

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or as to what action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 ("**FSMA**"), who specialises in advising on the acquisition of shares and other securities if you are resident in the United Kingdom ("**UK**"), or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your registered holding of ordinary shares of nominal value 0.01 pence each ("**Ordinary Shares**") in the capital of MetalNRG plc (the "**Company**" or "**MetalNRG**"), please forward this document at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold only part of your holding of Ordinary Shares, please contact the bank, stockbroker or other agent through whom or by whom the sale or transfer was made immediately.

This document comprises a prospectus relating to the Company prepared in accordance with the prospectus rules of the UK Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA (the "**Prospectus Rules**") and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules by being made available, free of charge, at www.metalnrg.com and at the Company's registered office at 1 Ely Place, London EC1N 6RY UK.

Application will be made to the FCA for the Company's entire issued ordinary share capital comprising 203,368,980 existing Ordinary Shares already in issue (the "**Existing Ordinary Shares**") and 94,333,326 Ordinary Shares to be issued in connection with a placing to certain investors (the "**Placing**") at the issue price of 0.3 pence per Ordinary Share (the "**Placing Price**") (the "**Placing Shares**", and together with the Existing Ordinary Shares, the "**Enlarged Issued Share Capital**") to be admitted to listing on the standard segment of the official list (the "**Official List**"), maintained by the FCA ("**Standard Listing**"), in its capacity as competent authority under FSMA (the "**UKLA**") (under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA (the "**Listing Rules**")) and to trading on the main market for listed securities (the "**Main Market**") of London Stock Exchange plc (the "**London Stock Exchange**") (together, "**Admission**"). The Ordinary Shares are expected to be traded under the symbol "MNRG". It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 23 July 2019.

The Ordinary Shares are currently admitted to trading on the NEX Exchange Growth Market ("**NEX Growth Market**") under the symbol "MNRG". Trading on NEX Growth Market will be cancelled simultaneously with Admission.

The whole of the text of this document should be read by prospective investors. Your attention is specifically drawn to the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares, as set out in Part II — *Risk Factors* of this document.

The Company and the directors, whose names appear on page 46 of this document (the "**Directors**" or "**Board**"), accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

MetalNRG

METALNRG PLC

(Incorporated and registered in England & Wales with registered number 05714562)

Proposed Placing of up to 94,333,326 Placing Shares to raise £283,000 at a Placing Price of 0.3 pence

**per share each with warrants attached on a one for one basis
and**

Admission of the Enlarged Issued Share Capital to the Official List (by way of Standard Listing pursuant to Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange

Joint Bookrunners



SI Capital Limited



Peterhouse Capital Limited

This document does not constitute an offer to sell or an invitation to purchase or subscribe for, or the solicitation of an offer or invitation to purchase or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with premium listings on the Official List ("**Premium Listing**"), which are subject to additional obligations under the Listing Rules.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933 (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the US or under applicable securities laws of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan, South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction (a "**Restricted Jurisdiction**").

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission (the "**SEC**"), any State securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed comment upon or endorsed the merits of the Placing or adequacy of this document. Any representations to the contrary is a criminal offence in the US.

SI Capital Limited ("**SI Capital**") and Peterhouse Capital Limited ("**Peterhouse Capital**") (the "**Joint Bookrunners**"), who are authorised and regulated by the FCA, are acting jointly for the Company in connection with the Placing and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing or any other matter referred to herein. The Joint Bookrunners have not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by the Joint Bookrunners nor do they make any representation or warranty, express or implied, for the accuracy or completeness of any information or opinion contained in this document or for the omission of any information. Nothing in this document shall be relied upon as a promise or representation in this respect, whether as to the past or the future (without limiting the statutory rights of any person to whom this document is issued). The Joint Bookrunners expressly disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise which it might otherwise have in respect of this document.

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PART I

SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
A.1	Warning to investors	<p>This summary should be read as an introduction to this document.</p> <p>Any decision to invest in the Ordinary Shares should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document is brought before a court the plaintiff investor might, under the national legislation of any member state of the European Economic Area (the “EEA”) (each, a “Member State”), have to bear the costs of translating this document before legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such Ordinary Shares.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. There will be no resale or final placement of Ordinary Shares by financial intermediaries.

Section B – the Issuer		
B.1	Legal and commercial name	The legal and commercial name of the issuer is MetalNRG plc.
B.2	Domicile and legal form	The Company was incorporated in England and Wales on 20 February 2006 as a public company with limited liability under the UK Companies Act 1985 with an indefinite life.

B.3	Current operations/principal activities and markets	<p>The Company's new investing policy, approved at a general meeting on 11 March 2016 by way of special resolution (the "New Investing Policy") is to invest in and/or acquire companies or projects within the natural resources sector, with potential for growth or value creation. For those projects that offer substantial growth opportunity, the Company will seek a controlling interest and maintain a medium to long term investment view. For those projects that offer value creation opportunities, the Company will seek to list such projects on an appropriate stock exchange and crystallize value in the short term. The New Investing Policy also allows the Company to consider opportunities in other related sectors if the Board considers that there is an opportunity to generate an attractive return for shareholders. Such related sectors may include natural resource technologies and fintech opportunities offering leverage to resource identification, processing, recording, storage and trading businesses.</p> <p>The opportunities will be managed in one of the two divisions that the Company has created under the New Investing Policy: the Direct Investment Division and the Indirect Investment Division.</p> <p>The Company's Direct Investment Division will have majority investments, board control and add value to the projects that it invests in. The Company intends to take an active role in these projects and will drive them along the value chain creating long term Shareholder value.</p> <p>The Company's Indirect Investment Division will invest in privately owned projects that can be structured, packaged and then listed on a major stock exchange ("IPO"). The Company's role will be to coordinate and facilitate any pre-IPO funding and the IPO process itself, making sure that the appropriate advisors are in place to deliver the IPO in a cost and time efficient manner. The Company will invest directly in some of these opportunities, will earn fees, payable in shares, upon delivering pre-determined milestones. The Company may take minority stakes in projects and will be able trade such shares as it sees fit.</p>
B.4a	Significant recent trends	<p>The global gold market is currently undergoing a geographic change as markets in the Far East, such as China and India, are consuming a much larger amount of gold than in previous years and, as a result, are enjoying an increasing share of the global market. The future of the market will likely be influenced by new technologies, such as blockchain, making transactions in gold as a commodity more cost efficient for market participants. Similarly, new participants to the gold market, traditionally dominated by banks, will likely continue to have an impact on the price of gold in 2019. These new participants include, for example, hedge funds and retail investors.</p>

		<p>The most significant recent trend in the global cobalt market, which looks set to continue in 2019, is the increasing demand for cobalt as a key component of lithium-ion batteries (such batteries being used to power electric vehicles). The Democratic Republic of Congo, the world's largest producer of cobalt, recently introduced legislation which increased royalties and taxes on the extraction of cobalt within its territory, increasing extraction costs for producers.</p> <p>The global market has seen a consistent, albeit moderate, uranium price growth throughout the second half of 2018, likely stimulated by the global reduction in stockpiles of the commodity at production sites. This trend is forecast to continue into 2019, particularly as the uranium market sees increased interest from US-based funds interested in investing in the commodity. The uranium market has recently experienced increased demand, particularly from countries such as China where more nuclear reactors are being built. The demand for uranium may further increase if other countries attempt to compete with the Chinese market in terms of uranium production. For example, in 2018, there were requests by the Minerals Council of Australia and certain uranium producers in the US for an expansion in production.</p>
B.5	Group structure	<p>The Company currently has two wholly-owned subsidiaries: (1) MetalNRG Australia Pty Ltd ("MetalNRG Australia"), which is incorporated in Australia with Australian Company Number 620 704 663 and which will hold the exploration licence for the Company's cobalt mining project in western Australia (the "Palomino Cobalt Project"); and (2) Goldridge Holdings Limited ("Goldridge Holdings"), which is incorporated in British Columbia under the Canada Business Corporations Act (R.S.C.) 1985 and which serves as the operating company for the Company's gold mining asset in Arizona (the "Gold Ridge Project"). On 25 July 2018, the Company signed a sale and purchase agreement (the "Gold Ridge Acquisition Agreement") with Winston Gold Corp. ("Winston Gold") pursuant to which the Company agreed to purchase all of the issued and outstanding shares of Winston Gold's wholly owned subsidiary, Goldridge Holdings, for cash payments totalling US\$219,220 and 21,942,576 Ordinary Shares in the Company at a deemed price of 1.75 pence per share. On 5 November 2018, the Company announced the completion of the Gold Ridge Acquisition Agreement and that 21,942,576 Ordinary Shares had been issued to Winston Gold.</p> <p>As part of a binding option agreement entered into by the Company on 22 March 2018 to sell its 15.38 per cent. shareholding in US Cobalt Pty Ltd ("US Cobalt") to Tyranna Resources Limited ("Tyranna"), an exploration company listed on the Australian Stock Exchange, the Company received 21,719,457 shares in Tyranna, which at the deemed price of A\$0.017, equates to a consideration received of</p>

