

MetalNRG plc

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

MetalNRG plc

CONTENTS

	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	7
Independent auditor's report	8
Consolidated income statement	11
Consolidated statement of comprehensive income	12
Consolidated statement of financial position	13
Company statement of financial position	14
Consolidated statement of changes in equity	15
Company statement of changes in equity	16
Consolidated cash flow statement	17
Company cash flow statement	18
Notes to the financial statements	19

MetalNRG plc

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Rolf Gerritsen (Chief Executive Officer)
Christopher Latilla-Campbell (Non-Executive Chairman)
Christian Schaffalitzky (Non-Executive Director)
Gervaise Heddle (Non-Executive Director)

SECRETARY

City Group plc

REGISTERED OFFICE

1 Ely Place
London
EC1N 6RY

CORPORATE ADVISERS

Peterhouse Corporate Finance Limited
New Liverpool House
15 Eldon Street
London, EC2M 7LD

BROKERS

SI Capital Limited
46 Bridge Street
Godalming
Surrey, GU7 1HL

AUDITOR

Edwards Veeder (UK) Limited
Chartered Accountant and Statutory Auditor
4 Broadgate
Broadway Business Park
Chadderton
Oldham, OL9 9XA

SOLICITORS

Cooley (UK) LLP
Dashwood
69 Old Broad Street
London, EC2M 1QS

PRINCIPAL BANKERS

Lloyds Bank plc
39 Threadneedle Street
London
EC2R 8PT

REGISTRARS

Computershare Investor Services Limited
The Pavilions
Bridgewater Road
Bristol
BS13 8AE

MetalNRG plc

STRATEGIC REPORT

The directors present the strategic report for MetalNRG plc (the “Company” or “MNRG”, and collectively with its Subsidiary Companies, the “Group”) for the year ended 28 February 2019.

PRINCIPAL ACTIVITY

The Company’s principal activity during the year was that of a natural resource investing company listed on NEX Exchange Growth Market in London.

BUSINESS REVIEW

The Company reviewed a number of relevant projects and focused its attention on a few key strategic transactions during the year; the earn agreement with IMC for an advanced uranium project in the Kyrgyz Republic, the acquisition of a previously producing gold mine, Gold Ridge, in the U.S.A, specifically in Arizona and the listing of Cobra Resources Plc on the standard segment of the London Main market in which the Company holds an equity position of 6.2%.

MetalNRG agreed to acquire all the interests of Winston Gold in the project known as Gold Ridge Project, located in the Dos Cabezas Mining District, Cochise County, south-eastern Arizona, United States of America. The Project consists of approximately 2,305 acres (9.3km²) of tenement including 343 acres of patented mining claims, 112 company-owned un-patented mining claims; and 12 leased un-patented mining claims. The interests acquired include three historical producing gold mines; Gold Prince mine; Gold Ridge mine and Dives mine; each was worked over various intervals between discovery in 1877 and 1996. MetalNRG agreed to acquire 100% of Gold Ridge for a total consideration, in cash and shares, of US\$700,000 (GBP £529,942). The plan is now to develop this opportunity further over the next few years

The second Project the company transacted is in the Kyrgyzstan Republic, Kamushanov community, Sokuluksky District and is a uranium recovery project. The last announcement during the financial year in question, on the 24th of January 2019 relating to this project, stated that the State Reserve Committee of Kyrgyzstan granted a mining license dated 22 January 2019 for 3,371.1 tonnes U reserves (8.731 million lbs U308) which had an in-situ value of approximately US\$253.1 million at the then current uranium spot prices.

Unfortunately a further announcement followed after the year end, on the 3rd of May 2019, in which the Company suspended the terms of the farm-in agreement with IMC, announced on 27 March 2019 in relation to the Kamushanovskoye uranium deposit in Kyrgyzstan with a side letter dated 3 May 2019. This was due to the fact that on the 2 May 2019, the parliament of the Kyrgyz Republic voted to ban all uranium exploration and mining in Kyrgyzstan indefinitely. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. Pursuant to the Side Letter, the parties agreed to suspend the Farm-In Agreement and all obligations of MetalNRG and IMC thereunder for the duration of the Uranium Ban.

