

HOT ROCKS INVESTMENTS PLC
FINANCIAL STATEMENTS
AS AT 31 MARCH 2022

COMPANY REGISTRATION NUMBER

06163193

HOT ROCKS INVESTMENTS PLC

FINANCIAL STATEMENTS

31 MARCH 2022



HOT ROCKS INVESTMENTS PLC
FINANCIAL STATEMENTS
AS AT 31 MARCH 2022

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HOT ROCKS INVESTMENTS PLC
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Directors

Brian Rowbotham
Gavin J Burnell
Charles J Vaughan

Company secretary

Ben Harber

Registered office

6th Floor
60 Gracechurch Street
London
EC3V 0HR

Independent auditor

Pointon Young
Chartered Accountants
33 Ludgate Hill
Birmingham
B3 1EH

Bankers

Barclays Bank Plc
Hammersmith 2
Leicester
LE87 2BB

Solicitors

Edwin Coe LLP
2 Stone Buildings
Lincoln's Inn
London
WC2A 3TH

HOT ROCKS INVESTMENTS PLC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

Dear Shareholders,

I hereby present the financial results for the Company for the year ended 31 March 2022. The Company is an active investor primarily in junior natural resources companies.

The Company made a profit for the year of £118,905, compared to a loss of £38,734 in the prior year. The Company will not be paying a dividend at this stage (2021: £Nil) as we seek to reinvest all profits in opportunities with the potential for significant capital growth.

Cash and cash equivalents as at the year end of 31 March 2022 were £36,008 (2021: £109,546).

We have continued to build and nurture our investment portfolio and we are generally pleased with performance.

We remain excited about the potential listing on NASDAQ of Elephant Oil Corp at a price of \$4-\$5 per share where we hold 659,091 shares and an Africa-focused copper exploration company where we are a founder shareholder and which we plan to float on a stock exchange when markets permit. In addition, Pilar Gold Inc plans to seek a listing in the near term.

We now hold stakes in the following entities:

- Aquu plc (AQUIS: AQRU)
- Elephant Oil Corp
- Impact Oil & Gas Limited
- Mafula Energy Limited
- MedGold Resources Corp (TSXV:MED)
- Minergy Limited (Botswana SX)
- Mosi Copper Limited
- New Horizon Oil & Gas Limited (trading as T5)
- NFT Investments plc (AQUIS:NFT)
- Pilar Gold Inc
- Roquefort Therapeutics Limited (LSE:ROQ)
- Royal Road Minerals Limited (TSXV:RYR)
- Trigon Metals Inc (TSXV:TM)

The Board of Directors will continue to introduce further equity positions to the Company to enable additional diversification of the portfolio.



Brian Rowbotham
Non-Executive Chairman
4 March 2023

HOT ROCKS INVESTMENTS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Directors of the Company present their Strategic Report on the Company for the year ended 31 March 2022.

Principal Activities and Review of the Business and Investment Strategy

The principal activity of the Company is to invest in companies, or assets, in the natural resources sector. The Company has continued in this activity, managing the investments, as detailed in the Chairman's Statement. The Company will continue to seek to make investments primarily within this sector but the Directors will review other opportunities as they arise.

Financial Review

The profit for this year before taxation was £118,905 (2021: loss of £38,734).

Cash in the bank at the end of March 2022 was £36,008 (2021: £109,546).

The Directors consider the results for the year to be satisfactory.

Key Performance Indicators ("KPI's")

The Directors consider the following to be the KPIs of the business:

	2022	2021	Increase/
	£	£	(Decrease) £
Valuation of financial assets at fair value through profit and loss	1,011,470	799,302	212,168
Cash	36,008	109,546	(73,538)

The company performed in line with expectations.

Principal Risks and Uncertainties

The principal risks and uncertainties lie in the investments the Company holds. The nature of the natural resource sector means that returns are uncertain and resources may be unviable to extract. The Directors seek to mitigate this risk by monitoring the performance of the companies in which it holds investments so they can take action accordingly.

Given the nature of the business and activity of the Company, the Directors believe that the Company is exposed to the following risks:

Liquidity risk

The Company's continued future operations depend on the ability to hold sufficient working capital to be able to meet its financial obligations. The Directors are confident that there is adequate funding to finance future immediate working capital requirements.

