

**21 December 2021**

**Tungsten West Plc**

**(“Tungsten West”, the “Company” or the “Group”)**

**Half Year Results for the six months ended 30 September 2021**

Tungsten West, the owner and operator of the Hemerdon Mine in South West England, is pleased to announce its half-yearly results for the six months ended 30 September 2021.

First half and recent highlights include:

- Admission onto London Stock Exchange, AIM Market including the completion of a successful fundraise of £39 million
- Agreement of terms for the Royalty and Senior Loan Facility with Orion, securing a further £36 million in project financing
- Funds raised place the Company in a strong financial position to bring Hemerdon back into production
- The Company made a loss before tax of £4,990,226, which is in line with expectations for the stage of the project
- Workforce has been scaled up to prepare for operational readiness
- Commencement of the sales of aggregate material from historic stockpiles left by the previous operator. Aggregates sales anticipated to steadily grow, providing cash flow in the run up to the restart of the mine
- Further strengthening of the Board prior to admission including the addition of Finance Director, Nigel Widdowson
- Completion of the Front End Engineering Design (FEED), with detailed design underway
- Distribution agreement signed with GRS Roadstone, a UK leading construction materials company, for the sale of aggregates from Hemerdon

**CHIEF EXECUTIVE OFFICERS STATEMENT**

The first half of the financial year was one in which the Group continued to prepare for recommencement of mining operations, with significant progress made on designing the re-build of the processing plant, strengthening the management team, finalising the AIM admission process and agreeing terms with Orion Resource Partners (“Orion”) for arranging project finance from a Royalty and Senior Loan Facility. Following the successful fundraise on admission to AIM in October 2021, Tungsten West is in a strong financial position, and is looking ahead to a landmark 2022.

**1. REVIEW OF ACTIVITIES**

The Company’s primary objective for the first half of the financial year was to prepare to raise the necessary funding for the processing plant-rebuild and recommencement of mining operations at Hemerdon. In October 2021, the Company completed a successful admission to the AIM market of the London Stock Exchange, issuing equity to raise £39 million before expenses, and agreed terms for the Royalty and Senior Loan Facility with Orion, securing a further approximately £36 million in project financing.

Concurrent with the fundraising process, the Tungsten West team also progressed towards achieving a number of project milestones key to restarting production. Tungsten West published an NI 43-101 Bankable Feasibility Study in March 2021, which formed the basis of the redevelopment plan at Hemerdon. Since publication, the Company has successfully completed Front End Engineering Design (FEED) and has commenced the design and build phase.

Fairport Engineering Limited has been appointed to perform interim design works on early construction packs to advance the project before construction activities commence on site.

The Tungsten West maintenance team undertook a comprehensive review to understand and address the issues historically experienced by the former operator of the Hemerdon Mine. The areas where issues were identified have been redesigned and will be enhanced during the re-build programme, in order to not only rectify the issues faced by the previous operators, but to improve significantly the overall operations and reduce downtime.

The Mining Services Contract with Hargreaves Services PLC is in place, thereby securing an experienced mining contractor with significant prior experience of the project, as well as acting as specialist crushing subcontractors for the next ten years of mining operations.

The Company entered into offtake agreements with Wolfram Bergbau und Hutten AG and Global Tungsten and Powders Corp for purchasing a minimum of 78% of forecast tungsten production. An offtake agreement was entered into with AfriMet Resources to purchase the tin concentrate to be produced. During the reporting period, the Company sold LIMS waste product (low grade tungsten concentrate) left on site by the former operator, realising £67,870 of revenue.

As announced on 15 December 2021, the Aggregates Division has commissioned a Terex® Agg Wash 60 plant to maintain production on a temporary basis whilst the main plant installation is undertaken. The Company has been shipping aggregates since January 2021, utilizing existing stockpiles that the previous operator had deemed as waste. Current estimates show there is sufficient existing stockpiles of material to meet the Aggregates Division forecast sales until the planned recommencement of operations.