MetalNRG’s current economic interest in the Uranium Project, as a result of its total investment to date of US\$170,650, is 8.5%. We are monitoring the situation and the Government has not as yet published its suggested draft law regulating the proposed ban.

During the course of the year MetalNRG agreed to sell its interest in US Cobalt and to receive 21,719,457 shares in Tyranna at a nominal value of AU\$ 0.017, for the full 15.38% interest MetalNRG holds in US Cobalt. Tyranna is a Perth based resources company, listed on the ASX securities exchange, with a market capitalisation of AU\$ 9.36 million, and its shares were trading at AU\$ 0.025 per share, 32% above the nominal value MetalNRG has agreed to for consideration in its US Cobalt interest when the transaction was completed. Over the course of the year the Company has been selling these shares as the Board does not see the investment as a long term investment.

METALNRG plc

STRATEGIC REPORT (continued)

POST YEAR END EVENTS

Admission to the main market:

Prior to the proposed Uranium Ban, MetalNRG had submitted a draft prospectus to the FCA in connection with its application for Admission. Due to the unforeseen nature of the proposed Uranium Ban, the Company is temporarily delaying the application for Admission, and will make further announcements in due course. The intention is to move the re listing of the company shares forward within the next few months.

PRINCIPAL RISKS AND UNCERTAINTIES

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise investments, cash at bank and various items such as available for sale assets, other debtors, loans and creditors. The Group has not entered into derivative transactions nor does it trade financial instruments as a matter of policy.

Credit Risk

The Group's credit risk arises primarily from cash at bank, other debtors and the risk the counterparty fails to discharge its obligations. At 28 February 2019 £35,000 (2018 - £nil) was unpaid for shares in the Company but not impaired.

The company's credit risk primarily arises from intercompany debtors, which are considered to form part of the company's investment in the subsidiaries (see note 9) and cash at bank and other debtors, as per the Group. Should the subsidiaries' exploration activities not be successful, it is possible that these debtors may become irrecoverable.

Liquidity Risk

Liquidity risk arises from the management of cash funds and working capital. The risk is that the Group will fail to meet its financial obligations as they fall due. The Group operates within the constraints of available funds and cash flow projections are produced and regularly reviewed by management.

Interest rate risk profile of financial assets

The only financial assets (other than short term debtors) are cash at bank and in hand, which comprises money at call. The interest earned in the year was negligible. The directors believe the fair value of the financial instruments is not materially different to the book value.

Foreign currency risk

The Group has an Australian and United States subsidiaries, which can affect the Group's sterling denominated reported results as a consequence of movements in the sterling/Australian dollar/US dollar exchange rates. The Group also incurs costs denominated in foreign currencies which gives rise to short term exchange risk. The Group does not currently hedge against these exposures as they are deemed immaterial and there is no material exposure as at the year end (2018 - £nil).

Market risk

The Group is also exposed to market risk arising from listed investments which are stated at their fair value.

METALNRG plc

STRATEGIC REPORT (continued)

CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard the entity's ability to continue as a going concern and develop its mining and exploration activities to provide returns for shareholders. The Group's funding comprises equity and debt. The directors consider the Company's capital and reserves to be capital. When considering the future capital requirements of the Group and the potential to fund specific project development via debt, the directors consider the risk characteristics of all the underlying assets in assessing the optimal capital structure.

**Approved by the Board of Directors
and signed on behalf of the Board**

**Rolf Gerritsen
Director
26 June 2019**

MetalNRG plc

DIRECTORS' REPORT

The directors present their report and the audited financial statements of MetalNRG plc (the “Company” or “MNRG”, and collectively with its Subsidiary Companies the “Group”) for the year ended 28 February 2019. The consolidated financial results of the Group include the results of MetalNRG Australia Pty Ltd and Gold Ridge Holdings Limited (collectively the “Subsidiary Companies”).

