02578942
Registered office address: 35 Berkeley Square, London, W1J 5BF

Contents of the Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2022

Company Information
for the Year Ended 31 December 2022

DIRECTORS:	D Edmonds P Taylor M Gasson J Summers (resigned 30 June 2022)
SECRETARY:	D Taylor
REGISTERED OFFICE:	35 Berkeley Square London W1J 5BF United Kingdom
REGISTERED NUMBER:	02578942 (England and Wales)
INDEPENDENT AUDITOR:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
SOLICITORS:	Kuit Steinart Levy LLP 3 St Marys Parsonage Manchester M3 2RD United Kingdom
NOMINATED & FINANCIAL ADVISER AND BROKER:	Strand Hanson Limited 26 Mount Row London W1K 3SQ
REGISTRARS:	Link Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU
BANKERS:	Royal Bank of Scotland 1 Dale Street Liverpool L2 2PP

Chairman's Statement
for the Year Ended 31 December 2022

Introduction and principal activities
The Group's activities during 2022 continued to focus on preparing the Company to bring a claim against the Government of Mozambique, under the Mozambique-United Kingdom Bilateral Investment Treaty (2004) (the "Treaty"), for its role in facilitating the expropriation of Mining Concession 4623C (the "Licence") from the Company in 2011 through a transfer which the Board believes was unlawful (the "Claim"). This culminated in the signing in September 2022 of an option agreement for the sale of IM Minerals Limited ("IMM"), a wholly owned subsidiary of Pathfinder, and, with it, the rights to bring the Claim.

Alongside this, the Board has continued to review additional commercial opportunities across several minerals and geographies which, if pursued, would offer shareholders multiple avenues for potential value creation.

Preparations to bring or monetise a claim
Since the receipt in December 2020 of a legal opinion that, subject to the interpretation of the facts and applicable laws as they are currently known to the Board and Counsel, there is a 55-60 percent prospect of establishing liability on the part of the Government of Mozambique in a BIT claim under Article 2(2) and 2(3) of the Treaty, the Board had set about undertaking the various workstreams to prepare to bring or monetise the Claim.

As part of the Company's preparatory procedures, the Board commissioned, during 2021, Versant Partners LLC ("Versant") to undertake an analysis of the valuation of Pathfinder's potential claim. Whilst the detail behind the valuation remains legally privileged, the Versant analysis assesses a range of successful scenarios with valuation ranges from a minimum of US$110m for an ex-ante damages award through to US$1,500m for an ex-post damages award. The Versant valuation supports the US$621.3m of estimated losses, detailed in the Company's 12 April 2021 announcement, that has been notified to the government of Mozambique.

In September 2022, the Company entered into an option agreement with Acumen Advisory Group LLC ("Acumen" or "AAG"), an asset recovery specialist incorporated in Delaware, USA, with a track record of international claim enforcement, under which the Company granted Acumen an exclusive option to acquire IMM and therefore the rights to bring the Claim.

Following the end of the financial year, on 1 February 2023, Pathfinder announced that Acumen had sought to exercise its rights under the Option and, at a general meeting of shareholders of the Company held on 11 May 2023, shareholders voted to proceed with the disposal of IMM and therefore the Claim (the "Disposal"). Under the terms of the Sale and Purchase Agreement (the "SPA") entered into with Acumen, the Company expects to receive imminently, an initial cash payment of £2 million and subsequently a further payment being the greater of US$24 million or 20% of the aggregate amount (including deferred or conditional payments) subject to, and payable on, settlement or determination of the Claim, less expenses. Further details on the Disposal, including the payment mechanism, and associated risk factors, are detailed in the circular posted to shareholders on 21 April 2023.

Company strategy
Following the completion of the Disposal, the Company will cease to own, control, or conduct all, or substantially all, of its existing business activities or assets. Accordingly, upon completion of the Disposal, the Company will be classified as an AIM Rule 15 cash shell and, as such, will be required to make an acquisition or acquisitions which constitute a reverse takeover under AIM Rule 14 (or seek re-admission as an investing company (as defined under the AIM Rules)), on or before the date falling six months from completion of the Disposal, failing which the Company's Ordinary Shares would be suspended from trading on AIM pursuant to AIM Rule 40. Admission of the Company's Ordinary Shares to trading on AIM would be cancelled six months from the date of suspension should the Company not complete such a transaction during this time.

Until such time as the £2 million has been received by the Company, the Disposal will not complete and the Company will not be classified as an AIM Rule 15 cash shell.

The Board is continuing to evaluate opportunities in the sectors it considers appropriate, seeking to identify one or more projects or assets suitable for acquisition from which the Board believes it can unlock unrealised value for shareholders in the near-term.

Any reverse takeover transaction will require the publication of an AIM Rules compliant admission document and will be subject to shareholder approval at a further general meeting of the Company to be convened at the appropriate time.

Financial results and current financial position
The audited financial statements of the Pathfinder Group for the year ended 31 December 2022 follow later in this report.

The Income Statement for the period ended 31 December 2022 reflects a loss of £376k (period ended 31 December 2021: £367k). The Group's Statement of Financial Position shows total assets at 31 December 2022 of £59k (31 December 2021: £384k); the assets were held largely in the form of cash deposits of £46k (31 December 2021: £365k).

Board changes
Jonathan Summers retired as a non-executive director of the Company on 30 June 2022. The Board is grateful to Mr Summers for his contribution to the Company.

Outlook
Following the completion of the Disposal, which the Company expects imminently, Acumen will have a binding agreement with the Company to progress the Claim. If the Claim is successful, the Company stands to receive a substantial contingent payment. While that process is underway, assuming completion of the Disposal, Pathfinder will be well funded and able to pursue other opportunities which offer shareholders multiple avenues for value creation.

Dennis Edmonds
Chair
24 May 2023

Directors and strategic report
for the Year Ended 31 December 2022

Overview
The Directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2022. An overview of the Group's principal activities, and business review (including financial results and future outlook) is presented in the Chairman's Statement.

The Company's aim is to create value for shareholders by identifying and acquiring an asset in which it believes it has the ability to unlock unrealised value in the near-term.

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 Board's work in pursuit of the strategy, including a review of the business and its future developments, are described in the Chairman's Statement.

Without regular income, the Company is dependent upon fundraising for its continued operation. The pre-revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed and appropriate under AIM Rules for Companies.

The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2022:

- Furtherance of legal claim against the government of Mozambique
- Developing prospective future business activities for the Company
- Fundraising activities

The Board takes seriously its ethical responsibilities to the communities and environment in which it works and we abide by the local and relevant UK laws on anti-corruption & bribery. The Company's Anti-Corruption and Bribery Policy was updated, and the revised policy was adopted during 2021.

During the year ended 31 December 2022. the Company had no activities relevant to community engagement.