Sales of aggregates commenced during the reporting period, with £133,016 of revenue being recognised. The Company has signed a distribution agreement with GRS Roadstone, a UK leading construction materials provider, to off-take the aggregates produced during the future mining operations.

At 30 September 2021, the Group employed 47 staff (25 employees as at 30 September 2020). Following admission to AIM, the Company has been scaling up its workforce to enable it to deliver the plant re-build project, and progress towards operational readiness. In this vein, a number of construction and engineering sector specialists have been recruited, including a select proportion who have previous experience of the Hemerdon project.

## **2. CORPORATE**

During April 2021, the Company arranged an equity financing of £3.7 million through the issue of new shares to existing and new investors. The funding enabled the Company to progress planning and designs for the ore sorters and rebuild of the front end of the process plant, initiate the refurbishment and redesign of the existing plant and hire key management and financial and administrative personnel.

The Company completed a successful admission to the AIM market of the London Stock Exchange in October 2021, issuing 65,000,000 new ordinary shares of £0.01 each ("Ordinary Shares") at 60p per share, raising new funds of £39 million. Fees incurred on the AIM admission process were, in aggregate, £3.1 million, resulting in net proceeds of £35.9 million.

In October 2021, the Company also secured a US\$28 million Senior Secured Loan Facility and a US\$21 million Royalty sale, with Orion Resource Partners. Amounts drawn down under these facilities will be used to fund capital expenditure and working capital requirements during the plant re-build and commissioning.

As part of the AIM admission process, in October 2021, the 8% Convertible Loan taken out to acquire the project, comprising £10.0 million of principle and £0.7 million accrued interest, was converted at 30p per share into 35,935,200 Ordinary Shares.

There were a number of Board changes during the period as the Group strengthened its executive and non-executive management in advance of the Company's AIM admission.

In July 2021, Nigel Widdowson was appointed to the Board as Chief Financial Officer.

Robert Ashley was appointed Chairman of the Board in September 2021. At the same time, Grace Stevens was appointed to the Board and Chair of the Audit Committee. David Cather was appointed to the Board and Chair of the Technical Committee and Chair of the Remuneration Committee.

Stephen Fabian stepped down from the Board in September 2021. The Board would like to thank him for all his hard work in the foundation of the Company and its formative years.

### **3. RESULTS**

The Group made a half-yearly loss after taxation of £4,990,226 (2020: £3,631,500).

### **4. OUTLOOK**

Tungsten markets have remained steady throughout Q3 and Q4 2021 with the European Metal Bulletin Ammonium Para-Tungstate price being reported around US\$320 per MTU (1 MTU = 10kg). The near term outlook for prices will likely be driven by the ongoing COVID-19 situation and any potential new lockdowns being announced due to the Omicron strain affecting demand in Europe. Global inventories remain low, and future restocking of tungsten rich drilling equipment from the Oil and Gas industry on the back of higher energy prices seems likely. This should underpin long term tungsten demand and prices.

Tin prices have performed spectacularly well throughout 2021 and continue to hover around all-time highs at US\$40,000 per tonne at the date of this statement. Recent news in the tin industry includes an announcement from the world's largest producing country, Indonesia, that they are looking to ban exports of ore and concentrates from 2024 in order to encourage investment in downstream industries. Ongoing political strife and terrorist activity in Myanmar also has the potential to restrict exports from the world's second largest exporter. Overall, the outlook in the short to medium term looks robust, but in the long term the Company expects a floor price closer to US\$25,000 - US\$30,000 per tonne to be likely.

Demand for aggregates continues to be strong driven by both regional and national construction and infrastructure projects in the UK. There continues to be a strong opportunity to substitute imported aggregates with domestic production from sites such as Hemerdon. Recent supply constraints have led to considerable price increase for the products and we envisage the current prices being maintained over the next 6 months and beyond.

As the project progresses towards placing orders the Company is experiencing some price inflation for materials components. Management is actively monitoring pricing and availability of materials, equipment and labour and will make adjustments to planned developments if material price increases are experienced or supply constraints lead to project delays.