RESULTS AND DIVIDENDS

The loss of the Group for the year, after taxation, attributable to equity holders of the parent amounted to £238,108 (2018: £156,917 loss).

The directors do not recommend the payment of a dividend (2018: £nil).

DIRECTORS

The directors who served the Company during the year together with their beneficial interests in the shares of the Company were as follows:

	Ordinary Shares of £0.0001 each	At 28 Feb 2019	At 28 Feb 2018
C. P. Latilla-Campbell*	36,040,442	29,540,442	
R. Gerritsen	1,150,000	-	
C. Schaffalitzky de Muckadell	4,600,000	2,100,000	
G.R.J. Heddle	15,513,634	9,513,634	

Paul Johnson resigned as a director of the Company on 31 July 2018.

Substantial interests

At the date of this report the Company had been notified that, other than directors, the following were interested in 3% or more of the issued share capital of the Company:

	Ordinary shares of £0.0001 each	Number	%age
Jim Nominees Ltd	48,477,341	23.90%	
Share Nominees Ltd	31,515,872	15.54%	
Buchanan Trading Inc*	24,750,000	12.20%	
Winston Gold Corp.	21,942,576	10.82%	
Hargreaves Lansdown (Nominees) Limited	10,324,364	5.09%	
Interactive Investor Services Limited	7,500,000	3.70%	
Hargreave Hale Nominees Limited	6,790,442	3.35%	
Pershing Nominees Limited	6,500,000	3.20%	
Winterflood Securities Limited	6,382,728	3.15%	

* Buchanan Trading, Inc is owned by a discretionary Trust in which Mr. Latilla-Campbell is a potential beneficiary.

MATTERS COVERED IN THE STRATEGIC REPORT

The business review, review of KPI's and details of future developments are included in the Strategic Report.

MetalNRG plc

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO THE AUDITOR

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditor was unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor was aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of Companies Act 2006.

AUDITOR

A resolution to re-appoint the auditor, Edwards Veeder (UK) Limited, will be proposed at the next Annual General Meeting.

**Approved by the Board of Directors
and signed on behalf of the Board**

**Rolf Gerritsen
Director
26 June 2019**

MetalNRG plc

DIRECTORS' RESPONSIBILITIES STATEMENT

Directors' responsibilities for the financial statements

The directors are responsible for preparing the Strategic Report, the 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 the directors have elected to prepare the group and parent company financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company/Group 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MetalNRG plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC YEAR ENDED 28 FEBRUARY 2019

Opinion

We have audited the financial statements of MetalNRG plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2019 which comprise Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and the 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 European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

MetalNRG plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC YEAR ENDED 28 FEBRUARY 2019 (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the 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 of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

MetalNRG plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC YEAR ENDED 28 FEBRUARY 2019 (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Lee Lederberg (Senior Statutory Auditor)

For and on behalf of

Edwards Veeder (UK) Limited

Chartered accountant & statutory

auditor

4 Broadgate

Broadway Business Park

Chadderton

Oldham

OL9 9XA

26 June 2019

MetalNRG plc

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019 £	2018 £
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Administrative expenses		(249,692)	(157,037)
Other operating income		11,279	-
Operating loss	2	(238,413)	(157,037)
Finance income		305	120
Loss before tax		(238,108)	(156,917)
Taxation	4	-	-
Loss for the year		(238,108)	(156,917)
Attributable to:			
Equity holders of the parent		(238,108)	(156,917)
Loss per ordinary share			
Basic	6	(0.14) pence	(0.11) pence
Diluted	6	(0.12) pence	(0.09) pence