The interests of our employees are a primary consideration for the Board. Personal development opportunities are supported, and a health and security support network will be set in place to assist with any issues that may arise on field expeditions.

Key performance indicators (KPIs)
The Board routinely monitors the following KPIs:

- Cash balance available for working capital
- Cash flow forecasts, including variance from budgets

The Company's cash balance as at 31 December 2022 was £46k (2021: £365k).

Dividends
The directors do not recommend the payment of a dividend (2021: £nil).

Events since the end of the year

Information relating to events since the end of the year is given in note 19 to the financial statements.

Directors

The directors who held office at any time during the year ended 31 December 2022 are as follows:

Dennis Edmonds
Peter Taylor
Mark Gasson
Jonathan Summers (resigned 30 June 2022)

The Company has agreed to indemnify its directors against claims against them by reason of the fact that they are or were a director of the Company, and the Company has in place a directors and officers insurance policy.

The Board of Directors is responsible for overseeing the long-term success and strategic direction of the Company in accordance with the schedule of matters reserved for board decision and is responsible for monitoring the activities of the executive management.

Directors' interests in shares

As at 31 December 2022, the interests of the directors beneficial interests in the shares of Pathfinder Minerals plc (including the beneficial interests of their immediate family) were as follows:

	No. shares held at 31 December 2022	**No. shares held at 31 December 2021**
D. Edmonds	-	-
P. Taylor	14,350,000	14,350,000
M. Gasson	-	-
J. Summers (resigned 30 June 2022)	n/a	-

Details of directors' remuneration is disclosed in Note 4.

Details of directors' interests in share options and warrants is given in Note 16.

Financial instruments

The Company's financial instruments consist entirely of cash that arises directly from financing activities undertaken to fund the business. The main purpose of these financial instruments is to fund the Company's operations as well as to manage working capital, liquidity and invest surplus funds. It is, and has been throughout the period under review, the Company's policy not to enter into derivative transactions, and no trading in financial instruments has been undertaken.

Political donations and expenditure

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

Significant shareholders

As at 18 May 2023, the Company had been notified that the following shareholders were beneficially interested in 3% or more of the Company's ordinary share capital.

Shareholder name	**Number of 0.1p Ordinary shares at date of notification**	**Shareholding percentage at date of notification**
R S & C A Jennings & related party Catalyse Capital Ltd	60,724,175	9.60%
Mr Nicholas Trew (former Director)	17,139,814	3.72%
Klaus Eckhof	16,000,000	3.01%

As at 18 May 2023, the registered holders of 3% or more of the Ordinary shares in the capital of the Company were as follows:

Shareholder name	Number of 0.1p Ordinary shares	% of Ordinary share capital and voting rights
James Brearley Crest Nominees Limited	157,551,591	24.91%
Interactive Investor Services Nominees Limited SMKTISAS	48,858,269	7.72%
Securities Services Nominees Limited	43,280,939	6.84%
Fiske Nominees Limited	38,674,175	6.11%
Interactive Investor Services Nominees Limited SMKTNOMS	37,994,316	6.01%
HSDL Nominees Limited	29,263,770	4.63%
Lynchwood Nominees Limited	26,060,000	4.12%
HSBC Client Holdings Nominee (UK) limited	22,113,810	3.50%
HSDL Nominees Limited	19,484,789	3.08%
Hargreaves Lansdown (Nominees) Limited	19,231,599	3.04%

Principal risks and uncertainties

Liquidity risk

The Company's principal risk is a liquidity risk. The Group has no revenue at the present time and is therefore dependent upon the availability of additional equity finance, which is described in further detail in note 1 to the financial statements under the *going concern* section of the accounting principles. The availability of additional funding could be influenced by a wide range of factors and risks.

Liquidity risk is inherent in the strategy and business model of early-stage mineral exploration companies and particularly when the Company becomes an AIM Rule 15 cash shell upon completion of the Disposal.

Dependence on key personnel

The Group and Company is dependent upon its executive management team. 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.

In light of the Group's liquidity risk, the Group operates with minimal personnel, and this is therefore within the Group's risk appetite.

Litigation risk

The Company may also carry a litigation risk insofar as, in the event AAG does not meet its obligations under the SPA and the rights to the Claim revert back to Pathfinder after a period of five years, should Pathfinder choose to accept receipt of the shares of IMM (and therefore the rights to the Claim) back, which it is not obliged to do under the SPA.

Transaction risk

The Group's strategy is to seek opportunities to acquire other assets in which the Board believes it is able to unlock unrealised value in the near-term. Any such transactions would carry an element of risk with the need to expend resources in identifying opportunities and carrying out due diligence thereon. Such activities therefore increase the pressure on the Group's cash reserves and are therefore monitored closely and conservatively.

Internal controls and risk management

The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified promptly and dealt with appropriately.

In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practicable. The directors keep under constant review, the effectiveness of the internal financial controls, with a strong focus on monitoring the cash position and future cash flows of the business.

Disclosure in the strategic report

Strategic matters relating to the Company throughout the reporting period, including the main trends and factors likely to affect the future development, performance and position of the business, are outlined in the Chairman's Statement.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards. 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 Company and the Group 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 judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with UK-adopted International Accounting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Website publication

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

Going concern

The Board has assessed the prospects of the Group over a period of 12 months from the date of approval of these financial statements, involving a review of the Group's forecast prepared up to 31 May 2024 and taking account of the Board's intentions for future activities after that date.

As explained further in note 1 to the financial statements, the Board, taking account of the Group's current position and principal risks over a 12 month period, has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over that period. However, at the present time, the pending receipt of the £2 million in respect of the disposal of its 100%-owned subsidiary, IM Minerals Limited, creates a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. However, taking into consideration the Board's expectation that these funds will be received imminently, the Group's merits and the Board's track record in raising additional funding, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next 12 months. The Board considers this period of assessment to be appropriate because it contextualises the Company's financial position, business model and strategy.

The Board's assessment of the going concern statement is further described in note 1 to the accounts.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

The auditors, PKF Littlejohn LLP, will be proposed for reappointment at the forthcoming Annual General Meeting.

Corporate governance statement

As an AIM-quoted company, Pathfinder Minerals plc ("Pathfinder" or the "Company") is required to apply a recognised corporate governance code, and to demonstrate how the Group complies with such corporate governance code and where it departs from it.

The Board of Pathfinder believes that a sound corporate governance policy is an essential ingredient to the Company's success. The application of these policies enables key decisions to be made by the Board as a whole, and for the Company to function in a manner that takes into account all stakeholders in the Group, including employees, suppliers and business partners.