Financial Risk Management

The Company's principal financial instruments comprise financial assets at fair value through profit and loss, other payables and cash and cash equivalents. No bank loans or other financing arrangements have been required. No borrowings have been required to finance working capital.

HOT ROCKS INVESTMENTS PLC

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2022

Therefore, the Company's exposure to credit risk, liquidity risk and market risk is not deemed significant.

Political and country risk – including EU Referendum

The Company holds investments whose operations are based in a number of locations worldwide, some of which have a history of political uncertainty. The Directors routinely monitor political and regulatory developments in its countries of interest, in particular those developments which may indicate a movement in fair value to financial assets through profit and loss.

The Company is quoted in the United Kingdom (UK) on the Aquis Stock Exchange (AQSE) Growth Market and operates in the UK and European Union (EU). As a result of the Referendum, the Company is subject to the impact of the UK leaving the European Union. As a result, the Company is monitoring matters and seeks to mitigate any risks arising.

Section 172 Statement

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole. This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the Company's employees,
- c) the need to foster the Company's business relationship with suppliers, customers and others,
- d) the impact of the Company's operations on the community and environment,
- e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the Company.

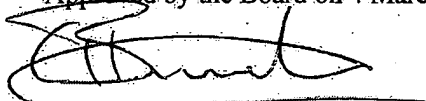
The Board of Directors is collectively responsible for formulating the Company's strategy, which is to invest in businesses where prospects appear to be exceptional and deliver growth to its shareholders.

Some key decisions were taken by the Board since April 2021 which were aimed to deliver on this strategy, being the point in time when the Board invests and disposes in its key investments throughout the year, and which Companies to invest in.

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of a company listed on the AQSE Growth Market. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service, ("RNS") via InvestEgate. We also provide an environment where shareholders can interact with the Board and management, ask questions and raise their concerns.

The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members, as required by Section 172 (1) of the Companies Act 2006.

Approved by the Board on 4 March 2023 and signed on its behalf by:



Gavin J Burnell
Director

HOT ROCKS INVESTMENTS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and financial statements for the year ended 31 March 2022.

General Information

Hot Rocks Investments PLC is a public limited company incorporated in England and Wales under the Companies Act (Registered number 06163193). The company is domiciled in the United Kingdom and its registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR) and quoted on the Aquis Stock Exchange (AQSE) Growth Market.

Results and Dividends

The profit for the year after taxation was £118,905 (2021: loss of £38,734).

The directors do not recommend the payment of a dividend (2021: £Nil)

Directors and Directors' Interests

The directors who held office during the period to the date of approval of these Financial Statements had the following beneficial interests in the ordinary shares of the Company:

	Ordinary shares interest at end of period No.	Warrants interest at end of period No.	Ordinary shares interest at start of period No.	Warrants interest at start of period No.
Gavin J Burnell	51,289,998	15,000,000	41,789,999	15,000,000
Brian Rowbotham	6,081,666	1,000,000	5,366,666	1,000,000
Charles J Vaughan	4,400,000	1,000,000	2,900,000	1,000,000

These represent the following % shareholdings:

	% holding at end of period	% holding at start of period
Gavin J Burnell	29.54%	24.07%
Brian Rowbotham	3.50%	3.09%
Charles J Vaughan	2.53%	1.67%

Significant shareholders

As at 15 December 2022 (with no change thereafter), so far as the Directors are aware, the parties (other than the interests held by Directors) who are directly or indirectly interested in 3% or more of the nominal value of the Company's share capital is as follows:

Shareholder	Number of Ordinary Shares	Percentage of Issued Share Capital
Smith & Williamson Nominees Limited	44,218,705	25.47%
The Bank of New York (Nominees) Limited	32,672,501	18.82%
Huntress (CI) Nominees Limited	20,916,666	12.05%
JIM Nominees Limited	12,400,000	7.14%
Neil David McLeod	6,053,061	3.49%

HOT ROCKS INVESTMENTS PLC
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Related party transactions

Related party transactions and relationships are disclosed in note 21.

Events after the reporting date

Events after the reporting date are disclosed in note 26.

Political Donations

There were no political donations made for the year ended 31 March 2022 (2021: £Nil).

Supplier Payment Policy

Whilst there is no formal code or standard, it is Company policy to settle terms of payment with creditors when agreeing the terms of each transaction and to abide by the creditors' terms of payment. There are no creditors subject to special arrangements outside of suppliers' terms and conditions.