After completing a successful admission to AIM and securing sufficient funds to complete the investment and working capital required to restart production at Hemerdon, the Group is well positioned for 2022.

#### **Cautionary statement**

This document contains certain forward-looking statements in respect of the financial condition, results, operations and business of the Group. Whilst these statements are made in good faith based on information available at the time of approval, these statements and forecasts inherently involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause the actual results of developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this document should be construed as a profit forecast.

## Enquiries

### **Tungsten West**

Max Denning  
Tel: +44 (0) 203 178 7385

### **Camarco**

#### **(Financial PR)**

Gordon Poole / Emily Hall  
Tel: +44(0) 20 3757 4980  
Email: tungstenwest@camarco.co.uk

### **Strand Hanson**

#### **(Nominated Adviser and Financial Adviser)**

James Spinney / James Dance  
Tel: +44 (0) 207 409 3494

### **Hannam & Partners**

#### **(Joint Broker)**

Andrew Chubb / Nilesh Patel  
Tel: +44 (0)20 7907 8500

### **VSA Capital**

#### **(Joint Broker)**

Andrew Monk  
Tel: +44 (0)20 3005 5000

Further information on Tungsten West Limited can be found at [www.tungstenwest.com](http://www.tungstenwest.com)

## **Overview of Tungsten West**

Tungsten West is the 100 per cent. owner and operator of the past producing Hemerdon tungsten and tin mine, located near Plymouth in southern Devon, England. The Hemerdon mine is currently the world's third largest tungsten resource, with a JORC (2012) compliant Mineral Resource Estimate of approximately 325Mt at 0.12 per cent. WO<sub>3</sub>. The Company acquired the mine out of a receivership process in 2019 after its most recent operators, Wolf Minerals, stopped production in 2018. While it was operator, Wolf invested over £170 million into the development of the site, the development of significant infrastructure and processing facilities. Hemerdon was producing tungsten and tin materials, under Wolf, between 2015 and 2018, before the Company entered administration and placed the mine into receivership due to a number of issues that have since been identified and rectified by Tungsten West.

## Consolidated Income Statement

	Note	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Revenue	3	200,887	-	40,170
Cost of sales		(2,844,474)	(2,590,399)	(4,426,818)
Gross loss		(2,643,587)	(2,590,399)	(4,386,648)
Administrative expenses		(1,763,573)	(629,409)	(2,511,811)
Other operating income		-	-	3,612
Other gains/(losses)		198	-	(24,301)
Operating loss	4	(4,406,962)	(3,219,808)	(6,919,148)
Finance income		47,388	3,572	112,005
Finance costs		(630,652)	(415,264)	(1,174,640)
Net finance cost		(583,264)	(411,692)	(1,062,635)
Loss before tax		(4,990,226)	(3,631,500)	(7,981,783)
Income tax credit		-	-	-
Loss for the year		(4,990,226)	(3,631,500)	(7,981,783)
<b>Profit/(loss) attributable to:</b>				
Owners of the Company		(4,990,226)	(3,631,500)	(7,981,783)
		<b>Unaudited p</b>	<b>Unaudited p</b>	<b>Unaudited P</b>
Basic and diluted loss per share	11	(0.066)	(0.048)	(0.105)

There were no items of other comprehensive income in either period presented.