The Directors of the Company have formally made the decision to apply the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). The QCA Code has ten principles divided into three overarching headings:

- Deliver growth
- Maintain a dynamic management framework
- Build trust

The Board recognises the principles of the QCA Code are best suited to smaller quoted companies such as Pathfinder, but also acknowledges that Pathfinder has been operating in an unusual set of circumstances resulting from the dispute, as first announced on 25 November 2011, over the ownership of its mining licences in Mozambique, and now with the prospect of imminently become classified as an AIM Rule 15 cash shell.

Deliver growth

Establish a strategy and business model which promote long-term value for shareholders
In November 2009, the Company issued a circular setting out an Investing Policy to be approved by its shareholders. Pathfinder's proposed strategy was to acquire mainly significant minority interests in both listed and unlisted companies and/or assets that the Directors believe represented opportunities to create shareholder value, specifically within the natural resource sectors, with a focus on Central Asia and Sub-Saharan Africa. The focus would be on metals and mature resource situations with both established resources and the ability to increase these through additional exploration and bring them into production.

In pursuit of this strategy, the Company acquired mineral sands projects in Mozambique which it sought to explore and exploit. The mining licences became subject to an ownership dispute as first announced on 25 November 2011.

During the year ended 31 December 2022, the Board has pursued the lawful return of the mining licences. Contemporaneously, the Board sought to identify opportunities aligned with the interests of the Company's shareholders and with the Company's purpose, to deliver additional long-term value.

Seek to understand and meet shareholder needs and expectations
The directors, led by the Chair, seek regular engagement with major shareholders and investors in order to understand their views on governance and performance against the strategy.

Take into account wider stakeholder and social responsibilities
The continuing support of the Company's major shareholders and commitment of the directors and employees is essential to the success of the Company. The directors periodically review the Company's key resources and relationships.

The Company is subject to the rules of AIM. Maintaining a positive relationship with the Company's Nominated Adviser is an important feature of the Company's shares being traded on AIM.

At the present time, the Company does not have any customers and has negligible involvement with any communities, however the Board is aware of the importance of these relationships and will review its obligations from time to time.

Embed effective risk management, considering both opportunities and threats throughout the organisation
The Company has no operations at present. Its principal risks therefore pertain to the Board's ability to continue to raise funds to finance the pursuit of its strategy, and to its dependence on key personnel.

Maintain a dynamic management framework

Maintain the board as a well-functioning, balanced team led by the Chair
The Board currently comprises executive director Peter Taylor, who is the Chief Executive Officer, Mark Gasson, a non-executive director, and Dennis Edmonds, non-executive Chair, who was appointed as an independent non-executive director in August 2019. In May 2020, the Company's CEO at that time stepped down to take a non-executive role and Dennis Edmonds acted as CEO for approximately 8 weeks until the appointment of Peter Taylor was finalised in July 2020. This brief period of holding executive office means that Dennis Edmonds is not automatically deemed to have been independent upon appointment, however the directors consider the circumstances and short duration of his acting as CEO are such that his independence would not have been impaired.

The Board makes share options available to non-executive directors in order to attract and retain directors of the calibre necessary for the Company to succeed whilst minimising any cash costs that would otherwise be incurred. The award of share options to directors is not considered to result in their independence being impaired; on the contrary, it is believed that modest and measured awards will provide a cost-effective mechanism to align directors' interests with those of shareholders.

All directors are expected to devote such amount of time as is necessary for the proper performance of their duties. In the case of the non-executive directors, this is expected to spend a minimum of 5 days per month on work for the Company, including time spent at board meetings and in attending any general meetings.

The Company's directors frequently meet informally and also pass resolutions in writing. During 2022, the Audit Committee met once. The Nomination & Remuneration Committee did not meet, but passed resolutions in writing. In addition to any written resolutions passed, the directors met on the following number of occasions:

	Board meetings
Dennis Edmonds	6/6
Peter Taylor	6/6
Mark Gasson	6/6
Jonathan Summers (resigned 30 June 2022)	4/4

On 30 June 2022, following the resignation of non-executive director Jonathan Summers, the Company's Board reduced to just one non-executive director. Accordingly, each of the Board's committees were dissolved.

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
Details of the current Directors, their roles and backgrounds are set out on the Company's website at www.pathfinderminerals.com.

At the present time, the Board considers itself to have a good blend of skills in the remits of corporate law, finance and mining.

The directors maintain all relevant professional development consistent with their professional qualifications, areas of responsibility and expertise. Training and CPD may also be carried out online. Training and CPD may also be delivered through attending seminars and specific training courses, and reading relevant materials. Upon joining the Board, each director receives an induction as to the AIM Rules from the Company's Nominated Adviser. The Company Secretary and the Nominated Adviser are each also available to the directors to provide additional training from time-to-time as and when required.

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
The Chair evaluates the board's performance regularly as well as that of its committees and of the individual directors by way of continuous review, incorporating any feedback from the Company's key stakeholders. Any findings arising are shared with the Board and the directors. Until such time as the board is significantly larger, and the business of the Company more complex, it is considered that this method of carrying out board performance evaluation is satisfactory.

Promote a corporate culture that is based on ethical values and behaviours
The Board of Pathfinder Minerals has a policy of promoting the long-term success of the Company by conducting business with integrity. This means ensuring the appropriate disclosure of inside information and striving to prevent leaks or rumours; honesty in the full disclosure of any potential conflicts of interest; carrying out appropriate due diligence with counterparties; and upholding the Company's anti-bribery and corruption policy.

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board
The Board seeks to ensure that the Group is managed for the long-term benefit of all shareholders and other stakeholders with effective and efficient decision-making. Corporate governance is an important part of that job, reducing risk and adding value to the Group. The Board will continue to monitor the governance framework of the Group as it grows.

The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance. The Chairman was considered independent upon appointment and has adequate separation from the day-to-day running of the Group.

The role of the Chief Executive Officer is to be responsible for the day-to-day running of the Group's operations and implementation of Group strategy as determined by the Board. In addition, the Chief Executive Officer is responsible for overseeing the management of the Group.

The Board is supported by a company secretary who is responsible for ensuring the smooth day-to-day running of the Company, the Board, and any of its committees.

The composition of the Board does not reflect the directors' recognition of the benefits of diversity in gender, background, disabilities and beliefs; these benefits will be borne in mind when considering future appointments.

Build trust

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders
The Board is committed to healthy dialogue with its stakeholders and it strives to maintain open, clear and transparent communication with shareholders, ensuring that its strategy, future business model and ultimately performance are clearly understood.

The Company communicates with shareholders through the Annual Report, full-year and half-year announcements, the Annual General Meeting and one-to-one meetings with large existing or potential new shareholders.

Any significant developments are announced via a regulatory information service, published on the Company's website, and shareholders or other investors who have signed up for an alert service, receive electronic notifications of any new announcements.