Corporate Governance

The Directors are committed to maintaining high standards of corporate governance, and so far, as is practicable given the size and nature of the company, to comply with the QCA Code.

Future Developments

We remain excited about the potential listing on NASDAQ of Elephant Oil Corp at a price of \$4-\$5 per share where we hold 659,091 shares and an Africa-focused copper exploration company where we are a founder shareholder and which we plan to float on a stock exchange when markets permit. In addition, Pilar Gold Inc plans to seek a listing in the near term.

Statement as to disclosure of information to auditors

In so far as the directors are aware there is no relevant audit information of which the company's auditor is unaware, and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

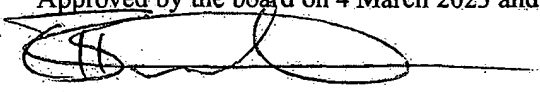
Going Concern

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors having reviewed the Company's plan, taking into account reasonably possible changes in the value of investments, including any impact from the COVID-19 pandemic and Brexit, and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore the Directors confirm that they consider the going concern basis remains appropriate. Further details can be found in the accounting policies (Note 2) accompanying the financial statements.

Auditors

Pointon Young Chartered Accountants has signified their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

Approved by the board on 4 March 2023 and signed on its behalf by:


Gavin J Burnell
Director

HOT ROCKS INVESTMENTS PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they are required to prepare financial statements in accordance with the UK adopted International Accounting Standards (IAS), and in conformity with the requirements of the Companies Act.

The financial statements are required by law and IAS to present fairly the financial position and performance of the Company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of the Act to financial statements give a true and fair view and references to their achieving a fair presentation.

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 of the profit or loss for the period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock exchange.

In preparing the Company's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK adopted international accounting standards (IAS), in conformity to the Companies Act, been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume the Company will continue in business.

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

Website publication

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.

HOT ROCKS INVESTMENTS PLC

Independent auditor's report to the shareholders of Hot Rocks Investments PLC FOR THE YEAR ENDED 31 MARCH 2022

OPINION

We have audited the financial statements of Hot Rocks Investments PLC (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS OF OPINION

We conducted our audit work in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review and scrutiny of the cash flow forecast prepared by the directors for the twelve-month period from the date of signing the financial statements and also discussions with the directors relating to planned expenditure over the next year. The cash flow forecast prepared by the directors appears reasonable.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

HOT ROCKS INVESTMENTS PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOT ROCKS
INVESTMENTS PLC (continued)
FOR THE YEAR ENDED 31 MARCH 2022

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

In designing our audit, we determined materiality, as below, and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates including the fair value of the level 2 and 3 investments held at fair value through profit and loss. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

OUR APPLICATION OF MATERIALITY

The materiality applied to the financial statements was £16,944 (2021: £13,800), based on 1.5% of net assets. This was considered an appropriate measure given that the value of the Company is derived from its assets held. We apply the concept of materiality both in planning and performing the audit and evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of the audit and the extent of the sample sizes during the audit. Performance materiality was set at 80% of total materiality.

We agreed with the board that we would report to the committee all individual differences identified during the course of our audit in excess of £847 (2021: £690). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

HOT ROCKS INVESTMENTS PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOT ROCKS
INVESTMENTS PLC (continued)
FOR THE YEAR ENDED 31 MARCH 2022

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation of Financial Assets (investments) - Note 16 The Company holds financial assets at fair value through profit and loss of £1,011,470 as at 31 March 2022 as outlined in Note 16 of the financial statements. There is a risk that these investments are not valued correctly in accordance with IFRS 9 'Financial Instruments' and IFRS 13 'Fair Value Measurement.' This is a key audit matter due to the material value of the balance and the significant estimates and judgements required in their valuation.	Our work in this area included: • Confirming ownership of each investment held. • For investment categorised with Level 1 of the fair value hierarchy, we confirmed the valuation at source. • For investments categorised within Level 2 or 3 of the fair value hierarchy, we obtained management's assessment of the valuation of the investments held at year end and challenged the inputs and assumptions used. • We confirmed the disclosures made within the financial statements were in compliance with IFRS. • We assessed whether management's assumptions were reasonable in light of the measurement objectives under IFRS 13.