		<p>A\$369,231 or circa £211,327 (at A\$:GBP exchange rate on 20 September 2018). 25 per cent. of the consideration shares (i.e., 5,429,864 Tyranna shares) remain under a voluntary escrow for a six month period following the date of the sale and purchase agreement for the consideration shares, being 21 August 2018. On 21 September 2018, the sale and purchase agreement for the consideration shares was approved by the Tyranna shareholders.</p> <p>On 16 August 2018, the Company announced that it had signed an option agreement (the “Option Agreement”) with International Mining Company Invest Inc (“IMC”) to acquire a majority interest in the Kamyshanovskoye uranium project (the “Uranium Project”) in the Kyrgyz Republic. Under the Option Agreement, the Company could acquire up to 51 per cent. of the share capital in a new holding company (“Newco”) into which IMC would transfer exploration licence number 2276 (the “Exploration Licence”), which grants the right to operate the Uranium Project in full.</p> <p>On 5 December 2018, the Company entered into an agreement with IMC amending the Option Agreement (the “Amended Option Agreement”) to restructure the cash payments paid by the Company in order to progress the application of the mining licence (as defined below) at the Uranium Project.</p> <p>On 22 January 2019, the State Committee for the Reserves of Minerals of the Kyrgyz Republic (the “State Committee for Reserves”) granted the Company’s application to convert the Exploration Licence, which expired on 31 December 2018, to a new mining licence (the “Mining Licence”) for 3,371.1 tonnes of reserves (8.741 million lbs U₃O₈).</p> <p>On 26 March 2019, the Company and IMC entered into a farm-in letter agreement (the “Farm-in Letter Agreement”) replacing the terms of the Option Agreement and the Amended Option Agreement entirely. Under the terms of the Farm-in Letter Agreement, the Company and IMC acknowledge that the Company has, as at 26 March 2019, paid the total sum of US\$170,650 towards the Uranium Project (the “Initial Payment”). Further, under the Farm-in Letter Agreement the Company agreed to transfer to IMC the sum of US\$400,000 (the “Second Payment”) at a future date to be agreed. The Second Payment shall represent an entitlement (the “Entitlement”) to an economic interest of 51 per cent. in the assets and operations subject to the Mining License. The Second Payment is to be made using part of the Net Placing Proceeds. In order to maintain the Entitlement, the Company has also agreed, under the Farm-in Letter Agreement, to pay IMC a further US\$1,989,350 into over 18 months for the sole purpose of funding development costs at the Uranium Project. This sum shall be paid by the Company in three instalments, payable in November 2019, April 2020 and October 2020, each of US\$663,117 (the “Tranche Payments”).</p>
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		<p>IMC shall not be prohibited from entering into discussions with third party investors in connection with obtaining project finance in relation the Uranium Project. However, before entering into any project finance agreement with any third party investor (a “Project Finance Offer”), IMC must offer the same terms to the Company, and the Company shall have a right of first refusal on any Project Finance Offer made to a third party investor (the “Right of First Refusal”). If the Company elects to provide funding equal to the amount of the Project Finance Offer, upon such funds being received by IMC, the Company and IMC shall commit to increase the Entitlement over the economic interest in the Uranium Project by way of further agreement at a date to be agreed between the parties.</p> <p>If the Company cannot satisfy any of the Tranche Payments as they fall due (a “Default”), the Right of First Refusal shall not apply. Following any Default, IMC shall have the right, subject to approval by the Company, to enter into project finance arrangements with third party investors in relation to the Uranium Project, and the Company and IMC shall commit to re-distributing the Entitlement (by reference to the then prevailing market value of the Uranium Project) by way of further agreement accordingly at a date to be agreed between the parties.</p> <p>On 2 May 2019, the parliament of the Kyrgyz Republic voted to ban all uranium exploration and mining in Kyrgyzstan indefinitely (the “Uranium Ban”). The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In response to the Uranium Ban, the Company and IMC entered into a side letter to the Farm-in Letter Agreement on 3 May 2019 (the “Side Letter”). Under the Side Letter, the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban.</p> <p>Under the Side Letter, the Company and IMC have agreed that IMC will waive the obligation of the Company to pay the Second Payment and the Tranche Payments. From the effective date of the Side Letter, and throughout the duration of the Uranium Ban, the Right of First Refusal shall continue to apply in favour of the Company. If the Uranium Ban continues for a period of 12 months from the date of the Side Letter, the Company shall have the right to terminate the Farm-in Letter Agreement in its entirety by written notice to IMC and the Company shall not be liable for any unpaid payments thereunder.</p> <p>If, within 12 months of the date of the Side Letter, either (i) the Uranium Ban ceases to be in force or (ii) the government of the Kyrgyz Republic allows IMC to progress work under the Mining License for the sole purpose of processing waste (an exemption under the Uranium Ban (the “Waste Exemption”)), the Company may, in its sole discretion, elect to re-enter the Farm-in Letter Agreement, subject to the</p>
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		<p>adjustment, if necessary, of the Agreed Dates in relation to the Tranche Payments and valuation of the Uranium Project.</p> <p>The Company and IMC maintain the position that the activities at the Uranium Project of ‘cleaning’ the peat and contained groundwater, which carries high levels of uranium (such uranium often contaminating the local water supplies), amount to those of processing waste and accordingly fall under the Waste Exemption. The Company and IMC are currently discussing this position with the government of the Kyrgyz Republic.</p> <p>On 29 April 2019, the Company entered into a non-binding heads of terms agreement (the “Mkango Heads of Terms Agreement”) with Mkango Resources Ltd and Lancaster Exploration Limited in order to explore the possibility to earn a 75 per cent. economic interest in the Exclusive Prospecting Exploration License 0303/10R3 for exploration targets of uranium, niobium and tantalum (the “Thambani License”) over a three year period. Following a period of due diligence, the Company announced on 28 June 2019 that it would not be pursuing the opportunity and terminated the Mkango Heads of Terms Agreement.</p>																																																																						
B.6	Major shareholders	<p>Each of the following persons, directly or indirectly, has an interest in MetalNRG’s capital or voting rights which is notifiable under English law:</p> <table><thead><tr><th></th><th><i>Number of Existing Ordinary Shares held as at the date of this document</i></th><th><i>Percentage of the Existing Issued Share Capital held as at the date of this document</i></th><th><i>Number of Ordinary Shares held immediately following Admission</i></th><th><i>Percentage of the Enlarged Issued Share Capital held immediately following Admission</i></th></tr></thead><tbody><tr><td><i>Name</i></td><td></td><td></td><td></td><td></td></tr><tr><td>Jim Nominees Limited</td><td>53,027,341</td><td>26.07%</td><td>56,360,674</td><td>18.93%</td></tr><tr><td>Buchanan Trading Inc</td><td>24,750,000</td><td>12.17%</td><td>24,750,000</td><td>8.31%</td></tr><tr><td>Share Nominees Limited</td><td>22,758,497</td><td>11.19%</td><td>22,758,497</td><td>7.64%</td></tr><tr><td>Winston Gold Corp</td><td>21,942,576</td><td>10.79%</td><td>21,942,576</td><td>7.37%</td></tr><tr><td>Peterhouse Capital Limited</td><td>–</td><td>–</td><td>16,666,666</td><td>5.59%</td></tr><tr><td>Winterflood Securities Limited</td><td>11,287,293</td><td>5.55%</td><td>11,287,293</td><td>3.79%</td></tr><tr><td>N Grant</td><td>–</td><td>–</td><td>10,000,000</td><td>3.35%</td></tr><tr><td>C Latilla-Campbell</td><td>–</td><td>–</td><td>9,333,333</td><td>3.13%</td></tr><tr><td>Hargreaves Lansdown (Nominees) Limited</td><td>9,640,364</td><td>4.74%</td><td>–</td><td>–</td></tr><tr><td>Interactive Investor Services Nominees Limited</td><td>7,500,000</td><td>3.69%</td><td>–</td><td>–</td></tr><tr><td>CGWL Nominees Limited</td><td>6,790,442</td><td>3.34%</td><td>–</td><td>–</td></tr><tr><td>Pershing Nominees Limited</td><td>6,500,000</td><td>3.20%</td><td>–</td><td>–</td></tr></tbody></table>		<i>Number of Existing Ordinary Shares held as at the date of this document</i>	<i>Percentage of the Existing Issued Share Capital held as at the date of this document</i>	<i>Number of Ordinary Shares held immediately following Admission</i>	<i>Percentage of the Enlarged Issued Share Capital held immediately following Admission</i>	<i>Name</i>					Jim Nominees Limited	53,027,341	26.07%	56,360,674	18.93%	Buchanan Trading Inc	24,750,000	12.17%	24,750,000	8.31%	Share Nominees Limited	22,758,497	11.19%	22,758,497	7.64%	Winston Gold Corp	21,942,576	10.79%	21,942,576	7.37%	Peterhouse Capital Limited	–	–	16,666,666	5.59%	Winterflood Securities Limited	11,287,293	5.55%	11,287,293	3.79%	N Grant	–	–	10,000,000	3.35%	C Latilla-Campbell	–	–	9,333,333	3.13%	Hargreaves Lansdown (Nominees) Limited	9,640,364	4.74%	–	–	Interactive Investor Services Nominees Limited	7,500,000	3.69%	–	–	CGWL Nominees Limited	6,790,442	3.34%	–	–	Pershing Nominees Limited	6,500,000	3.20%	–	–
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Pershing Nominees Limited	6,500,000	3.20%	–	–																																																																				

B.7	Selected historical key financial information	<p>Set out below are details of the significant changes in the financial condition, operating results and trading position of the Company for the period since 28 February 2019.</p> <ul style="list-style-type: none">On 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of the Uranium Ban. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In response to the Uranium Ban, the Company and IMC entered into the Side Letter, under which the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban. <p>Save as disclosed above, there has been no significant change in the financial condition and operating results of the Company during or subsequent to the periods covered by the selected historical financial information of the Company</p> <p>The tables below set out the summary audited financial information of the Company as derived from the financial information of the Company as at 28 February 2019, 28 February 2018 and 28 February 2017:</p> <p>STATEMENT OF INCOME</p> <table><tr><th></th><th>28 February 2019 £</th><th>Year Ended 28 February 2018 £</th><th>28 February 2017 £</th></tr><tr><td>CONTINUING OPERATIONS</td><td></td><td></td><td></td></tr><tr><td>Revenue</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Administrative expenses</td><td>(249,692)</td><td>(157,037)</td><td>(37,983)</td></tr><tr><td>Other operating income</td><td>11,279</td><td>–</td><td>–</td></tr><tr><td>OPERATING LOSS</td><td>(238,413)</td><td>(157,037)</td><td>(37,983)</td></tr><tr><td>Finance income</td><td>305</td><td>120</td><td>–</td></tr><tr><td>LOSS BEFORE INCOME TAX</td><td>(238,108)</td><td>(156,917)</td><td>(37,983)</td></tr><tr><td>Income tax</td><td>–</td><td>–</td><td>–</td></tr><tr><td>LOSS FOR THE PERIOD</td><td>(238,108)</td><td>(156,917)</td><td>(37,983)</td></tr></table> <p>STATEMENT OF COMPREHENSIVE INCOME</p> <table><tr><th></th><th>28 February 2019 £</th><th>Year Ended 28 February 2018 £</th><th>28 February 2017 £</th></tr><tr><td>Loss after tax</td><td>(238,108)</td><td>(156,917)</td><td>(37,983)</td></tr><tr><td>Items that may subsequently be reclassified to profit or loss:</td><td></td><td></td><td></td></tr><tr><td>Foreign exchange movements</td><td>1,127</td><td>–</td><td>–</td></tr><tr><td>Total comprehensive loss</td><td>(236,981)</td><td>(156,917)</td><td>(37,983)</td></tr></table>		28 February 2019 £	Year Ended 28 February 2018 £	28 February 2017 £	CONTINUING OPERATIONS				Revenue	–	–	–	Administrative expenses	(249,692)	(157,037)	(37,983)	Other operating income	11,279	–	–	OPERATING LOSS	(238,413)	(157,037)	(37,983)	Finance income	305	120	–	LOSS BEFORE INCOME TAX	(238,108)	(156,917)	(37,983)	Income tax	–	–	–	LOSS FOR THE PERIOD	(238,108)	(156,917)	(37,983)		28 February 2019 £	Year Ended 28 February 2018 £	28 February 2017 £	Loss after tax	(238,108)	(156,917)	(37,983)	Items that may subsequently be reclassified to profit or loss:				Foreign exchange movements	1,127	–	–	Total comprehensive loss	(236,981)	(156,917)	(37,983)
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STATEMENT OF FINANCIAL POSITION			
	<i>28 February</i>	<i>As At</i> <i>28 February</i>	<i>28 February</i>
	<i>2019</i>	<i>2018</i>	<i>2017</i>
	£	£	£
ASSETS			
Intangible fixed assets	621,151	—	—
Investments	168,919	175,433	—
Available for sale assets	107,800	—	—
	<u>897,870</u>	<u>175,433</u>	<u>—</u>
CURRENT ASSETS			
Trade and other receivables	190,650	2,396	23,181
Cash and cash equivalents	24,168	209,673	128,526
	<u>214,818</u>	<u>212,069</u>	<u>151,707</u>
TOTAL ASSETS	<u>1,112,688</u>	<u>387,582</u>	<u>151,707</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	178,473	14,014	8,308
TOTAL LIABILITIES	<u>178,473</u>	<u>14,014</u>	<u>8,308</u>
TOTAL EQUITY AND LIABILITIES	<u>1,112,688</u>	<u>387,502</u>	<u>151,707</u>
SHAREHOLDERS' EQUITY			
Called up share capital	257,114	250,709	243,563
Share premium	1,886,524	1,095,221	715,361
Retained earnings	(,1210,855)	(972,442)	(815,525)
Foreign currency reserve	1,127	—	—
TOTAL EQUITY	<u>934,215</u>	<u>373,488</u>	<u>143,399</u>