Pathfinder's directors believe that the successful development of any mining project is best achieved through maintaining close working relationships with all stakeholders; this includes government agencies and local communities. Part of this, in the context of an early-stage minerals exploration company, is to ensure careful attention is paid to ensure that all exploration activity is performed in an environmentally responsible manner and abides by all relevant mining and environmental acts.

The AGM is a forum for shareholders to engage in dialogue with the Board. The results of the AGM are published via a regulatory information service announcement and on the Company's website. Regular progress reports are also made via RIS announcements and are available on the Group's website, which contains all announcements and financial reports.

Pathfinder's management intends to maintain a close dialogue with local communities and its workforce. Where issues are raised, the Board will take the matters seriously and, where appropriate, steps will be taken to ensure that these are integrated into the Company's strategy.

Both the engagement with local communities and the performance of all activities in an environmentally and socially responsible way will be closely monitored by the Board to ensure that ethical values and behaviours are recognised.

ON BEHALF OF THE BOARD:

Dennis Edmonds
Director
24 May 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PATHFINDER MINERALS PLC

Opinion

We have audited the financial statements of Pathfinder Minerals Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statements of Changes in Equity, the Consolidated 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 31 December 2022 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 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 1 in the financial statements, which indicates based on current projections, the Group is expected to run out of cash within 12 months from the date the financial statements are expected to be approved and will therefore require further funding to continue to meet its working capital needs. It is however noted that there is a pending sale of IM Minerals Limited which may complete shortly after approval of the financial statements. Should such a sale complete and funds be received following the disposal, there would be sufficient cash to cover the requirements of the Group over the going concern period. Given that this is not yet confirmed, we make reference to this uncertainty within our audit report. We do however agree that the financial statements should be prepared on a going concern basis as, notwithstanding this above disposal, the Group has consistently been able to raise additional funds when required. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the 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 company's ability to continue to adopt the going concern basis of accounting included:

- A review of the Directors' going concern assessment and verification of management estimates to supporting documentation;
- A review of budgets/cash flow forecasts for 24 months to 31st December 2024 including the basis for underlying assumptions, and sensitivity to possible changes;
- An assessment, where applicable, of the amount of additional funding required compared to the likelihood of success, the nature of the source(s) and historic experience;

- Evaluating the efficacy and feasibility of management's plans for future actions in relation to its going concern assessment;
- A consideration of actual results for the year to past budgets to assess the forecasting ability/accuracy of management; and
- Checking the disclosures in the financial statements, including those relating to judgements and uncertainties.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was set at £17,500 (2021: £19,400), with performance materiality set at £12,250 (2021: £13,580).

Materiality has been calculated using the benchmark of 5% of the loss for the year, which we have determined, in our professional judgement, to be the principal benchmark within the financial statements relevant to members of the group in assessing financial performance. A benchmark of 70% performance materiality was applied during our audit of the group and parent company as we believed this would give sufficient coverage of significant and residual risks within the financial statements.

The materiality applied to the parent company financial statements was £17,499 (2021: £19,399) calculated using the benchmark of 5% of the loss for the year. The performance materiality was £12,249 (2021: £13,579). For each component in the scope of our group audit, we allocated a materiality that was less than our overall group materiality. We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £875 at group level and company level.

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

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors such as Share-Based Payments and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Our audit scope focused on the principal area of operation, being the United Kingdom. Although the company's direct subsidiary, IM Minerals Limited holds 99.9% of the issued share capital of Companhia Mineira de Naburi SARL, which in turn holds 99.8% of the issued share capital of Sociedade Geral de Mineracao de Moçambique SARL, events indicated that the company does not control either of these Moçambique-domiciled group companies; neither has it been possible to obtain the statutory registers or audited accounts for them; accordingly, these financial statements consolidate the financial statements of IM Minerals Limited and Pathfinder Battery Commodities Limited only.

The audit was overseen and concluded in London where we acted as group auditor. There were no component auditors.

Key audit matters

Except for the matter described in the "Material uncertainty related to going concern" section. We have determined that there are no key audit matters to communicate in our report.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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 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 parent company in this regard to be those arising from AIM Rules and the Companies Act 2006.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Enquiries of management
    - Review of minutes
    - Review of RNS announcements
    - Review of legal and professional expenditure

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the share based payments, we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

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

Timothy Herbert (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
24 May 2023

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2022

	Note	**Year ended 31 December 2022 £'000**	Year ended 31 December 2021 £'000
CONTINUING OPERATIONS			
Revenue		-	-
Administrative expenses	3, 4	(376)	(367)
OPERATING LOSS		(376)	(367)
LOSS BEFORE INCOME TAX		(376)	(367)
Income tax	5	-	-
LOSS FOR THE YEAR		(376)	(367)
Total comprehensive loss for the year attributable to equity holders of the parent		(376)	(367)
Loss per share from continuing operations in pence per share:	7		
Basic and diluted		(0.07)	(0.07)

The notes on pages 24 to 36 form part of these financial statements

Consolidated Statement of Financial Position
for the Year Ended 31 December 2022

	Note	**Year ended 31 December 2022 £'000**	Year ended 31 December 2021 £'000
NON-CURRENT ASSETS			
Investments	8	-	-
CURRENT ASSETS			
Trade and other receivables	9	**13**	19
Cash and cash equivalents	10	**46**	365
TOTAL ASSETS		**59**	384
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company:			
Share capital	11	**18,717**	18,716
Share premium	11	**14,239**	14,234
Share based payment reserve		**162**	199
Warrant reserve		**104**	255
Accumulated deficit		**(33,357)**	(33,169)
TOTAL EQUITY		**(135)**	235
CURRENT LIABILITIES			
Trade and other payables	12	**114**	149
Borrowings	13	**80**	-
TOTAL LIABILITIES		**194**	149
TOTAL EQUITY AND LIABILITIES		**59**	384

The financial statements were approved for issue by the Board of Directors on 24 May 2023 and were signed on its behalf by:

Dennis Edmonds
Director

The notes on pages 24 to 36 form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £'000	Share premium £'000	Share based payment reserve £'000	Warrant reserve £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 January 2021 as previously stated	18,584	13,685	184	253	(32,831)	(125)
Prior year adjustment	-	-	-	-	-	-
Balance at 1 January 2021 as restated	18,584	13,685	184	253	(32,831)	(125)
Loss for the year	-	-	-	-	(367)	(367)
Total comprehensive loss for the year	-	-	-	-	(367)	(367)
Issue of share capital	132	599	-	-	-	731
Cost of share issue	-	(41)	-	-	-	(41)
Share based payments	-	(9)	15	2	29	37
Balance at 31 December 2021	**18,716**	**14,234**	**199**	**255**	**(33,169)**	**235**
Loss for the year	**-**	**-**	**-**	**-**	**(376)**	**(376)**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(376)**	**(376)**
Issue of share capital	**1**	**5**	**-**	**-**	**-**	**6**
Cost of share issue	**-**	**-**	**-**	**-**	**-**	**-**
Share based payments	**-**	**-**	**(37)**	**(151)**	**188**	**-**
Balance at 31 December 2022	**18,717**	**14,239**	**162**	**104**	**(33,357)**	**(135)**