## Consolidated Statement of Financial Position

		Unaudited 30 September 2021 £	Unaudited 30 September 2020 £	Audited 31 March 2021 £
	Note			
<b>Non-current assets</b>				
Property, plant and equipment	5	4,682,080	4,528,239	4,367,271
Right of use assets	6	1,564,581	1,601,561	1,611,788
Intangible assets	7	4,919,853	4,919,853	4,919,853
Deferred tax assets		1,070,658	1,073,634	1,067,978
Escrow funds receivable	8	10,105,858	9,946,324	10,058,470
		<u>22,343,030</u>	<u>22,069,611</u>	<u>22,025,360</u>
<b>Current assets</b>				
Trade and other receivables		1,315,178	46,366	544,297
Cash and cash equivalents		2,863,684	790,366	3,499,580
		<u>4,178,862</u>	<u>836,732</u>	<u>4,043,877</u>
Total assets		<u>26,521,892</u>	<u>22,906,343</u>	<u>26,069,237</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	12	760,113	5,319	6,856
Share premium account		5,519,169	6,724,853	12,327,484
Share option reserve		123,728	4,897	67,840
Warrant reserve		841,318	61,000	754,586
Retained earnings		(6,403,342)	(7,062,833)	(11,413,116)
Equity attributable to the owners of the parent		<u>840,986</u>	<u>(266,764)</u>	<u>1,743,650</u>
<b>Non-current liabilities</b>				
Loans and borrowings	10	12,210,825	11,426,692	11,728,780
Provisions	9	10,139,081	9,620,615	9,964,824
Deferred tax liabilities		1,070,658	1,073,634	1,067,978
		<u>23,420,564</u>	<u>22,120,941</u>	<u>22,761,582</u>
<b>Current liabilities</b>				
Trade and other payables		2,188,133	1,016,722	1,487,721
Loans and borrowings		72,209	35,444	76,284
		<u>2,260,342</u>	<u>1,052,166</u>	<u>1,564,005</u>
Total liabilities		<u>25,680,906</u>	<u>23,173,107</u>	<u>24,325,587</u>
Total equity and liabilities		<u>26,521,892</u>	<u>22,906,343</u>	<u>26,069,237</u>

## Consolidated Statement of Cash Flows

		Unaudited 30 September 2021 £	Unaudited 30 September 2020 £	Audited 31 March 2021 £
	Note			
<b>Cash flows from operating activities</b>				
Loss for the year		(4,990,226)	(3,631,500)	(7,981,783)
Adjustments to cash flows from non-cash items				
Depreciation and amortisation	5,6	92,352	68,698	170,506
Impairment of property plant and equipment	5	-	-	79,478
Finance income		(47,388)	-	(112,005)
Finance costs		630,652	415,264	1,174,640
Share based payment transactions		55,888	-	62,944
Warrant transaction		-	-	-
Income tax expense		-	-	-
		<u>(4,258,722)</u>	<u>(3,147,538)</u>	<u>(6,606,220)</u>
<b>Working capital adjustments</b>				
Increase in trade and other receivables		(770,882)	352,990	(147,786)
Increase/(decrease) in trade and other payables		721,988	288,134	759,352
<i>Net cash flow from operating activities</i>		<u>(4,307,616)</u>	<u>(2,506,414)</u>	<u>(5,994,654)</u>
<b>Cash flows from investing activities</b>				
Interest received		-	-	2,707
Acquisitions of property plant and equipment		(359,954)	(159,008)	(135,437)
<i>Net cash flow from investing activities</i>		<u>(359,954)</u>	<u>(159,008)</u>	<u>(132,730)</u>
<b>Cash flows from financing activities</b>				
Interest paid		-	-	(66,591)
Proceeds from issue of ordinary shares, net of issue costs		4,031,674	733,909	7,031,663
Payment of lease liabilities		-	-	(59,987)
<i>Net cash flows from financing activities</i>		<u>4,031,674</u>	<u>733,909</u>	<u>6,905,085</u>
Net increase in cash and cash equivalents		(635,896)	(1,931,513)	777,701
<b>Opening cash and cash equivalents</b>		<b>3,499,580</b>	<b>2,721,879</b>	<b>2,721,879</b>
<b>Closing cash and cash equivalents c/f</b>		<u><b>2,863,684</b></u>	<u><b>790,366</b></u>	<u><b>3,499,580</b></u>

## Consolidated Statement of Changes in Equity

<b>Audited</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Share option reserve</b>	<b>Warrant reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	£	£	£	£	£	£
At 1 April 2020	5,139	5,991,124	4,896	61,000	(3,431,333)	2,630,826
Loss for the year	-	-	-	-	(7,981,783)	(7,981,783)
Issue of shares	1,717	6,336,360	-	693,586	-	7,031,663
Share based payments	-	-	62,944	-	-	62,944
<b>At 31 March 2021</b>	<b>6,856</b>	<b>12,327,484</b>	<b>67,840</b>	<b>754,586</b>	<b>(11,413,116)</b>	<b>1,743,650</b>