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER 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.

HOT ROCKS INVESTMENTS PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOT ROCKS
INVESTMENTS PLC (continued)
FOR THE YEAR ENDED 31 MARCH 2022

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 of the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities (as set out on page 9), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context was the UK Companies Act and relevant taxation legislation.

HOT ROCKS INVESTMENTS PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HOT ROCKS
INVESTMENTS PLC (continued)
FOR THE YEAR ENDED 31 MARCH 2022

- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting and basis of journals and sample testing all expenditure in the period.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to them in an auditors' 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 shareholders as a body, for our audit work, for this report or for the opinions we have formed.



Rakesh Chauhan FCCA (Senior Statutory Auditor)
For and on behalf of:

Pointon Young Chartered Accountants, Statutory Auditor
33 Ludgate Hill
Birmingham
B3 1EH

4 March 2023

HOT ROCKS INVESTMENTS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Continuing Operations			
Revenue		-	-
Operating expenses		(65,878)	(65,290)
Other (loss)/profit – sale of financial assets at fair value through profit and loss account		(17,831)	228,857
Movement in fair value of financial assets through profit and loss		<u>202,614</u>	<u>(202,302)</u>
OPERATING PROFIT/(LOSS)	3	118,905	(38,735)
Finance income		<u>-</u>	<u>1</u>
PROFIT/(LOSS) BEFORE INCOME TAX		118,905	(38,734)
Income tax	6	<u>-</u>	<u>-</u>
PROFIT/(LOSS) AFTER INCOME TAX		<u>118,905</u>	<u>(38,734)</u>
 Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss		-	-
Fair value change in value on available-for-sale financial assets		-	-
 Total Comprehensive income/(loss) for the year		<u>118,905</u>	<u>(38,734)</u>

HOT ROCKS INVESTMENTS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Issued capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
Balance at 1 April 2021	173,602	1,174,631	115,600	(740,555)	723,278
Profit for the year	-	-	-	118,905	118,905
	<u>173,602</u>	<u>1,174,631</u>	<u>115,600</u>	<u>(621,650)</u>	<u>842,183</u>

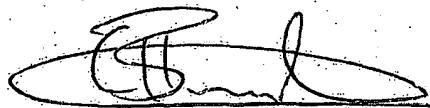
	Issued capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
Balance at 1 April 2020	173,602	1,174,631	115,600	(701,821)	762,012
Loss for the year	-	-	-	(38,734)	(38,734)
	<u>173,602</u>	<u>1,174,631</u>	<u>115,600</u>	<u>(740,555)</u>	<u>723,278</u>

The notes on pages 19 to 33 form part of these Financial Statements.

HOT ROCKS INVESTMENTS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Notes	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Financial assets designated as fair value through profit or loss	16	389,529	239,719
CURRENT ASSETS			
Financial assets designated as fair value through profit or loss	16	621,941	559,583
Trade and other receivables	10	40,306	25,595
Cash and cash equivalents	11	36,008	109,546
		<u>698,255</u>	<u>694,724</u>
TOTAL ASSETS		<u>1,087,784</u>	<u>934,443</u>
EQUITY			
ISSUED CAPITAL AND RESERVES			
Issued share capital	12	173,602	173,602
Share premium		1,174,631	1,174,631
Reserves	13	115,600	115,600
Retained loss		(621,650)	(740,555)
TOTAL EQUITY		<u>842,183</u>	<u>723,278</u>
CURRENT LIABILITIES			
Trade and other payables	14	245,601	211,165
TOTAL EQUITY AND LIABILITIES		<u>1,087,784</u>	<u>934,443</u>

Approved by the Board on 4 March 2023 and signed on its behalf by:



Gavin J Burnell
Director

Company registration number:
06163193

The notes on pages 19 to 33 form part of these Financial Statements.