STATEMENT OF CASHFLOWS			
	<i>28 February 2019 £</i>	<i>Year ended 28 February 2018 £</i>	<i>28 February 2017 £</i>
Cash flows from operating activities			
Loss for the period before taxation	(238,108)	(156,917)	(37,983)
<i>Adjustment for:</i>			
Finance income	(305)	(120)	–
Profit on disposal of investments	(11,279)	–	–
Shares received in lieu of fees	(62,500)	–	–
Impairment of investments	92,878	–	–
	<u>(219,314)</u>	<u>(157,037)</u>	<u>(37,983)</u>
<i>Changes in:</i>			
Trade and other debtors	(153,254)	20,785	(4,431)
Trade and other creditors	<u>129,078</u>	<u>5,706</u>	<u>(2,191)</u>
Cash generated from operations	<u>(243,490)</u>	<u>(130,546)</u>	<u>(44,605)</u>
Cash flows from Investing activities			
Purchase of fixed asset investments	(147,822)	(175,433)	–
Purchase of intangible assets	(621,251)	–	–
Proceeds from sale of assets	26,118	–	–
Creditors on acquisition	<u>37,927</u>	<u>–</u>	<u>–</u>
Cash used in investing activities	<u>(705,028)</u>	<u>(175,433)</u>	<u>–</u>
Cash flows from financing activities			
Issue of shares	762,708	387,006	50,004
Interest received	<u>305</u>	<u>120</u>	<u>–</u>
Cash generated by Financing activities	<u>763,013</u>	<u>387,126</u>	<u>50,004</u>
Net (decrease)/increase in cash and cash equivalents	(185,505)	81,147	5,399
Cash and cash equivalents at beginning of year	<u>209,673</u>	<u>128,526</u>	<u>123,127</u>
Cash and cash equivalents at end of year	<u>24,168</u>	<u>209,673</u>	<u>128,526</u>

B.8	Selected key <i>pro forma</i> financial information	<p>The pro forma financial information (the “Pro Forma Financial Information”) has been prepared on the basis described, for illustrative purposes only, to provide financial information about how the Gold Ridge Project (the “Acquisition”) might affect the income, expenses and net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the financial year ended 28 February 2019 as if the Acquisition had occurred on 1 March 2018. This report is required by Annex I, item 20.2 of Commission Regulation (EC) N 809/2004 Rules and is given for the purpose of complying with that requirement and for no other purpose.</p> <p>The Company and the Acquisition is, where the context requires, together referred to as the “Enlarged Group”).</p> <p>The Pro Forma Financial Information comprises the unaudited pro forma income statement for the year ended 28 February 2019 prepared based on the consolidated income statement of the Enlarged Group for the year ended 28 February 2019. The Acquisition is already integrated in the statement of financial position in the Company’s audited financial statements for the financial year ended 28 February 2019, and therefore no pro forma statement of financial position is required.</p> <p>Unaudited Pro Forma Income Statement of the Enlarged Group year ended 28 February 2019</p> <p>The consolidated pro forma statement of income of the Group is set out below:</p> <table><tr><th></th><th><i>MetalNRG Group as reported £</i></th><th><i>Goldridge Holdings Limited £</i></th><th><i>Pro Forma Adjustments £</i></th><th><i>Pro Forma Consolidated Income Statement £</i></th></tr><tr><td>CONTINUING OPERATIONS</td><td></td><td></td><td></td><td></td></tr><tr><td>Revenue</td><td>–</td><td>–</td><td>–</td><td>–</td></tr><tr><td>Administrative expenses</td><td>(249,692)</td><td>(16,274)</td><td></td><td>(265,966)</td></tr><tr><td>Other operating income</td><td>11,279</td><td>55,642</td><td>–</td><td>66,921</td></tr><tr><td>OPERATING (LOSS)/PROFIT</td><td>(238,413)</td><td>39,368</td><td>–</td><td>(199,045)</td></tr><tr><td>Finance Income</td><td>305</td><td>–</td><td>–</td><td>305</td></tr><tr><td>(LOSS)/PROFIT BEFORE INCOME TAX</td><td>(238,108)</td><td>39,368</td><td>–</td><td>(198,740)</td></tr><tr><td>Income Tax</td><td>–</td><td>–</td><td>–</td><td>–</td></tr><tr><td>(LOSS)/PROFIT FOR THE YEAR</td><td>(238,108)</td><td>39,368</td><td>–</td><td>(198,740)</td></tr></table>		<i>MetalNRG Group as reported £</i>	<i>Goldridge Holdings Limited £</i>	<i>Pro Forma Adjustments £</i>	<i>Pro Forma Consolidated Income Statement £</i>	CONTINUING OPERATIONS					Revenue	–	–	–	–	Administrative expenses	(249,692)	(16,274)		(265,966)	Other operating income	11,279	55,642	–	66,921	OPERATING (LOSS)/PROFIT	(238,413)	39,368	–	(199,045)	Finance Income	305	–	–	305	(LOSS)/PROFIT BEFORE INCOME TAX	(238,108)	39,368	–	(198,740)	Income Tax	–	–	–	–	(LOSS)/PROFIT FOR THE YEAR	(238,108)	39,368	–	(198,740)
	<i>MetalNRG Group as reported £</i>	<i>Goldridge Holdings Limited £</i>	<i>Pro Forma Adjustments £</i>	<i>Pro Forma Consolidated Income Statement £</i>																																																
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		<p>Consolidated statement of Comprehensive Income</p> <p>The pro forma consolidated statement of comprehensive income of the Group is set out below:</p> <table><tr><td></td><td><i>MetalNRG Group as reported £</i></td><td><i>Goldridge Holdings Limited £</i></td><td><i>Pro Forma Adjustments £</i></td><td><i>Pro Forma Consolidated Income Statement £</i></td></tr><tr><td>(Loss)/Profit after tax</td><td>(238,108)</td><td>39,368</td><td>–</td><td>(198,740)</td></tr><tr><td>Items that may subsequently be reclassified to profit or loss:</td><td></td><td></td><td></td><td></td></tr><tr><td>– Foreign exchange movements</td><td><u>1,127</u></td><td><u>–</u></td><td><u>–</u></td><td><u>1,127</u></td></tr><tr><td>TOTAL COMPREHENSIVE (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</td><td><u>(236,981)</u></td><td><u>39,368</u></td><td><u>–</u></td><td><u>(197,613)</u></td></tr></table> <p>Notes to the Pro Forma Income Statement for the year ended 28 February 2019</p> <p>The financial information for the Company for the year ended 28 February 2019 has been extracted from the Company’s audited financial statements for the year ended 28 February 2019 incorporated by reference in <i>Part XII – Historical Information of the Company</i>, of this document.</p> <p>The financial information for Goldridge Holdings not already included in the Company’s consolidated income statement has been extracted from the financial records of Goldridge Holdings for the period 01 January 2018 to 05 November 2018, being the actual date of acquisition. The reporting accountant is of the view that the results for the period 01 March 2018 to 05 November 2018 are equal to those for the period of account.</p> <p>As there was no trading between the Company and Goldridge Holdings for the period under review, no pro forma adjustments are required.</p>		<i>MetalNRG Group as reported £</i>	<i>Goldridge Holdings Limited £</i>	<i>Pro Forma Adjustments £</i>	<i>Pro Forma Consolidated Income Statement £</i>	(Loss)/Profit after tax	(238,108)	39,368	–	(198,740)	Items that may subsequently be reclassified to profit or loss:					– Foreign exchange movements	<u>1,127</u>	<u>–</u>	<u>–</u>	<u>1,127</u>	TOTAL COMPREHENSIVE (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u>(236,981)</u>	<u>39,368</u>	<u>–</u>	<u>(197,613)</u>
	<i>MetalNRG Group as reported £</i>	<i>Goldridge Holdings Limited £</i>	<i>Pro Forma Adjustments £</i>	<i>Pro Forma Consolidated Income Statement £</i>																							
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TOTAL COMPREHENSIVE (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u>(236,981)</u>	<u>39,368</u>	<u>–</u>	<u>(197,613)</u>																							
B.9	Profit forecast or estimate	Not applicable. The Company has not made any profit forecasts or estimates which remain outstanding as at the date of this document.																									
B.10	Qualified audit report	Not applicable. There are no qualifications in the accountant’s report on the historical financial information.																									
B.11	Working capital	In the opinion of the Company, taking into account the Net Placing Proceeds (as defined below) receivable by the Company pursuant to the Placing, the working capital available to the Group is sufficient for the Group’s present requirements, that is, for at least 18 months from the date of this document.																									