  

<b>Unaudited</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Share option reserve</b>	<b>Warrant reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	£	£	£	£	£	£
At 1 April 2020	5,139	5,991,124	4,896	61,000	(3,431,333)	2,630,826
Loss for the period	-	-	-	-	(3,631,500)	(3,631,500)
Issue of shares	180	733,729	-	-	-	733,909
<b>At 30 September 2020</b>	<b>5,319</b>	<b>6,724,853</b>	<b>4,896</b>	<b>61,000</b>	<b>(7,062,833)</b>	<b>(266,765)</b>

  

<b>Unaudited</b>	<b>Share capital</b>	<b>Share premium account</b>	<b>Share option reserve</b>	<b>Warrant reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	£	£	£	£	£	£
At 1 April 2021	6,856	12,327,484	67,840	754,586	(11,413,116)	1,743,650
Loss for the period	-	-	-	-	(4,990,226)	(4,990,226)
Issue of shares	744	3,944,198	-	-	-	3,944,942
Bonus issue of shares	752,513	(752,513)	-	-	-	-
Cancellation of share premium account	-	(10,000,000)	-	-	10,000,000	-
Share based payments	-	-	55,888	-	-	55,888
Warrant charge	-	-	-	86,732	-	86,732
<b>At 30 September 2021</b>	<b>760,113</b>	<b>5,519,169</b>	<b>123,728</b>	<b>841,318</b>	<b>(6,403,342)</b>	<b>840,986</b>

## Notes to the interim accounts

### 1. Basis of Preparation

The interim accounts have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted in the United Kingdom (“UK adopted IFRS”) using the accounting policies that are expected to apply in the Company’s next annual report.

The accounting policies applied are consistent with those disclosed in the Company’s last statutory financial statements and the AIM admission document.

The interim accounts do not comprise the Company’s statutory accounts. The information for the year ended 31 March 2021 is not the Company’s statutory accounts. The Company’s financial statements for that year have been filed with the registrar of companies and the auditor’s report on those financial statements was unqualified and did not contain statements under s498(2) or s498(3) of the Companies Act 2006.

### 2. Going concern

The interim accounts are prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

In addition to the cash reserves at 30 September 2021, net equity funding of £36 million was raised through the issue of new shares in the Company’s admission to AIM on 21 October 2021.

The Company has also entered into agreement with Orion Resource Partners to sell a US\$21 million Royalty and draw on a US\$28 million senior loan facility. Current forecasts indicate that the Company has sufficient cash and additional facilities to enable it to fund the capital investment and working capital over the period of time before profitable commercial production levels are reached.

Accordingly, based on the forecasts they have prepared and taking into account the cash levels and funding agreement with Orion Resource Partners, the Directors believe that they have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future and they believe it is appropriate to apply the going concern basis of accounting in preparing these interim accounts.

### 3. Revenue

Revenue by product comprised the following:

	<b>Unaudited Six months to 30 September 2021 £</b>	<b>Unaudited Six months to 30 September 2020 £</b>	<b>Unaudited Year ended 31 March 2021 £</b>
Tungsten	67,870	-	13,220
Aggregates	133,017	-	37,675
Other	-	-	(10,725)
	<b>200,887</b>	<b>-</b>	<b>40,170</b>

## Notes to the interim accounts

### 4. Operating loss

Operating loss is stated after the following:

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Depreciation of property, plant and equipment	45,145	24,810	82,729
Depreciation of right of use assets	47,207	43,888	87,777
Impairment of property, plant and equipment	-	-	79,478
Staff costs	1,297,387	472,693	1,831,050