The notes on pages 24 to 36 form part of these financial statements

Consolidated Statement of Cash Flows
for the Year Ended 31 December 2022

	Note	**Year ended 31 December 2022 £'000**	Year ended 31 December 2021 £'000
Cash flows from operating activities			
Loss before tax		**(376)**	(367)
Adjustments for:			
Share-based payments		**-**	35
PAYE/NI provision written back		**-**	(140)
Net cash flow from operating activities before changes in working capital		**(376)**	(472)
Changes in working capital:			
Decrease in trade and other receivables	9	**6**	15
Decrease in trade and other payables	12	**(35)**	(61)
Net cash flow used in operating activities		**(405)**	(518)
Cash flow from financing activities			
Proceeds arising as a result of the issue of ordinary shares		**6**	720
Costs related to issue of ordinary share capital		**-**	(28)
Proceeds of borrowings	13	**80**	-
Net cash flow from financing activities		**86**	692
Net increase in cash and cash equivalents in the year		**(319)**	174
Cash and cash equivalents at beginning of the year		**365**	191
Cash and cash equivalents at end of the year		**46**	365

Details of material non-cash transactions are set out in note 17.

The notes on pages 24 to 36 form part of these financial statements

Company Statement of Financial Position
for the Year Ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
NON-CURRENT ASSETS			
Investments	8	-	-
CURRENT ASSETS			
Trade and other receivables	9	**13**	19
Cash and cash equivalents	10	**46**	365
TOTAL ASSETS		**59**	384
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company:			
Share capital	11	**18,717**	18,716
Share premium	11	**14,239**	14,234
Share based payment reserve		**162**	199
Warrant reserve		**104**	252
Accumulated deficit		**(33,357)**	(33,169)
TOTAL EQUITY		**(135)**	235
CURRENT LIABILITIES			
Trade and other payables	12	**114**	149
Borrowings	13	**80**	-
TOTAL LIABILITIES		**194**	149
TOTAL EQUITY AND LIABILITIES		**59**	384

The Company has taken exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss after tax of the parent Company for the year was £376k (2021: £367k).

The financial statements were approved and authorised for issue by the Board of Directors on 24 May 2023 and were signed on its behalf by:

Dennis Edmonds
Director

The notes on pages 24 to 36 form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £'000	Share premium £'000	Share based payment reserve £'000	Warrant reserve £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 January 2021 as previously stated	18,584	13,685	184	253	(32,831)	(125)
Prior year adjustment	-	-	-	-	-	-
Balance at 1 January 2021 as restated	18,584	13,685	184	253	(32,831)	(125)
Loss for the year	-	-	-	-	(367)	(367)
Total comprehensive loss for the year	-	-	-	-	(367)	(367)
Issue of share capital	132	599	-	-	-	731
Cost of share issue	-	(41)	-	-	-	(41)
Share based payments	-	(9)	15	2	29	37
Balance at 31 December 2021	**18,716**	**14,234**	**199**	**255**	**(33,169)**	**235**
Loss for the year	**-**	**-**	**-**	**-**	**(376)**	**(376)**
Total comprehensive loss for the year					**(376)**	**(376)**
Issue of share capital	**1**	**5**	**-**	**-**	**-**	**6**
Share based payments	**-**	**-**	**(37)**	**(151)**	**188**	**-**
Balance at 31 December 2022	**18,717**	**14,239**	**162**	**104**	**(33,357)**	**(135)**

The notes on pages 24 to 36 form part of these financial statements

Company Statement of Cash Flows
for the Year Ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
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Changes in working capital:			
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Proceeds arising as a result of the issue of ordinary shares		**6**	720
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Cash and cash equivalents at end of the year		**46**	365

Details of material non-cash transactions are set out in note 17.

The notes on pages 24 to 36 form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

General information
Pathfinder Minerals Plc is a public limited company, quoted on AIM and is incorporated, registered and domiciled in England.

The Company's registered office is 35 Berkeley Square, London, England, W1J 5BF.

Basis of preparation
These financial statements have been prepared in accordance with UK-adopted International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IASs) and with those parts of the Companies Act 2006 applicable to companies reporting under IASs. The financial statements have been prepared under the historical cost convention. The functional and presentational currency of the Company is Pound Sterling.

New standards, amendments and interpretations adopted by the Company
At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective.

Standard	**Effective date, annual period beginning on or after**
IAS 1 - Presentation of Financial Statements	1 January 2023
IFRS 17 - Insurance Contracts	1 January 2023
IAS 8 amendments - Definition of accounting estimates	1 January 2023
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Classification of Liabilities as Current or Non-Current: *Amendments to IAS 1*	1 January 2023

The adoption of these standards is not expected to have any material impact on the financial statements of the Company.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES *(continued)*

Going concern

The Directors maintain cash flow forecasts looking ahead for periods not less than 12 months. As at the reporting date, the Company's cash balance was £46k (2021: £365k).

As at the date of approval of the financial statements, the cash flow forecast indicates that the Company has sufficient financial resources for at least the next 12 months, however, this is predicated on the receipt of £2 million consideration from AAG in respect of the disposal of the Company's 100%-owned subsidiary, IM Minerals Limited. The Board therefore considers that this is a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

Taking into consideration the Board's expectation that these funds will be received imminently, the Group's merits and the Board's track record in raising additional funding, the Board, has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next 12 months. Based on the Group's current expenditure plans, in the absence of receipt of the £2 million consideration from AAG, and without further funding being raised, the Group is funded up to October 2023.

The Board considers this period of assessment to be appropriate because it contextualises the Company's financial position, business model and strategy.

Notwithstanding the above, the directors consider the Group and the Company to be a going concern and therefore have prepared these financial statements on a going concern basis.

Basis of consolidation

Although the Company's direct subsidiary as at 31 December 2022, IM Minerals Limited holds 99.9% of the issued share capital of Companhia Mineira de Naburi SARL, which in turn holds 99.8% of the issued share capital of Sociedade Geral de Mineracao de Moçambique SARL, events in 2011 indicated that the Company does not control either of these Moçambique-domiciled companies group companies; neither has it been possible to obtain the statutory registers or audited accounts for them; accordingly, these financial statements consolidate the financial statements of IM Minerals Limited only. IM Minerals Limited is a dormant intermediate holding company registered in England & Wales.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are considered in arriving at the operating result.

Employee benefit costs

The Group makes available a defined contribution pension scheme to eligible employees. Any contributions paid to the Group's pension scheme are charged to the income statement in the period to which they relate.