Section C – Securities		
C.1	Description of the type and the class of the securities being offered	The Placing Shares being offered in the Placing are Ordinary Shares with a nominal value of 0.01 pence each in the capital of the Company. Applications will be made for the Enlarged Issued Share Capital to be admitted to the Official List with a Standard Listing and to trading on the Main Market of the London Stock Exchange. The Ordinary Shares are registered with ISIN GB00B15FS791, SEDOL code B15FS79 and have a TIDM MNRG.
C.2	Currency of the securities issue	The currency of the securities issue is UK pounds sterling.
C.3	Issued share capital	203,368,980 Ordinary Shares have been issued at the date of this document, all of which have been fully paid up.
C.4	Rights attached to the securities	<p>Subject to the provisions of the articles of association (the “Articles”), and in particular to those conferring rights of redemption, and without prejudice to any special rights conferred on the holders of any shares or class of shares, Ordinary Shares may be issued with or have attached to them such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Directors may determine.</p> <p>Subject to the UK Companies Act 2006 (the “Companies Act”), Ordinary Shares may be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may by special resolution determine.</p> <p>The Board may issue share warrants to bearer in respect of any fully paid shares under the Company’s seal or in any other manner authorised by the Board. Any Ordinary Shares while represented by such warrant shall be transferable by delivery of the warrant relating to it. In any case in which a warrant is so issued, the Board may provide for the payment of dividends or other moneys on the Ordinary Shares represented by the warrant by coupons or otherwise. The Board may decide, either generally or in any particular case, that any signature on a warrant may be applied by mechanical means or printed on it or that the warrant need not be signed by any person.</p>
C.5	Restrictions on transferability	Not applicable. The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer. Each Shareholder may transfer all or any of their Ordinary Shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each Shareholder may transfer all or any of their Ordinary Shares which are in uncertificated form by means of a ‘relevant system’ (i.e., CREST) in such manner provided for, and subject as provided in, the Regulations.

C.6	Application for admission to trading on a regulated market	<p>Application has been made for the Enlarged Issued Share Capital to be admitted to trading on the London Stock Exchange's Main Market, which is a regulated market.</p> <p>Application has also been made to the FCA for the Enlarged Issued Share Capital to be admitted to the Official List by way of a Standard Listing.</p> <p>It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8.00 a.m. on 23 July 2019.</p> <p>No application has been made or is currently intended to be made for the Ordinary Shares to be admitted to trading on any other exchange.</p>
C.7	Dividend policy	<p>The Company's current intention is to retain earnings, if any, for use in its future business operations and expansion. The Company will only pay dividends if deemed commercially appropriate by the Board and to the extent that to do so is in accordance with the Companies Act and all other applicable laws. There can be no assurance that the Company will declare or pay, or have the ability to declare and pay, any dividends in the future.</p>

Section D – Risks

D.1	Key information on the key risks that are specific to the issuer or its industry	<ul style="list-style-type: none"> • There may be significant competition in some or all of the acquisition opportunities that the Company may explore, which may cause the Company to be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case. • The Company may be unable to complete an acquisition in a timely manner or at all or to fund the operations of the target business if it does not obtain additional funding following completion of the acquisition. • The Company may be subject to risks particular to one or more countries in which it ultimately operates, including regulatory compliance risks and foreign investment and exchange risks. • The activities of the Company and the viability of its projects will be subject to fluctuations in demand and prices of base, battery and precious metals. These prices fluctuate widely and may be affected by numerous factors beyond the Company's control, including global supply and demand, political and economic conditions, speculative activities, expectations of inflation, interest rates and currency exchange rate fluctuations. The effect of these factors on the price of base and precious metals cannot accurately be predicted.
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		<ul style="list-style-type: none"> • The activities of the Company are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geological formations or other geological or grade problems. It is not always possible to fully insure against such risks as a result of high premiums or other reasons (including those in respect of past mining activities for which the Company was not responsible). Should such liabilities arise, they could reduce or eliminate any future profitability, result in increasing costs or the loss of its assets and a decline in the value of the Ordinary Shares. • The estimating of mineral reserves and mineral resources is a subjective process and the estimates of mineral reserves and resources for projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, anticipated climatic conditions and other factors. • Mineral exploration and development can be highly speculative in nature and involve a high degree of risk. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. • The gold price is volatile and affected by factors beyond the Company's control. • The Uranium Project is dependent on the uranium price, which is volatile and affected by factors beyond the Company's control. • There is no public market for the sale of triuranium octoxide ("U₃O₈") and it is therefore an illiquid commodity. The pool of typical potential purchasers and sellers of U₃O₈ is limited and the Directors consider the spot market for U₃O₈ to be thinly traded. Following Admission, it is possible that the Company, through the Uranium Project, may not be able to source opportunities to acquire material quantities of U₃O₈.
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		<ul style="list-style-type: none"> • The Uranium Project is located in Kyrgyzstan and accordingly the Company will be subject to the risks and uncertainties associated with operating in such an environment. These risks and uncertainties include, but are not limited to periods, particularly in winter, when the Kamyshanovskoye mine may become inaccessible by road or river, causing significant disruption to deliveries of suppliers, labour and equipment and of concentrate for sale. • The Company may need to raise substantial additional capital in the future to fund any acquisition, and future base and precious metal prices, revenues, taxes, capital expenditures and operating expenses and geological success will all be factors which will have an impact on the amount of additional capital required. Any additional equity financing may be dilutive to Shareholders and debt financing, while widely available, may involve restrictions on financing and operating activities. • The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition and the loss of the services of the Directors could materially adversely affect the Company's strategy or ability to deliver upon it in a timely manner or at all. • The Directors may allocate a portion of their time to other businesses leading to the potential for conflicts of interest in their determination as to how much time to devote to the Company's affairs. • The Company may encounter difficulties with joint venture partners. Any joint venture partner may be unwilling or unable to pay their share of the costs of projects as they become due. In the case of a joint venture partner, the Company may have to obtain alternative funding in order to complete the exploration and development of the assets subject to the joint venture agreement. The Company cannot assure investors that it would be able to obtain the capital necessary in order to fund this contingency. It is also possible that the interests of the Company and those of any joint venture partners are not aligned resulting in project delays or additional costs. • A substantial or extended decline in commodity prices and/or consumption may adversely affect the Company's prospects, business, financial condition and results of operations. • The expense of meeting environmental regulations could cause a significantly negative effect on the Company's long term profitability, as could the failure to obtain certain necessary environmental permits.
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		<ul style="list-style-type: none"> • If the Company is not granted licences by a responsible authority or is not seen as an entity suitable to hold or own an entity holding natural resource licences by a responsible authority, it could have a material adverse effect on its business, operations and prospects. • The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing. • A suspension or cancellation of the Ordinary Shares, as a result of the FCA determining that there is insufficient information in the market about an acquisition or a target, would materially reduce liquidity in such shares, which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors' shareholdings may be materially reduced. • Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable. • It will be necessary for the Company to apply for re-admission of the Ordinary Shares following completion of an acquisition constituting a Reverse Takeover. • A cancellation of the listing of the Ordinary Shares by the FCA would prevent the Company from raising equity finance on the public market, or carrying out a further acquisition using share consideration, restricting its business activities and resulting in incurring unnecessary costs. • Further equity capital raisings may be required by the Company in order to complete one or more acquisition. If the Company does offer its Ordinary Shares as consideration in making acquisitions, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time.
D.3	Key information on the key risks that are specific to the securities	<ul style="list-style-type: none"> • The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing. • A suspension or cancellation of the Ordinary Shares, as a result of the FCA determining that there is insufficient information in the market about an acquisition or a target, would materially reduce

		<p>liquidity in such shares, which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors' shareholdings may be materially reduced.</p> <ul style="list-style-type: none"> Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable. It will be necessary for the Company to apply for re-admission of the Ordinary Shares following completion of an acquisition constituting a Reverse Takeover. A cancellation of the listing of the Ordinary Shares by the FCA would prevent the Company from raising equity finance on the public market, or carrying out a further acquisition using share consideration, restricting its business activities and resulting in incurring unnecessary costs. Further equity capital raisings may be required by the Company in order to complete one or more acquisition. If the Company does offer its Ordinary Shares as consideration in making acquisitions, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time. The Company has a significant number of outstanding warrants and options and intends to issue further warrants in connection with the Placing. All of its convertible instruments will have a distinctive effect on Shareholders when and if they are exercised. The Placing itself will involve the issue of 94,333,326 new Ordinary Shares, representing approximately 32 per cent. of the Enlarged Issued Share Capital of the Company. If all warrants and options were exercised, the Existing Ordinary shares would represent 47 per cent. of the Enlarged Issued Share Capital of the Company.
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Section E – Offer		
E.1	Total net proceeds/expenses	<p>The Company has raised gross proceeds of £283,000 pursuant to the Placing. The Joint Bookrunners, as the Company's agents, have procured commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing. The costs and expenses of the Placing will be borne by the Company in full. These expenses (including commission and expenses payable under the Placing Agreement, registration, listing and Admission fees, printing,</p>

		advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £90,000, representing approximately 31 per cent. of the gross proceeds of the Placing. The total net placing proceeds on this basis will be £193,000 (the “ Net Placing Proceeds ”).
E.2a	Reasons for the offer and use of proceeds	The Net Placing Proceeds will be used by the Company as follows: (i) £80,000 is intended to be spent reviewing all current and historical data with a view to establishing a new database at the Gold Ridge Project (ii) £22,000 is intended to be spent on exploration costs at the Palomino Cobalt Project, and (iii) the remaining balance of £91,000 is earmarked for general corporate purposes (including directors’ fees over 18 months, marketing, website administrative costs, and future acquisition opportunities).
E.3	Terms and conditions of the Placing	<p>The Company, the Directors and the Joint Bookrunners have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, the Joint Bookrunners agreed to use their reasonable endeavours to procure subscribers for up to 94,333,326 Placing Shares to be issued by the Company. The Placing Shares subscribed for in the Placing will represent up to approximately 32 per cent. of the Enlarged Issued Share Capital.</p> <p>The Company will issue 94,333,326 Placing Shares at the Placing Price of 0.3 pence per share. The Placing is not being underwritten. The Joint Bookrunners, as the Company’s agents, have procured irrevocable commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.</p> <p>The Net Placing Proceeds after deduction of expenses, will be £193,000 on the basis that the gross proceeds of the Placing will be £283,000.</p> <p>The Placing is conditional upon:</p> <ul style="list-style-type: none"> (a) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and (b) Admission occurring by 8.00 a.m. on 23 July 2019 (or such later date as the Company and the Joint Bookrunners may agree). <p>The Placing Shares will, upon issue, rank <i>pari passu</i> with the Ordinary Shares.</p> <p>If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to subscribers.</p>

E.4	Material interests	Not applicable
E.5	Selling shareholders/lock-up agreements	<p>Not applicable. There are no selling Shareholders.</p> <p>Under the terms of the Placing Agreement, each Director has undertaken that he will not offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which he holds directly or indirectly in the Company, for a period of 180 days following Admission.</p> <p>The restrictions on the ability of the Directors to transfer their Ordinary Shares are subject to certain usual and customary exceptions including: transfers pursuant to the acceptance of, or provision of an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms, transfers pursuant to an offer by or an agreement with the Company to purchase Ordinary Shares made on identical terms to all Shareholders or transfers as required by an order made by a court with competent jurisdiction or competent judicial body.</p>
E.6	Dilution	Shareholdings immediately prior to Admission will be diluted by approximately 46 per cent. as a result of the Placing Shares issued pursuant to the Placing.
E.7	Expenses charged to investors	Not applicable. No expenses will be charged to the investors.