### 5. Property, plant and equipment

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Opening net book value	4,367,271	4,394,041	4,394,041
Additions	359,954	159,008	135,437
Disposals	-	-	-
Depreciation	(45,145)	(24,810)	(82,729)
Impairment	-	-	(79,478)
Closing net book value	4,682,080	4,528,239	4,367,271

Analysed as follows:

Assets under construction	358,805	-	-
Land and buildings	4,246,161	4,423,945	4,247,787
Furniture, fittings and equipment	1,085	17,554	32,773
Motor vehicles	5,135	8,740	6,577
Other property, plant and equipment	70,894	78,000	80,134
	4,682,080	4,528,239	4,367,271

## Notes to the interim accounts

### 6. Right of use asset

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Opening net book value	1,611,788	1,645,449	1,645,449
Additions	-	-	54,116
Depreciation	(47,207)	(43,888)	(87,777)
Closing net book value	<u>1,564,581</u>	<u>1,601,561</u>	<u>1,611,788</u>

### 7. Intangible assets

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Goodwill	1,075,520	1,075,520	1,075,520
Mining rights	3,844,333	3,844,333	3,844,333
Closing net book value	<u>4,919,853</u>	<u>4,919,853</u>	<u>4,919,853</u>

### 8. Escrow funds

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Carrying amount at end of period/year	<u>10,105,858</u>	<u>9,946,324</u>	<u>10,058,470</u>

The funds held in escrow with a third party will be released back to the Company on the cessation of mining once restoration works have been completed. The amounts have been discounted to present value over the expected useful life of the mine plus two years start up. The actual funds held in escrow at the period end were £13,201,921 (30 September 2020 - £ 13,200,601) (31 March 2021 £13,201,256).

## Notes to the interim accounts

### 9. Provisions

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Restoration provision			
Carrying amount brought forward	9,964,824	9,620,615	9,620,615
Movement in provisions	-	(3,293)	(3,293)
Unwinding of discount	174,257	3,293	347,502
Closing net book value	<u>10,139,081</u>	<u>9,620,615</u>	<u>9,964,824</u>

### 10. Long term borrowings

Long term borrowings comprised:

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Audited Year ended 31 March 2021 £
Lease liabilities	1,430,265	1,506,692	1,416,940
Convertible debt	10,780,560	9,920,000	10,311,840
	<u>12,210,825</u>	<u>11,426,692</u>	<u>11,728,780</u>

### 11. Basic and diluted loss per share

	Unaudited Six months to 30 September 2021 £	Unaudited Six months to 30 September 2020 £	Unaudited Year ended 31 March 2021 £
Loss for the year	<u>(4,990,226)</u>	<u>(3,631,500)</u>	<u>(7,981,783)</u>
	Number	Number	Number
Weighted average number of ordinary shares in issue	<u>75,974,318</u>	<u>75,781,528</u>	<u>75,821,595</u>
Basic and diluted loss per share	<u>(0.066p)</u>	<u>(0.048p)</u>	<u>(0.105p)</u>

The calculation of the loss per share has been retrospectively restated for each period presented to reflect the bonus issue of shares and share consolidation which took place on 22 July 2021 (see note 0).

The diluted loss per share calculations exclude the effects of share options, warrants and convertible debt on the basis that such future potential share transactions are anti-dilutive. Were the Company's convertible debt to be converted a potential further 35,935,200 ordinary shares of £0.01 each would be issued. Information on share options and warrants is disclosed in note 7.

Shares issued subsequent to the end of the interim period are disclosed in note 8.

## Notes to the interim accounts

### 12. Share Capital

	Unaudited Six months 30 September 2021	Unaudited Six months 30 September 2020	Audited Year ended 31 March 2021
Number of shares allotted	Number	Number	Number
Ordinary Shares of £0.0001 each	-	5,319,000	68,560,000
Ordinary Shares of £0.01 each	<u>76,011,371</u>	-	-
Nominal value	£	£	£
Ordinary Shares of £0.0001 each	-	5,319	6,856
Ordinary Shares of £0.01 each	<u>760,113</u>	-	-

#### Share issues during the period

During the period ended 30 September 2021 the share capital of the company was restructured. The following share transactions took place:

- The Company issued 7,349,832 ordinary shares of £0.0001 each for considerations ranging from £0.45 per share to £0.60.
- On 22 July 2021 a bonus issue of shares from the share premium account created 7,525,125,729 ordinary shares of £0.0001 each.
- On 22 July 2021 a share capital consolidation took place whereby each one hundred ordinary shares of £0.0001 each were consolidated into one ordinary share of £0.01 each.