Equity instruments and reserves description

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Ordinary shares are classified as equity.

Deferred shares are classified as equity but have restricted rights such that they have no economic value.

Share capital account represents the nominal value of the ordinary and deferred shares issued.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES *(continued)*

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

Share based payment reserve represents equity-settled share-based employee remuneration until such share options are exercised.

Warrant reserve represents equity-settled share-based payments until such share warrants are exercised

Share-based payments
Where equity settled share options or warrants are awarded, the fair value of the options at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market vesting conditions are considered by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Financial instruments

Trade and other receivables
Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are accounted for at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, considering the age of the debt, historical experience and general economic conditions. If a trade debt is determined to be uncollectable, it is written off, firstly against any provisions already held and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss in accordance with the expected credit loss model under IFRS 9. For trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other debt financial assets, the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits for the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

The majority of the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's clients and the nature of its activities. The outlook for the natural resources industry is not expected to result in a significant change in the Company's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties.

Trade and other payables
Trade and other payables are held at amortised cost which equates to nominal value.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and liquid investments generally with maturities of 3 months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in values.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES *(continued)*

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provisions
Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Critical accounting estimates and judgements
The preparation of financial information in accordance with generally accepted accounting practice, in the case of the Group using IFRSs, requires the directors to make estimates and judgements that affect the reported amount of assets, liabilities, income and expenditure and the disclosures made in the financial statements. Such estimates and judgements must be continually evaluated based on historical experience and other factors, including expectations of future events.

Details of accounting estimates and judgements that have the most significant effect on the amounts recognised in the financial statements have been disclosed under the relevant note or accounting policy for each area where disclosure is required.

Valuation of share-based payments to employees
The Company estimates the expected value of share-based payments to employees and this is charged through the income statement over the vesting period. The fair value is estimated using the Black Scholes valuation model which requires a number of assumptions to be made such as level of share vesting, time of exercise, expected length of service and employee turnover and share price volatility. This method of estimating the value of share-based payments is intended to ensure that the actual value transferred to employees is provided for by the time such payments are made.

2. SEGMENTAL REPORTING
The Group has one activity only. The whole of the value of the Group's and the Company's net assets in their respective financial statements at 31 December 2022 and 2021 was attributable to UK assets and liabilities.

3. OPERATING LOSS
Group and Company

	2022	2021
	£'000	£'000
Loss from operations has been arrived at after charging:		
Directors' Remuneration	**124**	102
Share based payment charge	**-**	36
Legal Fees	**4**	38
Nomad Fees	**50**	83
Fees payable to the Company's auditor for the audit of the Group and Company's financial statements	**22**	27

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

4. EMPLOYEES AND DIRECTORS

The average number of persons employed by the Company in the financial year (including directors that receive remuneration) was 5 (2021: 5).

The highest paid director during the year received £62,000 (2021: 57,000).

The following tables set out and analyse the remuneration of directors for the years ended 31 December 2022 and 2021.

For the year ended 31 December 2022:

	Salary	Fees	Total emoluments	Contribution to Pension schemes	Share Based Payments	Total remuneration
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Dennis Edmonds	**30**	**-**	**30**	**-**	**-**	**30**
Peter Taylor	**60**	**-**	**60**	**2**	**-**	**62**
Mark Gasson	**-**	**25**	**25**	**-**	**-**	**25**
Jonathan Summers	**7**	**-**	**7**	**-**	**-**	**7**
	97	**25**	**122**	**2**	**-**	**124**

For the year ended 31 December 2021:

	Salary	Fees	Total emoluments	Contribution to Pension schemes	Share Based Payments	Total remuneration
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
John Taylor	6	-	6	-	-	6
Dennis Edmonds	30	-	30	-	-	30
Peter Taylor	51	-	51	1	5	57
Mark Gasson	-	15	15	-	8	23
Jonathan Summers	-	-	-	-	11	11
	87	15	102	1	24	127

No share options were exercised by the directors, and no shares were received or receivable by any director in respect of qualifying services under a long-term incentive scheme.

5. INCOME TAX

The charge for the year is made up as follows:

	2022	2021
	£'000	£'000
Current tax	-	-
Tax charge for the year	-	-

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021. No deferred tax asset has been recorded on tax losses carried forward.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

5. INCOME TAX (*continued*)

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Loss on ordinary activities before tax	**(376)**	(367)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**(71)**	(70)
Effects of:		
Non-deductible expenses	**-**	-
Income not chargeable to tax	**-**	-
Unrelieved tax losses carried forward	**71**	70
Tax expense	**-**	-

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £376k (2021: £367k).

7. LOSS PER SHARE

Basic loss per share is calculated, as set out in the tables below, by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

In accordance with IAS 33, as the Group is reporting a loss for both this and the preceding year the share options and warrants are not considered dilutive because the exercise of these would have the effect of reducing the loss per share.

As at 31 December 2022:

	Loss £'000	**Weighted average number of shares**	**Per-share amount, pence**
Basic loss attributable to the ordinary shareholders	376	532,094,193	0.07p

As at 31 December 2021:

	Loss £'000	**Weighted average number of shares**	**Per-share amount, pence**
Basic loss attributable to the ordinary shareholders	367	494,687,905	0.07p

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

8. INVESTMENTS

Parent company	Shares in group undertakings £'000
COST	
At 31 December 2021 and 31 December 2022	34,806
PROVISION FOR IMPAIRMENT	
At 31 December 2021 and 31 December 2022	(34,806)
NET BOOK VALUE	
At 31 December 2021 and 31 December 2022	-

Subsidiaries

Pathfinder Battery Commodities Ltd

Registered office:	35 Berkeley Square, London, W1J 5BF, United Kingdom
Nature of business:	Holding company
Class of shares:	Ordinary
Holding:	100.00%

I M Minerals Limited

Registered office:	35 Berkeley Square, London, W1J 5BF, United Kingdom
Nature of business:	Holding company
Class of shares:	Ordinary
Holding:	100.00%

Companhia Mineira de Naburi SARL

Registered office:	Mozambique
Nature of business:	Mining
Nature of business:	Non-trading
Class of shares:	Ordinary
Ordinary	99.9%

Sociedade Geral de Mineracao de Moçambique SARL

Registered office:	Mozambique
Nature of business:	Non-trading
Class of shares:	Ordinary
Ordinary	99.8%