PART II

RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's investing policy, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in *Part I – Summary* of this document are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in *Part I – Summary* of this document but also, *inter alia*, the risks and uncertainties described below.

The risks referred to below are those risks that the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware, that may adversely affect the Company's business, financial condition, results of operations or prospects. Prospective investors should review this document carefully and in its entirety and consult with their professional advisers before making any investment in the Ordinary Shares. If any of the risks referred to in this document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

RISK FACTORS RELATING TO THE COMPANY AND ITS INVESTING POLICY

Industry-specific risks

Under the New Investing Policy, it is anticipated that the Company will invest in mining and exploration projects in the natural resource sector, with a particular interest in opportunities in the base and precious metals space; more specifically, in those metals required for battery and energy production including, but not limited to, lithium, cobalt and uranium. The natural resources sector, including the base and precious metals sector within it is closely tied to the performance of the global economy. As a result, the natural resources sector may be affected by changes in general economic activity levels; changes which are beyond the Company's control.

Any further deterioration of the global economic environment could have a material adverse effect on the Company's business, results of operations and financial condition, particularly to the extent it impacts upon the price of the commodities in which the Company has an interest.

A material decline in commodity prices globally may adversely affect the Company's business, prospects, financial condition and results of operations

The Company's strategy is to invest in projects in the natural resources sector where such projects primarily generate revenue from the production of commodities. Accordingly, the Company's revenues, profitability and future rate of growth will depend substantially on the prevailing price of commodities within the natural resource sector, which can be volatile and subject to fluctuation. In any future or current project, fluctuations in base and precious metal prices may have a material adverse effect on the Company's revenues and net income.

Commodity prices in the natural resource sector are subject to fluctuation and volatility as a result of factors beyond the Company's control, including, but not limited to:

- changes in the global and regional supply and demand for commodities and expectations regarding future supply and demand for commodities;
- changes in global and regional economic conditions and exchange rate fluctuations;
- political, economic and military developments in commodity producing regions;
- prevailing weather conditions;
- geopolitical uncertainty;
- the extent of government regulation and actions, in particular export restrictions and taxes;
- the ability of suppliers, transporters and purchasers to perform on a timely basis, or at all, under their agreements (including risks associated with physical delivery); and
- potential influence on commodity prices due to the large volume of derivative transactions on commodity exchanges and over-the-counter markets.

It is impossible to accurately predict future commodity price movements. The Company can give no assurance that existing prices will be maintained in the future. For example, any mine that may be acquired by the Company, a material decline in the price of cobalt may result in a reduction of its net production revenue at such mine and a decrease in the valuation of its exploration, appraisal, development and production properties. The economics of producing from some mines may change as a result of lower prices, which could result in a reduction in the production quantities. Any of these factors could potentially result in a material decrease in the *Company's* net production revenue and the financial resources available to it to make planned capital expenditures, resulting in a material adverse effect on its future financial condition, business, prospects and results of operations.

In addition, should relevant commodity prices increase significantly, governments or other counterparties may want to change their commercial terms with the Company. This may result in cancellation, termination or a unilateral change of terms (such as a change in commodity pricing policy or the renegotiation or nullification of existing agreements) by a government or counterparty, which could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

Activities in the mining sector can be dangerous and may be subject to interruption

The Company's operations are subject to significant hazards and risks inherent in the mining sector and countries in which it operates. These hazards and risks include:

- explosions and fires;
- disruption to production operations;
- natural disasters;
- equipment break-downs and other mechanical or system failures;
- improper installation or operation of equipment;
- transportation accidents or disruption of deliveries of fuel, equipment and other supplies;
- acts of political unrest, war or terrorism;
- labour disputes; and
- community opposition activities.

In addition, the Company's future operations will be subject to all of the risks normally incidental to the development of mines and the operation and development of mining properties, including encountering unexpected formations, equipment failures and other accidents (including vehicle accidents during equipment moves), adverse weather conditions, diseases impacting the health of personnel, pollution and other environmental risks.

If any of these events were to occur, they could result in environmental damage, injury to persons and loss of life and a failure to produce commodities in commercial quantities. They could also result in significant delays to mining programmes, a partial or total shutdown of operations, significant damage to the Company's equipment and equipment owned by third parties and personal injury or wrongful death claims being brought against the Company. These events could also put at risk some or all of the Company's licences which enable it to explore and develop, and could result in the Company incurring significant civil liability claims, significant fines or penalties, as well as criminal and potentially being enforced against the Company and its Directors. Such events could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

Exploration and development risks

Mineral exploration and development can be highly speculative in nature and involve a high degree of risk. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralisation ultimately mined may differ from that indicated by drilling results and such differences could be material. As a result of these uncertainties, there can be no guarantee that mineral exploration and development of any of the Company's investments will result in profitable commercial operations. Such uncertainties could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

Operating risks

The activities of the Company are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses. Should any of these risks and hazards affect the Company's exploration, development or mining activities, it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Company's investments, require the Company to write-down the carrying value of one or more investments, cause delays or a stoppage of mining and processing, result in the destruction of mineral properties or processing facilities, cause death or personal injury and related legal liability; any and all of which could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

It is not always possible to fully insure against such risks as a result of high premiums or other reasons (including those in respect of past mining activities for which the Company was not responsible). Should such liabilities arise, they could reduce or eliminate any future profitability, result in increasing costs or the loss of its assets and a decline in the value of the Ordinary Shares.

Estimates of mineral reserves and resources

The estimating of mineral reserves and mineral resources is a subjective process and the estimates of mineral reserves and resources for projects are, to a large extent, based on the

interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, anticipated climatic conditions and other factors.

There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Company's estimates. The exploration of mineral rights is speculative in nature and is frequently unsuccessful. The Company's investments may be unable successfully to discover and exploit new reserves to replace those they are mining to ensure the on-going viability of its projects.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in forecast metals prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence reserve or resource estimates. Market price fluctuations for base metals, increased production costs or reduced recovery rates, or other factors may render any mineral reserves of the Company uneconomical or unprofitable to develop at a particular site or sites and could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

The gold price is volatile and affected by factors beyond the Company's control

If the market price of gold decreases significantly or for an extended period of time, the value of the Ordinary Shares could be adversely affected. In the past gold prices have fluctuated widely.

Numerous external factors affect gold prices that are beyond the control of the Company. Industry factors that affect gold prices include:

- industrial and jewellery demand;
- lending, sales and purchases of gold by governments and central banks;
- forward sales of gold by producers and speculators;
- levels of gold production; and
- rapid short term changes in supply and demand because of speculative or hedging activities.

Gold prices are also affected by macroeconomic factors including:

- confidence in the global monetary system;
- expectations of the future rate of inflation;
- the strength of, and confidence in, the US dollar, the currency in which the price of gold is generally quoted, and other currencies;
- interest rates; and
- global or regional political or economic events.

The Uranium Project is dependent on the uranium price, which is volatile and affected by factors beyond the Company's control

The Uranium Project focuses almost entirely on the acquisition and ownership of triuranium octoxide ("U₃O₈"), the most stable form of uranium oxide and the form most commonly found in nature. Therefore, factors which affect the uranium price are also likely to affect the future productivity of the Uranium Project which in turn may affect the price of the Ordinary Shares. At this time, it is not contemplated that the Company will engage in any hedging activities involving

U₃O₈. The value of the Ordinary Shares may reflect, and fluctuate with, movements in the uranium price.

The uranium price is affected by a number of factors beyond the Company's control, including rates of reclaiming and recycling of uranium, rates of production of uranium from mining, and changes in availability of the underlying resource, the impact of nuclear accidents such as Fukushima, disruptions in supply due to natural disasters and other *force majeure* events. The uranium price may also be affected by a variety of unpredictable international economic, monetary and political considerations, including demand from nuclear power plants and other end users, increased efficiency of nuclear power plants, increased availability of alternative nuclear fuel, such as mixed oxide fuel generated in part from weapons grade plutonium, regulation and government policy, sales of excess inventories by governments, the behaviour of the Company's competitors and other industry participants and public and political opinion of the nuclear industry.

Macroeconomic considerations include expectations of future rates of inflation, the strength of, and confidence in, the US dollar (being the currency in which the uranium price is generally quoted) and other currencies, interest rates and the availability of financing or credit more generally and other global or regional economic events. In addition, shifts in political and economic conditions affecting uranium producing countries may have a direct impact on their sales of uranium.

Movements in the uranium price could have a material adverse effect on the Company's business, results of operations and financial condition.

There is no public market for the sale of U₃O₈ and it is therefore an illiquid commodity

There is no public market for the sale of U₃O₈. The pool of typical potential purchasers and sellers of U₃O₈ is limited and the Directors consider the spot market for U₃O₈ to be thinly traded. Following Admission, it is possible that the Company, through the Uranium Project, may not be able to source opportunities to acquire material quantities of U₃O₈. Once acquired, the Company may not be able to sell U₃O₈ or may not be able to sell U₃O₈ in the quantities, or within the timeframes, desired. Additionally, transacting in U₃O₈ in quantities which are significant relative to the size of the market as a whole could potentially materially impact the uranium price, which in turn may materially impact the share price of the Company or have a material adverse effect on the Company's business, results of operations and financial condition.

Competition from other energy sources and public acceptance of nuclear energy

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydro-electricity, as well as the possibility of developing other low-cost sources for energy, or technical advances in the development of renewable and other alternate forms of energy, may result in lower demand for U₃O₈. Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion and reputational risks which could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. As a result, such negative publicity could depress the uranium price and, consequently, have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, in the event of a nuclear accident, government policy in key markets could shift towards using other forms of energy, leading to a reduction in the demand for U₃O₈. For example, following the Fukushima disaster, Japan idled all of its nuclear plants. A reduction in the demand for U₃O₈ following a future nuclear incident could have a material adverse effect on the Company's business, results of operations, and financial condition.