MetalNRG plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2019

	2019	2018
	£	£
Loss after tax	(238,108)	(156,917)
Items that may subsequently be reclassified to profit or loss:		
- Foreign exchange movements	1,127	-
Total comprehensive loss attributable to equity holders of the parent	(236,981)	(156,917)

MetalNRG plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

28 FEBRUARY 2019

	Note	2019	2018
		£	£
Non-current assets			
Intangible fixed assets	8	621,151	-
Investments	8	168,919	175,433
Available for sale assets	8	107,800	-
Total non-current assets		897,870	175,433
Current assets			
Trade and other receivables	10	190,650	2,396
Cash and cash equivalents	11	24,168	209,673
Total current assets		214,818	212,069
Current liabilities			
Trade and other payables	12	(178,473)	(14,014)
Total current liabilities		(178,473)	(14,014)
Net assets		934,215	373,488
Capital and reserves			
Called up share capital	13	257,114	250,709
Share premium account		1,886,524	1,095,221
Retained losses		(1,210,550)	(972,442)
Foreign currency reserve		1,127	-
Total equity		934,215	373,488

These financial statements were approved and authorised for issue by the Board of Directors on 26 June 2019.

Signed on behalf of the Board of Directors

Rolf Gerritsen
Director

Company No. 05714562

MetalNRG plc

COMPANY STATEMENT OF FINANCIAL POSITION

28 FEBRUARY 2019

	Note	2019	2018
		£	£
Non-current assets			
Investments	7	168,919	175,433
Available for sale assets	7	107,800	-
Investment in subsidiaries	9	590,650	-
Total non-current assets		867,369	175,433
Current assets			
Trade and other receivables	10	190,545	2,396
Cash and cash equivalents	11	23,846	209,673
Total current assets		214,391	212,069
Current liabilities			
Trade and other payables	12	(139,535)	(14,014)
Total current liabilities		(139,535)	(14,014)
Net assets		942,225	373,488
Capital and reserves			
Called up share capital	13	257,114	250,709
Share premium account		1,886,524	1,095,221
Warrant reserve		-	-
Retained losses		(1,201,413)	(972,442)
Equity shareholders' funds		942,225	373,488

The loss of the parent company for the year was £228,971 (2018 - £156,917).

These financial statements were approved and authorised for issue by the Board of Directors on 26 June 2019.

Signed on behalf of the Board of Directors

Rolf Gerritsen
Director

Company No. 05714562

MetalNRG plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2019

	Share capital	Share premium	Profit and loss	Foreign currency reserve	Total
	£	£	£	£	£
At 1 March 2017	243,563	715,361	(815,525)	-	143,399
Loss for the period	-	-	(156,917)	-	(156,917)
Translation differences	-	-	-	-	-
Comprehensive loss for the period	-	-	(156,917)	-	(156,917)
Shares and warrants issued	7,146	379,860	-	-	387,006
Equity settled share based payments	-	-	-	-	-
At 28 February 2018	250,709	1,095,221	(972,442)	-	373,488
Loss for the period	-	-	(238,108)	-	(238,108)
Translation differences	-	-	-	1,127	1,127
Comprehensive loss for the period	-	-	(238,108)	1,127	(236,981)
Shares issued	6,405	791,303	-	-	797,708
Equity settled share based payments	-	-	-	-	-
Transfer on expiry of warrants	-	-	-	-	-
At 28 February 2019	257,114	1,886,524	(1,210,550)	1,127	934,215

MetalNRG plc
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2019

	Share capital	Share premium	Profit and loss	Total
At 1 March 2017	£ 243,563	£ 715,361	£ (815,525)	£ 143,399
Loss for the period	-	-	(156,917)	(156,917)
Comprehensive loss for the period	-	-	(156,917)	(156,917)
Shares and warrants issued	7,146	379,860	-	387,006
Equity settled share based payments	-	-	-	-
At 28 February 2018	250,709	1,095,221	(972,442)	373,488
Loss for the period	-	-	(228,971)	(228,971)
Comprehensive loss for the period	-	-	(228,971)	(228,971)
Shares issued	6,405	791,303	-	797,708
Equity settled share based payments	-	-	-	-
At 28 February 2019	257,114	1,886,524	(1,201,413)	942,225