IM Minerals Limited held the shares in Companhia Mineira de Naburi SARL ("CMdN") which held titanium dioxide mining concessions in the Republic of Mozambique. In November 2011, the original vendors of IM Minerals' subsidiary, CMdN, advised the Company that they had procured the cancellation of IM Minerals Ltd's shares in CMdN and the transfer of its assets (the mining licences) to another company controlled by them. Whilst the Company is taking legal and other action in order to recover the shares and the licences, the Company, in the interest of accounting prudence, made full provision in the 2011 financial statements against the cost of its investment in IM Minerals Ltd. As a consequence of the situation regarding the Company's legal claims, the Company has been unable to verify the current registered office addresses for the Mozambique-domiciled companies, CMdN and Sociedade Geral de Mineracao de Moçambique SARL. Furthermore, whilst the Company believes these companies to be non-trading, the Company has been unable to verify their trading statuses.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

9. TRADE AND OTHER RECEIVABLES

	Group		Parent Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Other debtors	**8**	8	**8**	8
VAT	**5**	4	**5**	4
Prepayments and accrued income	**-**	7	**-**	7
	13	19	**13**	19

10. CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Bank accounts	**46**	365	**46**	365

11. SHARE CAPITAL

a) Called up, allotted, issued and fully paid share capital

	No. Ordinary shares of 0.1p each	**Deferred shares of 9.9p each**	**Allotment price (£s)**	**Share Capital £'000**	**Share Premium £'000**
Total as at 31 December 2021	531,328,168	183,688,116		18,716	14,234
6 May 2022	1,166,666	-	0.005	1	5
Total as at 31 December 2022	532,494,834	183,688,116		18,717	14,239

b) Share options & warrants in issue

Share options

Exercise Price	**Grant Date**	**Expiry Date**	**At 1 January 2022**	**Issued / (lapsed)**	**At 31 December 2022**
2.50p	10 April 2019	9 April 2022	7,500,000	(7,500,000)	-
1.25p[(1)]	11 May 2020	11 May 2022	19,000,000	(9,000,000)	10,000,000
1.25p[(1)]	4 August 2020	31 May 2023	6,000,000	-	6,000,000
1.75p	21 September 2018	20 September 2023	18,750,000	-	18,750,000
0.55p	17 March 2021	16 March 2023	6,000,000	-	6,000,000
1.25p	1 April 2021	31 March 2023	6,000,000	-	6,000,000
1.25p	9 June 2021	8 June 2023	6,000,000	-	6,000,000
1.25p	23 June 2021	22 June 2023	3,000,000	-	3,000,000
1.25p	4 October 2021	3 October 2023	5,000,000	-	5,000,000
			77,250,000	**(16,500,000)**	**60,750,000**

[(1)] On 6 May 2022, the following amendments were made to certain of the above share options:

- 10,000,000 of the 19,000,000 1.25p options that were otherwise due to expire on 11 May 2022 were extended so as to lapse on 11 May 2023
- 6,000,000 options with an exercise price of 1.25p and an expiry date of 11 May 2022, were extended so as to expire on 31 May 2023.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

11. SHARE CAPITAL (continued)

Share warrants

Exercise Price	Expiry Date	At 1 January 2022	Issued/(lapsed)	At 31 December 2022
0.50p[(1)]	11 May 2022	1,166,666	(1,166,666)	-
3.50p	17 June 2022	10,703,018	(10,703,018)	-
1.50p	11 May 2022	38,769,230	(38,769,230)	-
1.25p	2 November 2022	2,500,000	(2,500,000)	-
0.50p[(2) (3)]	31 May 2023	11,666,668	-	11,666,668
1.50p[(3)]	31 May 2023	3,076,923	-	3,076,923
0.60p	29 April 2024	3,500,000	-	3,500,000
		71,382,505	**(53,138,914)**	**18,243,591**

(1) On 6 May 2022, 1,166,666 warrants over Ordinary shares were exercised at a price of 0.5p per share.

(2) On 19 February 2021, in accordance with the terms of the 11 May 2020 warrant instrument, the warrants subsisting thereunder were repriced from 0.60p to 0.50p each.

(3) On 6 May 2022, 11,666,668 warrants with an exercise price of 0.50p and 3,076,923 warrants with an exercise price of 1.50p, all with an expiry date of 11 May 2022, were extended so as to expire on 31 May 2023.

12. TRADE AND OTHER PAYABLES

	Group		Parent Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade creditors	**4**	-	**4**	-
Social security and other taxes	**43**	86	**43**	86
Other creditors	**42**	42	**42**	42
Accruals and deferred income	**25**	21	**25**	21
	114	149	**113**	149

13. BORROWINGS

On 29 September 2022 and 28 December 2022, the Company announced it has entered into a loan agreement whereby an FCA authorised financial institution has arranged for the provision to the Company by an individual, of an unsecured loan facility of up to £120,000 (the "Loan") for working capital purposes. The Loan carried a simple fixed interest of 5.0 percent on any amounts drawn down and had issue costs of £5,000. The Loan was designed to provide the Company with access to additional working capital, should it be required. As at 31 December 2022 £80,000 had been drawn down.

The Loan was repaid in full together with accrued interest and the issue costs on 1 February 2023.

14. CONTINGENT LIABILITIES

As part of the agreement for the purchase of the shares in its subsidiary, Companhia Mineira de Naburi SARL (CMdN), the Company's subsidiary, IM Minerals Limited, agreed to pay the vendors a further sum of US$9,900,000 if, following further exploration and appraisal, an agreement is reached for the construction of a facility for the processing of ore extracted from the Naburi mineral sands deposit. This sum has since been reduced by advances of £90,083, made by IM Minerals Limited, and £75,933, made by the Company, to one of the vendors, Mr Diogo Cavaco.

Similarly, as part of its agreement for the purchase of the whole of the issued share capital of Sociedade Geral de Mineracao de Moçambique SARL, CMdN has agreed to pay the vendors, BHP Billiton, a further sum of US$9,500,000 if, following further exploration and appraisal, an agreement is reached for the construction of a facility for the processing of ore extracted from the Moebase mineral sands deposit. This obligation is guaranteed by IM Minerals Limited.

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2022

CONTINGENT LIABILITIES (*continued*)

In July 2021, the Company engaged Travers Smith LLP to act for the Company in connection with its ongoing work to secure the return of Mining Licence 4623C (the "Licence"), or compensation in relation thereto. The fees payable to Travers Smith LLP are payable on a contingent basis subject to a minimum pre-claim amount; in February 2022, the cap was increased from £100,000 to £200,000; in November 2022, the cap was further increased to £250,000. Following the year-end, the Company and Travers Smith LLP agreed a pre-claim fee of approximately £226k, including disbursements, in respect of the ongoing work to secure the return of Mining Licence 4623C or compensation in relation thereto.

15. RELATED PARTY DISCLOSURES

Details of directors' remuneration are given in note 4 above.

16. SHARE BASED PAYMENTS

The fair values of the share options and warrants at the date of grant have been measured using the Black Scholes pricing model, which takes into account factors such as the option life, share price volatility and the risk-free rate.

Each share option and warrant vested and was exercisable immediately upon grant. The share-based expense relating to each share option and share warrant was recognised in full on the date of grant.