HOT ROCKS INVESTMENTS PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Total operating profit /(loss)	118,905	(38,734)
ADJUSTMENTS TO RECONCILE TO PROFIT FROM OPERATIONS		
Finance income	-	(1)
ADJUSTMENTS TO RECONCILE PROFIT FROM OPERATIONS	118,905	(38,735)
INCREASE IN WORKING CAPITAL		
Loss/(gain) on disposal of financial assets held through profit and loss	17,831	(228,857)
Movement in fair value of financial assets through profit and loss	(202,614)	202,302
(Increase) in trade and other receivables	(14,714)	(25,595)
Return of capital	-	12,339
Increase in trade and other payables	34,436	40,195
(DECREASE)/INCREASE IN WORKING CAPITAL	(165,061)	384
CASH FLOWS FROM OPERATING ACTIVITIES	(46,156)	(38,351)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of financial assets through profit and loss	(208,361)	(285,136)
Proceeds from disposal of financial assets through profit and loss	180,979	413,165
NET CASH FLOWS FROM INVESTING ACTIVITIES	(27,382)	128,029
NET CASH FLOWS FROM INVESTING ACTIVITIES	(73,538)	89,678
Cash and cash equivalents as at 1 April 2021	109,546	19,868
CASH AND CASH EQUIVALENTS AS AT 31 MARCH 2022	<u>36,008</u>	<u>109,546</u>

The notes on pages 19 to 33 form part of these Financial Statements.

HOT ROCKS INVESTMENTS PLC

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2022

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS'S

The company's financial statements for the year were authorised for issue on 4 March 2023 and the statement of financial position signed on the board's behalf by Gavin J Burnell. Hot Rocks Investments PLC is a public limited company incorporated and domiciled in England & Wales and is quoted on the Aquis Stock Exchange (AQSE) Growth Market. The address of the registered office is given in the company information on page 3 of these financial statements. The nature of the company's operations and principal activities are to invest in companies, or assets, in the natural resources sector.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

2. ACCOUNTING POLICIES

The principal Accounting Policies Applied in the preparation of these Financial Statements are set out below. These Policies have been applied consistently to all the periods presented, unless otherwise stated.

Basis of preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom (IFRS as adopted by the UK), IFRIC interpretations (IFRSIC) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit and loss account.

The preparation of the Financial Statements in conformity with IFRSs required the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed later in these accounting policies.

The Financial Statements are presented in sterling (£) which is the functional currency of the Company, rounded to the nearest pound on an annual basis and management confirm that they give a fair presentation of the Company.

New standards, amendments and interpretations adopted by the Company

The following IFRS or IFRIC interpretations were effective for the first time for the financial year beginning 1 April 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Standard	Impact on initial application	Effective date
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
Amendments to IFRS 9, 7 4, 16 & IAS 39	Interest Rate Benchmark Reform	1 January 2021
Amendments to IFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 3	Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Onerous contracts – Cost of fulfilling a contract	1 January 2022
Annual Improvements to IFRS Standard 2018-2020 Cycle	Amendments to IFRS 1 First time adoption of IFRS Standards, IFRS 9 Financial Instruments, IFRS Leases	1 January 2022

New standards, amendments and interpretations not yet adopted

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Segmental Reporting

The Company has only one operating segment being the investment in companies, or assets, in the natural resource sector. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. Therefore, the Financial Statements of the single segment is the same as that set out in the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, the Statement of Change in Equity and the Statement of Cash Flows.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Financial Statements are presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions, or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in statement of profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instruments and on a trade date basis. A financial asset is derecognised when the Company's contractual rights to future cash flows from the financial asset expire or when the Company transfers the contractual rights to future cash flows to a third party. A financial liability is derecognised only when the liability is extinguished.

Financial assets designated at fair value through profit or loss

Financial assets at fair value through profit and loss are financial assets held for trading and include both listed and unlisted equity investments. Details of these assets and their fair values are included in Critical Accounting Estimates section.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, all of which are available for use by the company unless otherwise stated. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company's financial liabilities include trade and other payables. All financial liabilities, except for derivatives, are recognised initially at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability and subsequently measured at amortised cost.

Share Capital

Ordinary shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share premium, otherwise they are charged to the Statement of Comprehensive Income.

Share Based Payments

The Company operates a number of equity-settled, share-based schemes, under which it received services from employees or third-party suppliers as consideration for equity instruments (options

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

and warrants) of the Company. The Company may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share-based payments is recognised, if material, as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged is determined by reference to the fair value of the options granted:

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

In the case of warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services

received is not determinable, the warrants are valued by reference to the fair value of the warrants granted as described previously.

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

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

Income tax

Income tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the results shown in the Financial Statements and according to local tax rules, using tax rates enacted or substantially enacted by the Statement of Financial Position date.