MetalNRG plc

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019	2018
		£	£
Cash flows from operating activities			
Loss for the period		(238,108)	(156,917)
Profit on sale of investment		(11,279)	-
Shares received in lieu of fees		(62,500)	-
Impairment investments		92,878	-
Finance income		(305)	(120)
Increase in creditors		129,078	20,785
(Increase)/decrease in debtors		(153,254)	5,706
Net cash used in operating activities		(243,490)	(130,546)
Cash flows from investing activities			
Payments for intangible assets	8	(621,251)	-
Creditors on acquisition		37,927	-
Proceeds from sale of investment		26,118	-
Purchase of investments	7	(147,822)	(175,433)
Net cash used in investing activities		(705,028)	(175,433)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		762,708	387,006
Interest received		305	120
Net cash generated from financing activities		763,013	387,126
Net increase in cash and cash equivalents		(185,505)	81,147
Cash and cash equivalents at beginning of period		209,673	128,526
Cash and cash equivalents at end of year	11	24,168	209,673

MetalNRG plc

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2019

	Note	2019	2018
		£	£
Cash flows from operating activities			
Loss for the period		(228,970)	(156,917)
Profit on sale of investment		(11,279)	-
Share received in lieu of fees		(62,500)	-
Impairment of investments		92,878	-
Finance income		(305)	(120)
(Increase)/decrease in debtors		(153,149)	20,785
Increase in creditors		125,521	5,706
Net cash used in operating activities		(237,804)	(130,546)
Cash flows from investing activities			
Loans to subsidiaries	7	(6,282)	-
Investment in subsidiary	7	(583,049)	-
Proceeds from sale of investments		26,118	-
Purchase of investments	7	(147,822)	(175,433)
Net cash used in investing activities		(711,035)	(175,433)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		762,708	387,006
Interest received		305	120
Net cash generated from financing activities		763,013	387,126
Net increase in cash and cash equivalents		(185,827)	81,147
Cash and cash equivalents at beginning of period		209,673	128,526
Cash and cash equivalents at end of year	11	23,846	209,673

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

General information

The Company is a public company limited by shares which is incorporated in England. The registered office of the Company is 1 Ely Place London EC1N 6RY, United Kingdom. The registered number of the Company is 05714562.

Statement of compliance

The Historical Financial Information has been prepared in accordance with IFRS, including interpretations made by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by European Union issued by the International Accounting Standards Board (IASB). The standards have been applied consistently.

The Historical Financial Information is presented in pounds sterling.

Accounting policies

Basis of preparation

The Historical Financial Information has been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The Historical Financial Information is prepared in pounds sterling, which is the functional currency of the Company.

Transition to IFRS

The entity transitioned from previous FRS102 to IFRS as at 1 March 2017. Details of how IFRS has affected the reported financial position and financial performance is given in note 19.

Standards and interpretations issued but not yet applied

(i) *New and amended standards mandatory for the first time for the financial period beginning 01 March 2018*

There were no IFRS or IFRC interpretations that were effective for the first time for the financial period beginning 1 March 2018 that had a material impact on the Company.

(ii) *New standards, amendments and Interpretations in issue but not yet effect of not yet endorses and not early adopted*

The standards and interpretations	<i>Impact on initial application</i>	<i>Effective date</i>
IFRS 16	Leases	1 January 2019
Annual Improvements	2015 – 2017 Cycle	1 January 2019
IFRIC 23	Uncertainty over Income Tax	1 January 2019

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and companies controlled by the Company, the Subsidiary Companies, drawn up to 28 February each year.

Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, where appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

Non-controlling interests consist of the amounts of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Judgements and key sources of estimation uncertainty

The preparation of the Historical Financial Information requires the Directors to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, may not accurately reflect the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Foreign currencies

For the purposes of the consolidated financial statements, the results and financial position of each Group entity are expressed in pounds sterling, which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences arising are included in the profit or loss for the period.

For the purposes of preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. Gains and losses from exchange differences so arising are shown through the Consolidated Statement of Changes in Equity.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units.

Intangible assets

Trademarks, licences and customer contracts, Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Impairment of intangible assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Financial liabilities

The Directors determine the classification of the Company's financial liabilities at initial recognition. The financial liabilities held comprise other payables and accrued liabilities and these are classified as loans and receivables.

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

Share capital

The Company's ordinary shares of nominal value 0.01 pence each ("Ordinary Shares") are recorded at such nominal value and proceeds received in excess of the nominal value of Ordinary Shares issued, if any, are accounted for as share premium. Both share capital and share premium are classified as equity. Costs incurred directly to the issue of Ordinary Shares are accounted for as a deduction from share premium, otherwise they are charged to the income statement.

Current and deferred income tax

The tax charge represents tax payable less a credit for deferred tax. The tax payable is based on profit for the year. Taxable profit differs from the loss for the year as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items of income or expense that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Going concern

The Historical Financial Information has been prepared on the assumption that the group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the Historical Financial Information.

Following the review of ongoing performance and cash flows, the Directors have a reasonable expectation that the group will have adequate resources to continue operational existence for the foreseeable future.

2. OPERATING LOSS

	2019	2018
	£	£
This is stated after charging/(crediting):		
Impairment of debtors	-	17,750
Gain on foreign exchange	-	13,114
Profit on disposal of investments	(11,279)	-
Impairment of investments	92,878	-
Auditor's remuneration		
- audit services	<u>7,860</u>	<u>5,940</u>

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. DIRECTORS' EMOLUMENTS

There were no employees during the period apart from the directors, who are the key management personnel. No directors had benefits accruing under money purchase pension schemes.

Group and Company	2019	2018
	£	£
Directors' Remuneration		
Fees	67,500	20,000
Salaries	15,000	-
	82,500	20,000
Social security costs	-	-
Key management personnel remuneration	82,500	20,000
Average number of employees	1	-

4. INCOME TAXES

a) Analysis of charge in the period

	2019	2018
	£	£
United Kingdom corporation tax at 19% (2018: 19%)	-	-
Deferred taxation	-	-
	-	-

b) Factors affecting tax charge for the period

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£	£
(Loss)/profit on ordinary activities before tax	(238,108)	(156,917)
(Loss)/profit multiplied by standard rate of tax	(45,241)	(29,814)
Effects of:		
Losses carried forward not recognised as deferred tax assets	45,241	29,814
	-	-

5. COMPANY LOSS FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not included its own income statement and statement of comprehensive income in these financial statements. The Company's loss for the year amounted to £228,971 (2018: £156,917 loss).

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributed to ordinary shareholders of £238,108 (2018: £156,917 loss) by the weighted average number of shares of 169,015,298 (2018: 138,826,404) in issue during the year. The diluted loss per share is calculated by dividing the loss attributed to ordinary shareholders of £238,108 (2018: £156,917) by the weighted average number of shares including the total number of options and warrants outstanding of 37,450,000 (2018: 42,500,000).