During the period ended 30 September 2020 the following share transactions took place:

- The Company issued 1,805,000 ordinary shares of £0.0001 each for considerations ranging from £0.10 per share to £0.25.

During the year ended 31 March 2021 the following share transactions took place:

- The Company issued 17,170,000 ordinary shares of £0.0001 each for considerations ranging from £0.10 per share to £0.45.

### 13. Share premium account

On 22 July 2021, it was resolved by the Directors to cancel an amount of £10,000,000 standing credit to the share premium account. This capital reduction was performed by way of a statement of solvency by the Directors and occurred prior to the Company re-registering as a public company.

## Notes to the interim accounts

### 14. Share options and warrants

#### Founder share incentives

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

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

	Unaudited Six months to 30 September 2021 Number	Unaudited Six months to 30 September 2020 Number	Audited Year ended 31 March 2021 Number
Outstanding at beginning of period	6,930,000	5,139,000	5,139,000
Granted during the period	671,137	171,195	1,791,000
Effect of share consolidation	-	-	-
Exercised during the period	-	-	-
Lapsed during the period	-	-	-
Outstanding at end of period	<b>7,601,137</b>	5,310,195	6,930,000

The original incentive rights of the Founders were terminated on admission to AIM and were replaced with options.

#### Share Options – Key Employees

The movement on the number of share options and warrants issued by the Company during each period presented was as follows.

	Unaudited Six months to 30 September 2021 Number	Unaudited Six months to 30 September 2020 Number	Audited Year ended 31 March 2021 Number
Outstanding at beginning of period	1,233,333	833,333	833,333
Granted during the period	1,097,226	400,000	400,000
Effect of share consolidation	-	-	-
Outstanding at end of period	<b>2,330,559</b>	1,233,333	1,233,333

At 30 September 2021 the exercise price of share options issued to key employees ranges between £0.0001 and £0.45 and their remaining contractual life was three years.

## Notes to the interim accounts

### 14. Share options and warrants, continued

#### Warrants

The movement on the number of warrants issued by the Company during each period presented was as follows.

	<b>Unaudited Six months to 30 September 2021 Number</b>	<b>Unaudited Six months to 30 September 2020 Number</b>	<b>Audited Year ended 31 March 2021 Number</b>
Outstanding at beginning of period	2,310,681	220,000	220,000
Granted during the period	126,760	1,308,400	2,090,681
Effect of share consolidation	-	-	-
Outstanding at end of period	<u>2,437,441</u>	<u>1,528,400</u>	<u>2,310,681</u>

At 30 September 2021 the exercise price of warrants ranges between £0.25 and £0.60 and their remaining contractual life was two years.

### 15. Events after the end of the interim reporting period

Following the Company's re-registration as a public company on 29 September 2021 the Company commenced trading on AIM on 21 October 2021. 65,000,000 new ordinary shares of £0.01 each ("Ordinary Shares") were issued at 60p per share, raising new funds of £39 million. Fees incurred on the AIM admission process were, in aggregate, £3.1 million, resulting in net proceeds of £35.9 million.

In October 2021, the Company secured a US\$28 million Senior Secured Loan Facility and a US\$21 million Royalty sale, with Orion Resource Partners.

On 21 November 2021 the Company issued 242,222 new Ordinary Shares of £0.01 each at a total consideration of £71,000 as a consequence of the exercise of warrants as follows:

- 22,222 warrants were exercised at a price of £0.45 per share
- 120,000 warrants were exercised at a price of £0.30 per share, and
- 100,000 warrants were exercised at a price of £0.25 per share.