Share options

Date of grant	Share price	Exercise price	Risk Free Rate(1)	Expected life of options	Expected yield	Expected volatility(2)	Fair value per option
21 September 2018	1.45p	1.75p	0.70%	5 years	0%	55%	£0.00609
10 April 2019	1.35p	2.50p	0.71%	3 years	0%	55%	£0.00264
11 May 2020	0.93p	1.25p(3)	0.07%	2 years	0%	55%	£0.00190
4 August 2020	0.43p	1.25p(3)	0.06%	2 years	0%	55%	£0.00022
17 March 2021	0.53p	0.55p	0.05%	2 years	0%	55%	£0.00151
1 April 2021	0.53p	1.25p	0.05%	2 years	0%	55%	£0.00040
9 June 2021	0.79p	1.25p(3)	0.05%	2 years	0%	55%	£0.00127
23 June 2021	0.75p	1.25p(3)	0.05%	2 years	0%	55%	£0.00111
4 October 2021	0.73p	1.25p(3)	0.05%	2 years	0%	55%	£0.00101

(1) Daily sterling overnight index average (SONIA) rate at the date of grant was adopted as the effective risk-free rate.
(2) Expected volatility is based on management's estimate of the expected volatility
(3) Repriced to 0.75p following the year-end, on 27 April 2023.

Share warrants

Date of grant	Share price	Exercise price	Risk Free Rate	Expected life of warrants	Expected yield	Expected volatility	Fair value per option
4 June 2019	2.75p	3.50p	0.71%	3 years	0%	55%	£0.00827
11 May 2020(1)	0.93p	0.60p	0.07%	2 years	0%	55%	£0.00426
11 May 2020	0.93p	1.50p	0.07%	2 years	0%	55%	£0.00144
2 November 2020	0.68p	1.25p	0.05%	2 years	0%	55%	£0.00083
21 May 2021	0.68p	0.6p	0.05%	2.9 years	0%	55%	£0.00271

(1) On 19 February 2021, in accordance with the terms of the relevant warrant instrument, the warrants subsisting thereunder were repriced from 0.60p to 0.50p each.

Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2022

SHARE BASED PAYMENTS (*Continued*)

On 6 May 2022, the Company extended the expiry date of certain directors' share options and share warrants issued to a related party. The details are as follows:

Director	Date of Grant	No. Options	Exercise Price	Original Expiry Date	New Expiry Date
Dennis Edmonds	11/05/2020	10,000,000	£0.0125	11/05/2022	11/05/2023
Peter Taylor	04/08/2020	6,000,000	£0.0125	30/08/2022	30/08/2023

Warrant Holder	Date of Grant	No. Warrants	Exercise Price	Original Expiry Date	New Expiry Date
Richard Jennings	11/05/2020	11,666,668	£0.005	11/05/2022	11/05/2023
Richard Jennings	11/05/2020	3,076,923	£0.015	11/05/2022	11/05/2023

The extension of share options and warrants did not result in a change to the fair value that was determined on initial recognition.

In addition, following the year-end, the exercise price and expiry date of the aforementioned options was changed. See note 19.

The directors' interests in the share options and warrants of the Company as at 31 December 2022 are as follows:

Director	Number of options	Number of warrants	Exercise price per share	Latest exercise date
D. Edmonds	10,000,000	-	1.25p	11 May 2023
P. Taylor	6,000,000	-	1.25p	30 August 2023
P. Taylor	5,000,000	-	1.25p	3 October 2023
M Gasson	6,000,000	-	1.25p	8 June 2023

The total share-based payment expense in the year for the Company was £nil in relation to options (2021: £27k) and £nil in relation to warrants (2021: £8.5k).

17. NON-CASH TRANSACTIONS

	2022 £'000	2021 £'000
Settlement of broker commissions	-	11
	-	11

Notes to the Consolidated Financial Statements
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18. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise cash and cash equivalents and other receivables/payables. The Company's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in note 1. The Company does not use financial instruments for speculative purposes.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

	Group		Parent Company	
	2022	2021	**2022**	2021
Financial assets at amortised cost	**£'000**	£'000	**£'000**	£'000
Cash and cash equivalents	**46**	365	**46**	365
Prepayments and accrued income	**-**	7	**-**	7
Financial liabilities at amortised cost				
Trade payables and accruals	**114**	149	**114**	149

a) Financial risk management objectives and policies
The Company's major financial instruments include bank balances and amounts payable to suppliers. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

b) Liquidity risk
Liquidity risk arises from the Company's management of working capital.

The Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Directors have considered the liquidity risk as part of their going concern assessment (see note 1). Controls over expenditure are carefully managed in order to maintain its cash reserves whilst it targets a suitable transaction. Financial liabilities are all due within one year.

c) Credit risk
The Company's credit risk is wholly attributable to its cash balance. The credit risk from its cash and cash equivalents is limited because the counterparties are banks with high credit ratings and have not experienced any losses in such accounts.

d) Interest risk
The Company's exposure to interest rate risk is the interest received on the cash held, which is immaterial.

e) Capital risk management
The Company's objectives when managing capital are to safeguard the Company'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. The Company has no borrowings. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

f) Fair value of financial assets and liabilities
There are no material differences between the fair value of the Company's financial assets and liabilities and their carrying values in the financial information.

Notes to the Consolidated Financial Statements
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19. EVENTS AFTER THE REPORTING PERIOD

On 1 February 2023, the Company announced the issue and allotment of 100,000,000 new ordinary shares of 0.1 pence per share to raise £0.5m before expenses.

On 28 April 2023, the expiry date and exercise price of share options which were granted to certain Directors and an employee were amended as set out below. The revised exercise price represents a premium of approximately 50 percent to the closing share price on 27 April 2023.

Name	Position	No. Options	Original Exercise Price	Date of Grant	Original Expiry Date	Revised Exercise Price	Revised Expiry Date
Dennis Edmonds	Director	10,000,000	£0.0125	11/05/2020	11/05/2023	£0.0075	30/06/2025
Peter Taylor	Director	6,000,000	£0.0125	04/08/2020	30/08/2023	£0.0075	30/06/2025
		5,000,000	£0.0125	04/10/2021	03/10/2023	£0.0075	30/06/2025
Mark Gasson	Director	6,000,000	£0.0125	09/06/2021	08/06/2023	£0.0075	30/06/2025
Employee	Employee	3,000,000	£0.0125	23/06/2021	22/06/2023	£0.0075	30/06/2025

On 11 May 2023, shareholders voted to approve the disposal of the Company's wholly-owned subsidiary, IM Minerals Limited as explained further, in the Chairman's Statement on page 2.

20. ULTIMATE CONTROLLING PARTY

The directors believe there is no ultimate controlling party.