7. NON CURRENT ASSETS

Company	Available for sale	Investments	Subsidiaries	Loans	Total
	£	£	£	£	£
At 1 March 2017	-	-	-	-	-
Additions	-	175,433	-	-	175,433
Foreign exchange movements	-	-	-	-	-
Impairment	-	-	-	-	-
At 28 February 2018	-	175,433	-	-	175,433
Additions	265,658	147,822	583,049	6,281	1,002,810
Foreign exchange movements	-	-	-	-	-
Transfer	-	(1,320)	1,320	-	-
Disposals	(64,980)	(153,017)	-	-	(217,997)
Impairment	(92,878)	-	-	-	(92,878)
At 28 February 2019	107,800	168,919	584,369	6,281	867,368

8. NON CURRENT ASSETS

Group	Available for sale	Investments	Intangible fixed assets	Total
	£	£	£	£
At 1 March 2017	-	-	-	-
Additions	-	175,433	-	175,433
Foreign exchange movements	-	-	-	-
Impairment	-	-	-	-
At 28 February 2018	-	175,433	-	175,433
Additions	265,658	147,822	621,151	1,034,631
Foreign exchange movements	-	-	-	-
Transfer	-	(1,320)	-	(1,320)
Disposals	(64,980)	(153,017)	-	(217,997)
Impairment	(92,878)	-	-	(92,878)
At 28 February 2019	107,800	168,919	621,151	897,870

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Company	Investments	Loans	Total
	£	£	£
At 1 March 2017	-	-	-
Additions	-	-	-
Foreign exchange movements	-	-	-
Provision for impairment	-	-	-
At 28 February 2018	-	-	-
Additions	584,369	6,281	590,650
Foreign exchange movements	-	-	-
Provision for impairment	-	-	-
At 28 February 2019	584,369	6,281	590,650

At 28 February 2019 the Company held the following interests in subsidiary undertakings, which are included in the consolidated financial statements and are unlisted.

Name of company	Country of incorporation	Proportion held	Business
MetalNRG Australia (PTY) Ltd	Australia	100%	Exploration
Gold Ridge Holdings Limited	United States	100%	Mining

10. TRADE AND OTHER RECEIVABLES

Current	The Group 2019	The Group 2018	The Company 2019	The Company 2018
	£	£	£	£
Subscription for shares	35,000	-	35,000	-
Prepayments and accrued income	155,148	2,295	155,148	2,295
Other debtors	502	101	397	101
	190,650	2,396	190,545	2,396

The fair value of trade and other receivables approximates to their book value.

11. CASH AND CASH EQUIVALENTS

Cash at bank and in hand	The Group 2019	The Group 2018	The Company 2019	The Company 2018
	£	£	£	£
Cash at bank and in hand	24,168	209,673	23,846	209,673
	24,168	209,673	23,846	209,673

The fair value of cash at bank is the same as its carrying value.

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. TRADE AND OTHER PAYABLES

	The Group 2019	The Group 2018	The Company 2019	The Company 2018
Current	£	£	£	£
Trade creditors	162,355	6,945	124,428	6,945
Social Security	3,944	-	3,944	-
Accruals and deferred income	12,174	7,069	11,163	7,069
	178,473	14,014	139,535	14,014

The fair value of trade and other payables approximates to their book value.

13. CALLED UP SHARE CAPITAL

	2019 Number of shares	2019 £	2018 Number of shares	2018 £
Authorised share capital				
Ordinary shares of £0.0001	5,131,730,000	513,173	5,131,730,000	513,173
Deferred shares of £0.0049	48,332,003	236,827	48,332,003	236,827
Total	5,180,062,003	750,000	5,180,062,003	750,000

	2019 Number of shares	2019 £	2018 Number of shares	2018 £
Issued, called up and fully paid				
Ordinary shares of £0.0001	202,868,980	20,287	138,826,404	13,883
Deferred shares of £0.0049	48,332,003	236,827	48,332,003	236,827
Total	251,200,983	257,114	187,158,407	250,709

During the year the company issued ordinary shares as follows:

	Number of shares	Proceeds of issue £
13 April 2018 – partial consideration for acquisition of Palomino licence	2,500,000	37,500
13 April 2018 – placing for cash	2,500,000	50,000
8 June 2018 – warrant and options exercise	18,750,000	172,500
5 November 2018 – partial consideration for acquisition of Gold Ridge Holdings Ltd	21,942,576	383,995
15 November 2018 – placing for cash, Director options	18,200,000	159,500
18 December 2018 – placing for cash	150,000	3,000
Total	64,042,576	806,495

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CALLED UP SHARE CAPITAL, continued

As at 28 February 2019 MNRG had 37,450,000 warrants and options outstanding.