Tax losses available to be carried forward as well as other income tax credits due to the Company are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future tax profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

Going Concern

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

In making their assessment the Directors have considered their net annual cash spend and the ability of the Company to service such payments through its cash resources and liquid, tier 1 investments.

On this basis, the Directors have formed a judgement, at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statement. For this reason they have prepared the financial statements on the going concern basis.

Dividends

Ordinary dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

Critical Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting estimates will by definition, seldom equal the actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value of financial assets – Level 3

The Company reviews the fair value of its unquoted equity instruments at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted securities in the absence of an active market.

Critical judgements in applying the entity's accounting policies:

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. The most critical judgements as applied to these financial statements are as follows:

Financial assets held at fair value through profit and loss

Level 3 financial assets held at fair value through profit and loss have a carrying value of £187,950 at 31 March 2022. An impairment charge of £Nil (2021: £Nil) has been recognised in the year. The Company follows the guidance of IFRS 9 to determine when an investment at fair value through profit and loss is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

and operational and financing cash flow. Management also consider external indicators such as commodity prices, investment performance and demand for the underlying commodity. Financial assets held at fair value through profit and loss are assessed individually. Details of the assessment of each investment is included below:

Fair Value Estimation

The table below analyses financial instruments held at fair value, by valuation method. The different levels are defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets that were measured at fair value as at 31 March 2022 and 31 March 2021. The Company does not have any liabilities measured at fair value.

	Level 1	Level 2	Level 3	Total
	£	£	£	£
31 March 2022:				
Financial assets through profit and loss				
-equity holdings	<u>621,941</u>	<u>201,579</u>	<u>187,950</u>	<u>1,011,470</u>
31 March 2021:				
Financial assets through profit and loss				
-equity holdings	<u>559,583</u>	<u>45,000</u>	<u>194,719</u>	<u>799,302</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the Statement of Financial Position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily of equity investments quotes on the AIM, London Stock Exchange, TSX, Toronto Stock Exchange and TSXV, TSX Venture Exchange, Botswana Stock Exchange and classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available, and rely as little possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has valued all Level 3 financial instruments at cost. The Directors perform an annual impairment assessment for all Level 3 inputs and recognise any impairment charge due.

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

The following table presents the changes in Level 3 instruments for the year ended 31 March 2022 and 31 March 2021:

	2022	2021
	£	£
Opening balance	194,719	188,672
Transfers into Level 2	(29,719)	-
Transfers into Level 1	-	-
Additions in the year	22,950	29,719
Gains/(losses) recognised in the profit or loss account	-	(23,672)
Impairment	-	-
Closing balance	187,950	194,719

Financial risk management objectives and policies

The objective of the company's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported, and shareholder value is maximised.

The company manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the years ended 31 March 2022 and 31 March 2021.

3. OPERATING PROFIT/(LOSS)

Operating profit is stated after charging/(crediting) the following:

	2022	2021
	£	£
Auditor's remuneration - audit services	8,500	8,000
- taxation services	1,200	1,200
	<u>9,700</u>	<u>9,200</u>

	2022	2021
	£	£
Also included in operating expenses:		
Employee benefits expense (directors fees)	35,000	35,000
	<u>35,000</u>	<u>35,000</u>

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

4. EMPLOYEE EXPENSES

	2022	2021
	£	£
Wages and salaries	<u>35,000</u>	<u>35,000</u>

The average monthly number of employees during the year was made up as follows:

	2022	2021
	No.	No.
Directors	3	3

5. DIRECTORS' REMUNERATION

	2022	2021
	£	£
Remuneration	<u>35,000</u>	<u>35,000</u>

6. INCOME TAX

	2022	2021
	£	£
Profit/(loss) for the year before taxation	<u>118,905</u>	<u>(38,734)</u>
Tax on profit/(loss) at 19%	<u>22,592</u>	<u>(7,359)</u>
Tax losses carried forward		7,359
Tax losses utilised	<u>(22,592)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Tax losses available to be carried forward by the Company at 31 March 2022 against future profits are £56,074 (2021: £74,199).

A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to the level of future taxable profits and as a result this amount has not been disclosed above.

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

The company trades only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised.

Liquidity risk

The company has given responsibility of liquidity risk management to the board who have formulated liquidity management tools to service this requirement.

Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows.