Any additional uranium commodity streams or royalty interests acquired by the Company will be subject to many of the same risks as the owners and/or operators of the underlying mining properties

Any uranium commodity streams or royalty interests acquired by the Company will be dependent on the continued and successful operation of the underlying mining properties. The Company will be subject to many of the risks applicable to the operators of such properties including, amongst others, commodity price risk (see “*The uranium price is volatile and affected by factors beyond the Company’s control*” above), development risk, production risk, and counterparty risk. The development and operation of the underlying mining properties will be subject to certain factors, including the ability to access financing, the accuracy of assumptions regarding the estimates of mineral reserves and resources and production estimates, natural disaster and other force majeure events, changes in government regulation and changing political attitudes and stability in the countries in which they are situated, the ability to acquire and maintain required government approvals, licences and permits, access to infrastructure and the ability to recruit and retain personnel with sufficient technical expertise.

In addition, generally, the third party owners and operators of the underlying mining properties will, subject to any government requirements, have the power to determine the manner in which the relevant mining properties are exploited and the interests of those third party owners and operators and those of the Company may not always be aligned.

The success of any uranium commodity streams or royalty interests acquired by the Company will be dependent, in part, upon the operating performance, profitability, financial position and creditworthiness of the underlying mining properties and on the ability of the third party owners and operators to deliver production, or to make royalty payments, to the Company, as the case may be. If such third party owners and operators are not able to fulfil their obligations to the Company this could have a material adverse effect on the Company’s business, results of operations and financial condition.

In relation to “battery metals” (cobalt and lithium) the Company is relying on the price of these metals remaining relatively stable and on fact the demand will continue to grow year on year for the foreseeable future.

The largest drivers for demand of cobalt and lithium are battery manufacturers. The use of lithium and cobalt has grown commensurately with the development and deployment of new compact and more efficient battery technologies. A major source of battery demand will otherwise be the electric vehicle market, which will become the largest single consumer of cobalt and lithium. Should new battery technologies emerge which utilise alternatives to cobalt and/or lithium, this could have a significant negative impact of the price of these commodities. As of the date of this document, the Company and the Directors are not aware of any imminent substitution technologies in this regard.

However, in the event that new battery technologies emerge this could have a material impact on the price of such commodity which in turn could affect the future profitability of the Company. A significant reduction in global demand for base, battery and precious metals, leading to a fall in prices, could lead to a delay in production or even abandonment of one or more of the Company’s projects should such projects prove uneconomical to develop. A delay in production or the abandonment of one or more projects may have a material adverse effect on the Company’s production, earnings and financial position.

Implementation risk

The Company currently has no assets producing positive cash flow and its ultimate success will depend on the Directors’ ability to implement the New Investing Policy outlined in this document, generate cash flow from the Company’s potential investments, and access equity and debt financing markets as the Company grows and develops. Whilst the Directors’ are optimistic about the New Investing Policy there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.

Profitability and capital requirements

Natural resource project appraisal and exploration activities are capital intensive and inherently uncertain in their outcome. The Company's future natural resource appraisals and exploration projects may involve unprofitable efforts, either from areas of exploration which ultimately prove not to contain natural resources, or from areas in which a natural resource discovery is made but is not economically recoverable at current or near future market prices when including the costs of development, operation and other costs. In addition, environmental damage could greatly increase the cost of operations, and various operating conditions may adversely and materially affect the levels of production. These conditions include delays in obtaining governmental approvals or consents, delays due to extreme weather conditions, insufficient storage or transportation capacity or adverse geological conditions. While diligent supervision and effective maintenance operations can contribute to maximising production rates over time, production delays and declines from normal operations cannot be eliminated and may adversely and materially affect the Company's revenues, cashflow, business, results of operations and financial resources and condition.

Acquisition, retention and conversion of licences, permits and other regulatory approvals

The ability of the Company's current and potential investments to develop and exploit natural resources depends on the Company's continued compliance with the obligations of any applicable exploration rights and the Company's ability to convert exploration opportunities into production and/or mining licences and/or invest in mining operations that are already well advanced. The Company's potential investments depend on a number of material factors including various licences, the grant and renewal of which are subject to the discretion of the relevant governmental authorities and cannot be assured. In the event that the Company did not comply with the obligations of any exploration rights that may be granted to the Company and terms of any such mining licences that the Company may enter into may materially affect the Company's ability to develop and exploit natural resources and could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

Additionally, the Company's operating activities may occur in jurisdictions with intensive regulations relating to mining and are subject to extensive laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. While the Company believes that its current and potential investments will comply with all material applicable laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its investments, which could have a material adverse impact on the Company's current operations or planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot assure that any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its investments and could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

General and political risks and uncertainties relating to operating in remote areas

The Uranium Project is located in Kyrgyzstan and accordingly the Company will be subject to the risks and uncertainties associated with operating in such an environment. These risks and uncertainties include, but are not limited to periods, particularly in winter, when the Kamyschanovskoye mine may become inaccessible by road or river, causing significant disruption to deliveries of suppliers, labour and equipment and of concentrate for sale. Stockpiling is the only feasible solution to this problem which may impact cashflows. Workers may demand enhanced

levels of pay for working in extreme conditions and, at times, the Company may be paying staff and workers who are economically inactive due to weather conditions necessitating a supervision of operations, which may last for some weeks in extreme cases.

Additionally, Kyrgyzstan is considered to be an emerging market. Investments in emerging markets are often subject to greater risks than investments in more developed markets. Economies in emerging markets such as Kyrgyzstan are in various stages of development or structural reform, and some are subject to rapid fluctuations in their foreign exchange rates, gross domestic product (“GDP”), consumer prices and interest rates. The Company’s operations may be subject to the risk of sudden changes in regulatory and taxation regimes, political or labour unrest, acts of terrorism or other violence, corruption, inflation or recession. For example, on 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of the Uranium Ban. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In addition, financial instability in other markets adjacent to Kyrgyzstan, such as other Central Asian countries, may adversely affect the markets in which the Company operates. All of these factors may affect the economic and trading conditions in which the Company operates. These factors could also increase the costs of operating in Kyrgyzstan. Any of the foregoing could have a material adverse effect on the Company’s business, financial condition and results of operations.

Environmental regulation

Environmental and safety legislation (for example, in relation to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection) may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. This could impose significant costs and burdens on the Company’s investments (the extent of which cannot be predicted) both in terms of compliance and potential penalties, liabilities and remediation. Breach of any environmental obligations could result in penalties and civil liabilities and/or suspension of operations, any of which could adversely affect the Company’s investments.

Mining operations have inherent risks and liabilities associated with damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and the remediation of the environment are constantly changing and are generally becoming more restrictive. Approval is required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in a delay to anticipated exploration programmes or mining activities.

There may also be unforeseen environmental liabilities resulting from mining activities, which may be costly to remedy. If one of the Company’s investments is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company’s future business, prospects, financial condition and results of operations.

Identifying and acquiring suitable acquisition targets

The success of the Company’s business strategy is dependent on its ability to identify sufficient suitable acquisition opportunities. Suitable acquisition targets may not always be readily available. If the Company cannot identify and/or complete an acquisition the Company may need to raise further working capital and/or consider winding up of the Company if it transpires that the acquisition strategy is no longer viable.

The Company’s initial and future acquisition targets may be delayed or made at a relatively slow rate because, *inter alia*:

- the Company intends to conduct detailed due diligence prior to approving acquisition targets;

- the Company may conduct extensive negotiations in order to secure and facilitate an acquisition targets;
- it may be necessary to establish certain structures in order to facilitate an acquisition target;
- competition from other investors, market conditions or other factors may mean that the Company cannot identify attractive acquisition targets or such acquisition targets may not be available at the rate the Company currently anticipates;
- the Company may be unable to agree on acceptable terms;
- the Company may be unable to raise bank finance or other sources of finance on terms the Directors consider reasonable; or
- the Company may need to raise further capital to make investments and/or fund the assets or businesses invested in, which may not be achieved.

To secure an acquisition, working capital is required for general expenses and also for due diligence on any such acquisition. These sums can be considerable depending on the nature and location of the acquisition target. Should such funds be expended without securing an acquisition, existing working capital will be denuded. If there are several such occurrences, more working capital would be required.

Even if the Company completes an acquisition, there is no assurance that any operating improvements will be successful or that they will be effective in increasing the valuation of any business acquired

Following an acquisition, there can be no assurance that the Company will be able to propose and implement effective operational improvements for any company or business which the Company acquires. In addition, even if the Company completes an acquisition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult or impossible to implement. Any failure to implement these operational improvements successfully and/or the failure of these operational improvements to deliver the anticipated benefits could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

The Company may face significant competition for acquisition opportunities

There may be significant competition in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, sovereign wealth funds, other special purpose acquisition companies and public and private investment funds many of which are well established and have extensive experience in identifying and completing acquisitions. A number of these competitors may possess greater technical, financial, human and other resources than the Company. The Company cannot assure investors that it will be successful against such competition. Such competition may cause the Company to be unsuccessful in executing an acquisition or may result in a successful acquisition being made at a significantly higher price than would otherwise have been the case.

Any due diligence by the Company in connection with an acquisition may not reveal all relevant considerations or liabilities of the target business, which could have a material adverse effect on the Company's financial condition or results of operations

The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate based on the facts and circumstances applicable to any potential acquisition. The objective of the due diligence process will be to identify material issues which might affect the decision to proceed with any one particular acquisition target or the consideration payable for an acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning for, and its valuation of, any target company or business. Whilst conducting due diligence and assessing a potential acquisition, the

Company will rely on publicly available information, if any, information provided by the relevant target company to the extent such company is willing or able to provide such information and, in some circumstances, third party investigations.

There can be no assurance that the due diligence undertaken with respect to a potential acquisition will reveal all relevant facts that may be necessary to evaluate such acquisition including, the determination of the price the Company may pay for an acquisition target, or to formulate a business strategy. Furthermore, the information provided during due diligence may be incomplete, inadequate or inaccurate. As part of the due diligence process, the Company will also make subjective judgments regarding the results of operations, financial condition and prospects of a potential opportunity. If the due diligence investigation fails to correctly identify material issues and liabilities that may be present in a target company or business, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with an acquisition, the Company may subsequently incur substantial impairment charges or other losses. In addition, following an acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could contribute to poor operational performance, undermine any attempt to restructure the acquired company or business in line with the Company's business plan and could have a material adverse effect on the Company's future business, prospects, financial condition and results of operations.