At the year-end there were the following directors share options:

4,500,000 exercisable share options held by directors on ordinary shares of £0.0001 each at an exercise price of £0.0075 per share. These expire on 7 November 2019.

5,000,000 exercisable share options held by directors on ordinary shares of £0.0001 each at an exercise price of £0.03 per share. These expire on 23 February 2021.

At the year-end there were the following share warrants:

2,500,000 exercisable share warrants held by directors on ordinary shares of £0.0001 each at an exercise price of £0.03 per share. These expire on 30 March 2021.

15,750,000 exercisable share warrants on ordinary shares of £0.0001 each at an exercise price of £0.03 per share. These expire on 8 June 2020.

9,700,000 exercisable share warrants on ordinary shares of £0.0001 each at an exercise price of £0.02 per share. These expire on 15 November 2020.

Each ordinary share is entitled to one vote in any circumstances. Each ordinary share is entitled pari passu to dividend payments or any other distribution and to participate in a distribution arising from a winding up of the Company.

Each deferred share has no voting rights and is not entitled to receive a dividend or other distribution. Deferred shares are only entitled to receive the amount paid up after the holders of ordinary shares have received the sum of £1 million for each ordinary share, and the deferred shares have no other rights to participate in the assets of the Company.

14. RESERVES

The following describes the nature and purpose of certain reserves within owners' equity:

Share premium: Amounts subscribed for share capital in excess of nominal value less costs of issue.

Profit and loss account: This reserve records retained earnings and accumulated losses.

Foreign currency reserve: Gains/losses arising on retranslating the net assets of the Group into pounds sterling.

15. CAPITAL COMMITMENTS

As at 28 February 2019, the Group / Company had no capital commitments (2018: £nil).

16. CONTINGENT LIABILITIES

There were no contingent liabilities at 28 February 2019 (2018: £nil).

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RELATED PARTY TRANSACTIONS

There is no individual with ultimate overall control of the Company.

C.P. Latilla-Campbell is a director and shareholder of the Company and also a director and sole shareholder of London Finance & Investment Corporation Limited (LFIC). Accountancy charges incurred by the Company amounting to £3,000 (2018: £3,750) represent proportional recharges in respect of the time spent on Company business by the LFIC company accountant. At the year end there was £nil (2018: £250) outstanding to LFIC.

R Gerritsen is a director and shareholder of the Company. During the year he provided consultancy services totalling £67,500 (2018: £20,000) in respect of his fees as a director of the Company.

R Gerritsen is a director of AIM listed Company Cobra Resources plc. On 15 November 2018 the Company entered into an Advisory Service Agreement with Cobra Resources plc whereby MetalNRG plc (the “Adviser”) agreed to provide advisory services to Cobra Resources plc during its admission to the main market on the London Stock Exchange. MetalNRG plc was entitled to a fee in connection with Admission to be satisfied by the issued of 4,166,666 new ordinary shares in Cobra Resources plc, amounting to £62,500.

18. EVENTS AFTER THE REPORTING PERIOD

Admission to the main market

Prior to the proposed Uranium Ban, MetalNRG had submitted a draft prospectus to the FCA in connection with its application for Admission. Due to the unforeseen nature of the proposed Uranium Ban, the Company is temporarily delaying the application for Admission, and will make further announcements in due course. The intention is to move the re listing of the company shares forward within the next few months.

19. TRANSITION TO IFRS

These are the first financial statements that comply with IFRS. The company transitioned to IFRS on 1 March 2017.

No transitional adjustments were required in equity or profit or loss for the year