Market risk

The company's main exposure to risk is through foreign currency exchange rates and interest rates.

	2022	2021
	£	£
Cash and short-term deposits	<u>(36,008)</u>	<u>(109,546)</u>
Net funds	<u>(36,008)</u>	<u>(109,546)</u>
Equity	<u>842,183</u>	<u>723,278</u>
Total capital	<u>842,183</u>	<u>723,278</u>
Capital and net funds	<u>806,175</u>	<u>613,732</u>

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

8. FINANCIAL INSTRUMENTS

	Carrying amount		Fair value	
	2022	2021	2022	2021
	£	£	£	£
Financial assets				
Cash and cash equivalents	36,008	109,546	36,008	109,546
Trade and other receivables	40,306	25,595	40,306	25,595
Other financial assets	<u>621,941</u>	<u>559,583</u>	<u>621,941</u>	<u>559,583</u>
Financial liabilities				
Trade and other payables	<u>(185,656)</u>	<u>(174,780)</u>	<u>(185,656)</u>	<u>(174,780)</u>

9. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	£	£
Listed	<u>621,941</u>	<u>559,583</u>

10. TRADE AND OTHER RECEIVABLES

	2022	2021
	£	£
Receivable from investment managers	11,476	25,595
Prepayments	28,830	-
	<u>40,306</u>	<u>25,595</u>

Movements in the provision for impairment of trade and other receivables £Nil in both periods.

11. CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Cash at bank	<u>36,008</u>	<u>109,546</u>

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 March 2022.

	2022	2021
	£	£
Cash at bank	<u>36,008</u>	<u>109,546</u>

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

12. SHARE CAPITAL

Authorised share capital

	No.	2022 £	No.	2021 £
Issued				
class 1	173,602,222	<u>173,602</u>	173,602,222	<u>173,602</u>

All issued share capital is classified as equity.

13. RESERVES

	Warrants reserve
	£
At 1 April 2022	<u>115,600</u>

Nature and purpose of other reserves

	Warrants reserve
	£
At 1 April 2021	<u>115,600</u>

14. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Payable to trade suppliers	-	4,636
Other payables	185,656	170,144
Accrued liabilities	<u>59,945</u>	<u>36,385</u>
	<u>245,601</u>	<u>211,165</u>

Included within accrued liabilities is an amount of £11,695.80 owing to Woodland Capital Limited (see Related Party Transactions Note 21) which is repayable on demand and interest of 2% per annum is chargeable.

15. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year:

	2022	2021
Profit/(loss) for the year	118,905	(38,734)
Weighted average number of ordinary shares	173,602,222	173,602,222
Potential diluted weighted average number of shares	173,602,222	173,602,222
Earnings per share	0.68 pence	(0.22) pence

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2022	2021
	£	£
At 1 April	799,302	913,114
Additions	238,080	285,135
Disposal	(228,526)	(196,645)
Movement in fair value	<u>202,614</u>	<u>(202,302)</u>
	<u>1,011,470</u>	<u>799,302</u>

Financial assets through profit and loss are denominated in the following currencies:

GB Pound	471,514	424,368
Canadian Dollar	298,877	119,538
US Dollar	22,950	45,000
Botswana Pula	<u>218,129</u>	<u>210,396</u>
	<u>1,011,470</u>	<u>799,302</u>

17. ORDINARY SHARES

Issued	Number of Shares	Ordinary Shares	Share Premium	Total
	£	£	£	£
At 1 April 2021	173,602,222	173,602	1,174,631	1,348,233
At 31 March 2021	173,602,222	173,602	1,174,631	1,348,233
At 31 March 2022	173,602,222	173,602	1,174,631	1,348,233

18. SHARE BASED PAYMENTS

On 31 May 2017, the Company issued warrants to directors of the Company, using the Black Scholes method, as follows:

Gavin Burnell – 15,000,000
Charles Vaughan – 1,000,000
Brian Rowbotham – 1,000,000

The key inputs into the Black Scholes model were Volatility as 50% and the Risk-Free Interest Rate as 1%. The warrants are exercisable at 1p per new ordinary share and expire on 1 June 2027.

	Weighted Average exercise £	Warrants number
At 31 March 2021	0.01	17,000,000
At 31 March 2022	0.01	17,000,000

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

19. RESERVES

Share capital comprises amount subscribed for share capital at nominal value.