The Company may be unable to complete an acquisition or to fund the operations of the target business if it does not obtain additional funding

Although the Company intends to finance acquisitions primarily through the issue of consideration shares in the Company, if, following an acquisition, the Company's cash reserves are insufficient, the Company will likely be required to seek additional equity financing. The Company may not receive sufficient support from its existing Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favourable to the Company, or at all. In the event that the Company pursues debt financing as a means to obtain additional financing, it may be the case that lenders may be unwilling to extend debt financing to the Company on attractive terms, or at all. To the extent that additional equity or debt financing is necessary to complete an acquisition and remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled either to restructure or abandon an acquisition, or proceed with an acquisition on less favourable terms, which may reduce the Company's return on the investment.

Even if additional financing is unnecessary to complete an acquisition, the Company may subsequently require equity or debt financing to implement operational improvements in an acquired business. The failure to secure additional financing or to secure such additional financing on terms acceptable to the Company could have a material adverse effect on the continued development or growth of the acquired business and on the Company's future business, prospects, financial condition and results of operations.

An acquisition may result in adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their status and residence

Although a number of potential acquisition opportunities have been identified, currently, there are no plans, arrangements or understandings with any prospective target company or business regarding the acquisition, and as such it is possible that any acquisition structure determined necessary by the Company to complete an acquisition may have adverse tax, regulatory or other consequences for Shareholders which may differ for individual Shareholders depending on their individual status and residence.

The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute an acquisition and the loss of the services of any of the Directors could materially adversely affect the Company's ability to identify such acquisition targets

The Company is dependent upon the Directors to identify potential acquisition opportunities and to execute an acquisition. The unexpected loss of the services of the Directors (or any one of them) could have a material adverse effect on the Company's ability to identify potential acquisition opportunities and to execute on acquisition.

The Directors may allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete an acquisition

None of the Directors are required to commit their full time, or any specified amount of time, to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Company does not intend to have any executive officers or full time employees prior to the completion of an acquisition. The Directors are engaged in other business endeavours and are not obligated to devote any specific number of hours to the Company's affairs. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to consummate an acquisition.

If an acquisition is completed, the Company's principal source of operating cash will be income received from the business it has acquired

If an acquisition is completed, the Company will be dependent on the income generated by the acquired business to meet the Company's expenses and operating cash requirements. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such subsidiary's results of operations and financial condition, limits on dividends under applicable law, its constitutional documents, documents governing any indebtedness of the Company, and other factors which may be outside the control of the Company. If the acquired business is unable to generate sufficient cash flow, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

The Company may encounter difficulties with joint venture partners

From time to time, the Company may enter into joint venture arrangements (such as the Uranium Project) to fund a portion of the exploration and development costs associated with its investments. Moreover, other companies may from time to time operate some of the other investments in which the Company has an ownership interest. Liquidity and cash flow problems encountered by the partners and co-owners of such assets and any non-compliance by the partners and co-owners may lead to a delay in the pace of project development that may be detrimental to an investment or may otherwise have adverse consequences for the Company. In addition, any joint venture partners may be unwilling or unable to pay their share of the costs of projects as they become due. In the case of a joint venture partner, the Company may have to obtain alternative funding in order to complete the exploration and development of the assets subject to the joint venture agreement. The Company cannot assure investors that it would be able to obtain the capital necessary in order to fund this contingency. It is also possible that the interests of the Company and those of any joint venture partners are not aligned resulting in project delays or additional costs.

The Company will be subject to competition for its skilled personnel and challenges in attracting and retaining key personnel, including the Directors and any Senior Managers could impair the Company's ability to conduct and grow its operations effectively

The Company's ability to compete in the competitive natural resources sector depends upon its ability to retain and attract highly qualified management, geological and technical personnel. The loss of key management and/or technical personnel could delay the development of the Company's assets and negatively impact the ability of the Company to compete in the resources sector. In addition, the Company will need to recruit new managers and key personnel to develop its business as and when it expands into fields which require additional skills. Other resource companies that it competes against for qualified personnel may have greater financial and other resources, different risk profiles or longer track records than the Company. If this competition is very intense, the Company might not be able to attract or retain these key persons on conditions that are economically acceptable. Therefore, the inability of the Company to retain and attract such key persons could prevent it from achieving its objectives overall which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company may be subject to foreign investment and exchange risks

The Company's functional and presentational currency is UK Pound Sterling. As a result, the Company's consolidated financial statements will carry the Company's assets in UK Pounds Sterling. Any business the Company acquires may denominate its financial information in a currency other than UK Pounds Sterling, conduct operations or make sales in currencies other than UK Pounds Sterling. When consolidating a business that has functional currencies other than UK Pounds Sterling, the Company will be required to translate, *inter alia*, the balance sheet and operational results of such business into UK Pounds Sterling. Due to the foregoing, changes in exchange rates between UK Pounds Sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments. Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

RISKS RELATING TO TAXATION

Taxation of returns from assets located outside of the UK may reduce any net return to investors

To the extent that any assets, company or business which the Company acquires is or are established outside the UK, it is possible that any return the Company receives from such asset, company or business may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

Changes in tax law and practice may reduce any net returns for investors

The tax treatment of Shareholders of the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in England and Wales or any other relevant jurisdiction. Any change may reduce any net return derived by investors from a shareholding in the Company. Investors should not rely on the general guide to taxation set out in this document and should seek their own specialist advice. The tax rates referred to in this document are those currently applicable and they are subject to change.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the Group, including any company or business acquired in an acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not correct, taxes may be imposed with respect to the Company's assets or the Company may be subject to tax on its income, profits, gains or distributions (either on a liquidation and dissolution or otherwise) in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

RISKS RELATING TO THE ORDINARY SHARES

No pre-emption rights and indebtedness related liquidity

Although the Company will receive the Net Placing Proceeds, the Directors anticipate that the Company may issue a substantial number of additional Ordinary Shares, or incur substantial indebtedness to complete one or more acquisitions.

Shareholders do not initially have the benefit of pre-emption rights in respect of the issues of future shares, which may be issued to facilitate any acquisitions and for other purposes. In addition, the Company may issue shares or convertible debt securities or incur substantial indebtedness to complete an acquisition, which may dilute the interests of Shareholders.

Any issue of Ordinary Shares, preferred shares or convertible debt securities may:

- significantly dilute the value of the Ordinary Shares held by existing Shareholders;
- cause a change of control ("**Change of Control**") if a substantial number of Ordinary Shares are issued, which may;
- *inter alia*, result in the resignation or removal of one or more of the Directors;
- in certain circumstances, have the effect of delaying or preventing a Change of Control;
- subordinate the rights of holders of Ordinary Shares if preferred shares are issued with rights senior to those of Ordinary Shares; or
- adversely affect the market prices of the Company's Ordinary Shares.

If Ordinary Shares, preferred shares or convertible debt securities are issued as consideration for an acquisition, existing Shareholders will have no pre-emptive rights with regard to the securities that are issued. The issue of such Ordinary Shares, preferred shares or convertible debt securities is likely to materially dilute the value of the Ordinary Shares held by existing Shareholders. Where a target company has an existing large shareholder, an issue of Ordinary Shares, preferred shares or convertible debt securities as consideration may result in such shareholder subsequently holding a significant or majority stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding) and could lead to a Change of Control.

If the Company were to incur substantial indebtedness in relation to an acquisition, this could result in:

- default and foreclosure on the Company's assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;

- acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions;
- a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand; or
- an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

The occurrence of any or a combination of these factors could decrease an investor's ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules.

While the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Placing and Admission;
- Chapter 9 of the Listing Rules relating to the ongoing obligations for companies admitted to the Premium List and therefore does not apply to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that an acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for the acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. Until the completion of an acquisition, the Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

The Company may be unable to seek admission to a Premium Listing or other appropriate listing venue following an acquisition

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Upon completion of an acquisition, the Company's Standard Listing will be cancelled and it will be

treated as a new applicant. The Directors may then seek admission either to a Premium Listing, Standard Listing or listing on another stock exchange, based on, *inter alia*, the track record of the Company or business it acquires, and to fulfilling the relevant eligibility criteria at the time. There can be no guarantee that the Company will meet such eligibility criteria or that the Company will qualify for a Premium Listing, Standard Listing or a listing on another stock exchange. For example, such eligibility criteria may not be met, if the Company acquires less than a controlling interest in the target. In addition there may be a delay, which could be significant, between the completion of the acquisition and the date upon which the Company is able to seek or achieve a Premium Listing, Standard Listing or a listing on another stock exchange.

If the Company does not achieve, or is not capable of achieving, a Premium Listing or the Directors decide, subject to eligibility, upon a Standard Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would mean that the Company could be operating a substantial business but would not need to comply with such higher standards as a Premium Listing provides. Alternatively, in addition to, or in lieu of seeking a Premium Listing, the Company may determine to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

If the Company proposes making an acquisition and the FCA determines that there is insufficient information in the market about an acquisition or the target, the Company's Ordinary Shares may be suspended from listing or cancelled and may not be readmitted to listing thereafter, which will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them

An acquisition, if it occurs, will be treated as a reverse takeover. Generally, when a reverse takeover is announced or leaked, there will be insufficient publicly available information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately. In this case, the FCA will often consider that suspension of the listing of the listed company's securities will be appropriate. The London Stock Exchange will suspend the trading in the listed company's securities if the listing of such securities has been suspended by the FCA. However, if the FCA is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the listed company that a suspension is not required. The FCA will generally be satisfied that a suspension is not required in the following circumstances: (i) the target company is admitted to listing on a regulated market or another exchange where the disclosure requirements in relation to financial information and inside information are not materially different than the disclosure requirements under the Disclosure Guidance and Transparency Rules; or (ii) the issuer is able to fill any information gap at the time of announcing the terms of the transaction, including the disclosure of relevant financial information in relation to the target and a description of the target.

If information regarding a significant proposed transaction were to leak to the market, or the Board considered that there were good reasons for announcing the transaction at a time when it was unable to provide the market with sufficient information regarding the impact of the acquisition on its financial position, the Ordinary Shares may be suspended. Any such suspension would be likely to continue until sufficient financial information on the transaction was made public. Depending on the nature of the transaction (or proposed transaction) and the stage at which it is leaked or announced, it may take a substantial period of time to compile the relevant information, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide under the Disclosure Guidance and Transparency Rules and the Listing Rules (for example, where the target business is not itself

already subject to a public disclosure regime), and the period during which the Ordinary Shares would be suspended may therefore be significant.

Furthermore, the Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a reverse takeover. In such circumstances, the Company will be required to seek admission to listing as a new applicant either simultaneously with completion of any such acquisition or as soon thereafter as is possible but there is no guarantee that such re-admission would be granted.