Share premium comprises amount subscribed for share capital in excess of nominal value.

Share options and warrants reserve consists of the fair value of options and warrants outstanding at the year end.

Other reserves represent the changes in fair value at available-for-sale financial assets.

Retained loss comprises cumulative net gains and losses recognised in the statement of comprehensive income.

20. CAPITAL COMMITMENTS

There were no capital commitments authorised by the Directors or contracted for at 31 March 2022 or 31 March 2021.

21. RELATED PARTY TRANSACTIONS

An amount of £5,000 (2021: £5,000) has been accrued in respect of Mountbeach Associates Limited, which is controlled by Brian Rowbotham, for the services of Brian Rowbotham as non-executive Chairman during the year. As at 31 March 2022, a balance of £25,000 (2021: £25,000) remains outstanding.

An amount of £5,000 has (2021: £5,000) been accrued relating to Charles Vaughan, a Director of the Company, for his Director services during the year. At 31 March 2022, a balance of £26,250 (2021: £26,250) remains outstanding.

An amount of £25,000 (2021: £25,000) has been accrued relating to Gavin Burnell, a Director of the Company, for his Director services during the year. At 31 March 2022, a balance of £155,655 (2021: £135,655) remains outstanding.

During the year Woodland Capital Limited paid for the purchase of shares in Pilar Gold Inc on behalf of the Company, amounting to £11,695.80 (2021: £Nil). The balance is repayable in demand and interest is chargeable at 2% per annum. At 31 March 2022, a balance of £11,695.80 (2021: £Nil) remains outstanding.

As at 31 March 2022, the Company owns 9,000,001 (2021: 9,000,001) shares in Rift Resources Limited which was held at a value of £Nil (2021: £Nil). Gavin Burnell is a director in Rift Resources Limited.

As at 31 March 2022, Gavin Burnell, a director of the Company held a 13.16% (2021: 9.45%) interest in the issued share capital of Elephant Oil Limited, the Company also held a 8.5% (2021: 8.5%) interest in Elephant Oil Limited.

22. ULTIMATE CONTROLLING PARTY

The Directors consider there is no ultimate controlling party.

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

23. TREASURY POLICY

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

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has sought to minimise its exposure as follows:

Financial Risk Factors

The Company's principal financial instruments comprise both listed and unlisted investments, other receivables, other payables and cash. The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company's activities expose it to a variety of financial risks. The Company's Board monitors and manages the financial risks relating to the operations of the Company. The Board provides written policies for overall risk management, as well as written policies covering specific areas.

Price Risk

The Company is exposed to equity securities price risk because of investments held by the Company, classified as financial assets through profit and loss. The Company is not directly exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the board.

Interest risk

The Company is not exposed to interest rate risk on financial liabilities.

The Company has no other borrowing facilities available to it.

Foreign exchange risk

The Company is exposed to foreign exchange risk on the investments it holds on foreign exchanges which are traded in non GBP currency. The Company does not hedge against these investments but does monitor exchange rate movements to ensure that set exchange rate movements are not exceeded.

Liquidity Risk

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital, generate a return on its investments to meet its future obligations and the potential settlement of the convertible loan.

The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

HOT ROCKS INVESTMENTS PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2022

25. CAPITAL RISK MANAGEMENT

The Company is subject to capital requirements set by the AQSE Growth Market on which the Company's securities are traded. At 31 March 2022, the minimum share capital required by the regulated market was £50,000 (2021: £50,000). The Company has remained within the required limits throughout the year.

The capital structure primarily consists of equity attributable to the owners – comprising issued capital, reserves and retained losses, as well as cash and cash equivalents. The Company manages its capital by making adjustments to its composition in light of the economic conditions, with the aim of ensuring that it will be able to continue as a going concern while maximising the return to stakeholders.

26. EVENTS AFTER THE BALANCE SHEET DATE

There has been a significant decrease in the value of financial assets held by the Company since the balance sheet date. Directors have prepared valuations for the Company's shareholdings held as at 30 September 2022 for their interim financial statements and there has been a total write down of £241,795 relating to investments held as at 31 March 2022. In addition, one investment has been sold in the interim period for a loss of £35,018 and a further investment sold in February 2023 at a loss of £27,354.99 based on purchase price however in line with its written down value as at 30 September 2022.