A suspension or cancellation of the listing of the Ordinary Shares would materially reduce liquidity in such shares which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends prior to an acquisition

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

Compliance costs

The costs to the Company of complying with the continuing obligations under the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules will be financially significant due to the Company's relatively small size and these costs might prove financially onerous. The Company's listing might be cancelled if the Company fails to comply with its continuing obligations under the Listing Rules.

Restrictions on offering Ordinary Shares as consideration for an acquisition or requirements to provide alternative consideration

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as consideration for an acquisition which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly which may have an adverse effect on the results of operations of the Company.

PART III

IMPORTANT INFORMATION

The distribution of this document and the Placing may be restricted by law in certain jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any other jurisdiction that would permit a public offering of any Ordinary Shares, or possession or distribution of this document or any other offering material in any other country or jurisdiction where action for that purpose is required. Accordingly, no Ordinary Shares may be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with any Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the Prospectus Directive (as defined below). No arrangement has however been made with the competent authority in any other Member State (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this document may be prohibited in Restricted Jurisdictions and in countries other than those in relation to which notices are given below.

For the attention of all investors

In making an investment decision, prospective investors must rely on their own examination of the Company, this document and the terms of the Placing, including the merits and risks involved. The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter.

Prospective investors must rely upon their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, investment or any other related matters concerning the Company and an investment therein. An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved. It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can decrease as well as increase.

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

European Economic Area

In relation to each Member State which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Ordinary Shares may

only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Joint Bookrunners and the Company that it is a “qualified investor” within the meaning of the law in that Relevant Member State which has implemented Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an ‘offer to the public’ in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and any amendments, thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

During the period up to but excluding the date on which the Prospectus Directive is implemented in all Member States, this document may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any Member State in which such offer or invitation would be unlawful.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

For the attention of UK investors

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

This document is being distributed only to and is directed at persons who (if they are in the EEA) will fall within one of the categories of persons set out above. In addition, this document is being distributed only to and is directed at persons in the UK who are:

- (a) persons having professional experience in matters relating to investments falling within the definition of ‘investment professionals’ in Article 19(5) of the Financial Promotions Order; or
- (b) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a)-(d) of the Financial Promotions Order; or (iii) persons to whom it may otherwise be lawful to distribute (all such persons together being referred to as “**Relevant Persons**”).

Presentation of reserves and resources

The accuracy of reserves estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. This document should be accepted with the understanding that reserves, resources and financial performance subsequent to the date of the estimates may necessitate revision. These revisions may be material. Unless otherwise stated, all information about mineral reserves and resources, forward-looking production estimates and other geological information has been extracted without material adjustment from the Competent Person's Reports in *Part XVIII – Competent Person's Reports* of this document.

Rounding

Percentages in tables have been rounded and accordingly may not add up to 100 per cent. Certain financial data have also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (e) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (f) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Presentation of financial information

Prospective investors should consult their own professional advisers to gain an understanding of the financial information contained in this document. An overview of the basis for presentation of financial information in this document is set out below. *Part XII – Historical Financial Information*

on the Company of this document presents selected financial information extracted without material adjustment from (i) the audited historical financial information of the Company for the 12 month periods ended 28 February 2019, 28 February 2018 and 28 February 2017.

The financial and volume information in this document, including in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. The sum of the numbers in a column in a table may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Pro forma wording

In this document, any reference to “pro forma” financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in *Part XIII – Unaudited Pro Forma Financial Information for the Enlarged Group* of this document. The unaudited pro forma statement of net assets and the unaudited pro forma income statement of the Enlarged Group have been prepared for illustrative purposes only in accordance with Annex II of the Prospectus Rules and should be read in conjunction with the notes set out in *Part XIII – Unaudited Pro Forma Financial Information for the Enlarged Group* of this document. The unaudited pro forma financial information has been prepared to illustrate the effect of the Gold Ridge Acquisition as if it had taken place on 1 March 2018. By its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position nor is it indicative of the results that may or may not be expected to be achieved in the future.

Market data

Where information contained in this document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Ordinary Shares are admitted to CREST and accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Ordinary Shares will be able to do so. Shareholders may elect to receive Ordinary Shares in uncertificated form if such Shareholder is a system-member (as defined in the Regulations) in relation to CREST.

Transferability

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.

International Financial Reporting Standards

As required by the Companies Act and Article 4 of the European Union (“EU”) International Accounting Standards Regulation, the financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU.

No incorporation of information by reference

The contents of the Company's website (www.metalnrg.com), any website mentioned in this document or any website directly or indirectly linked to these websites have not been verified and do not form part of this document, and prospective investors should not rely on them.

Forward-looking statements

This document includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should' or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board of Directors concerning, *inter alia*: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the 'Risk Factors' set out in *Part II – Risk Factors* of this document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading **"Forward-looking statements"** constitutes a qualification of the working capital statement set out in paragraph 17 of *Part XVI – Additional Information* of this document.

Forward-looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Definitions

A list of defined terms used in this document is set out in *Part XVII – Definitions* of this document.

Currency

Unless otherwise indicated, all references in this document to:

- **"UK Pounds Sterling", "Pounds Sterling", "pound", "pence", "GBP", "£" or "p"** is to the lawful currency of the UK;
- **"CAD", "C\$" and "CAD\$"** is to the lawful currency of Canada;
- **"US Dollars", "USD", "US\$", "cents" or "\$"** is to the lawful currency of the US;
- **"A\$", "ASD" or "Australian Dollars"** is to the lawful currency of the Commonwealth of Australia; and
- **"Kyrgyzstani som" or "KGS"**, is to the lawful currency of the Kyrgyz Republic.

PART IV

ADMISSION AND PLACING STATISTICS

Number of Ordinary Shares in issue prior to the Placing	203,368,980
Placing Price per Placing Share	0.3p
Number of Placing Shares being issued pursuant to the Placing	94,333,326
Percentage of Enlarged Issued Share Capital represented by the Placing Shares	32%
Enlarged Issued Share Capital following the Placing	297,702,306
Number of warrants in issue prior to the Placing	27,950,000 ⁽¹⁾
Number of options in issue prior to the Placing	9,500,000 ⁽²⁾
Total number of warrants and options in issue following the Placing	131,783,326
Gross proceeds of the Placing	£283,000
Estimated Net Placing Proceeds receivable by the Company	£193,000
Market capitalisation of the Company at the Placing Price ⁽³⁾	£893,106

(1) Of these warrants 18,250,000 are exercisable at 3 pence per share and 9,700,000 are exercisable at 2 pence per share. See *Part VII – The Company and the Acquisitions – Warrants* for more information.

(2) Of these options 4,500,000 are exercisable at 0.75 pence per share and 5,000,000 are exercisable at 3 pence per share.

(3) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of the Ordinary Shares will equal or exceed the Placing Price.

The dealing codes for the Ordinary Shares will be as follows:

TIDM	MNRG
ISIN	GB00B15FS791
SEDOL code	B15FS79
LEI	2138003C24H79U5QZH21

PART V

EXPECTED TIMETABLE OF EVENTS

Publication of this document	18 July 2019
Admission and dealings expected to commence in the Ordinary Shares	8.00 a.m. on 23 July 2019
CREST accounts expected to be credited with the Placing Shares	23 July 2019
Expected date for definitive share certificates in respect of the Placing Shares	by 30 July 2019

References to time are to Greenwich Mean Time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.

PART VI

DIRECTORS, AGENTS AND ADVISERS

Directors	Christopher Latilla-Campbell, <i>Chair</i> Rolf Gerritsen, <i>Chief Executive Officer</i> Christian Schaffalitzky, <i>Non-Executive Director</i> Gervaise Heddle, <i>Non-Executive Director</i>
Registered office address	MetalNRG plc 1 Ely Place London EC1N 6RY United Kingdom
Company Secretary	City Group PLC 1 Ely Place London EC1N 6RY United Kingdom
Joint Bookrunners	SI Capital Limited 46 Bridge Street Godalming GU7 1HL United Kingdom Peterhouse Capital Limited New Liverpool House 15 Eldon Street London EC2M 7LD United Kingdom
Legal advisers to the Company	Cooley (UK) LLP Dashwood 69 Old Broad Street London EC2M 1QS United Kingdom
Auditors and Reporting Accountants	Edwards Veeder (UK) Limited 4 Broadgate Broadway Business Park Chadderton Oldham OL9 9XA United Kingdom
Competent Person	<i>In relation to the Uranium Project:</i> Mr. Philip Alan Jones Saint Barbara LLP 9 John Street London WC1N 2ES United Kingdom <i>In relation to the Gold Ridge Project:</i> Mr. Gareth O'Donovan SRK Exploration Services Limited 12 St Andrew's Crescent Cardiff CF10 3DD United Kingdom

Registrars

Computershare Investor Services plc
The Pavilions
Bridgewater Road
Bristol BS13 8AE
United Kingdom

Company's website

www.metalnrg.com

PART VII

THE COMPANY AND THE ACQUISITIONS

Investors should read the whole of this Prospectus and not just rely upon the summarised information. Where stated, information in this section has been extracted without material adjustment from Part XII – Historical Financial Information, Part XIII – Operating and Financial Review and Part XVIII – Competent Person's Reports.

1. Introduction

The Company was incorporated in England and Wales on 20 February 2006 as a public company under the name ZimNRG plc and its shares were admitted to trading on the NEX Growth Market (then known as PLUS Markets) on 21 August 2006. The Company's original objective was to create value by investing in natural resource opportunities in Southern Africa, specifically Zimbabwe.

At a general meeting on 11 March 2016, the Shareholders, by way of special resolution, resolved to change the Company's name to MetalNRG plc and simultaneously approved the New Investing Policy.

The Company's New Investing Policy is to invest in and/or acquire companies or projects within the natural resources sector, with potential for growth or value creation. For those projects that offer substantial growth opportunity, the Company will seek a controlling interest and maintain a medium to long term investment view. For those projects that offer value creation opportunities, the Company will seek to list such projects on an appropriate stock exchange and crystallize value in the short term. The New Investing Policy also allows the Company to consider opportunities in other related sectors if the Board considers that there is an opportunity to generate an attractive return for Shareholders. Such related sectors may include natural resource technologies and fintech opportunities offering leverage to resource identification, processing, recording, storage and trading businesses.

The opportunities will be managed in one of the two divisions that the Company has created under the New Investing Policy: the Direct Investment Division and the Indirect Investment Division.

The Company's Direct Investment Division will have majority investments, board control and add value to the projects that it invests in. The Company intends to take an active role in these projects and will drive them along the value chain creating long term Shareholder value.

The Company's Indirect Investment Division will invest in privately owned projects that can be structured, packaged and then listed on a major stock exchange. The Company's role will be to coordinate and facilitate any pre-IPO funding and the IPO process itself, making sure that the appropriate advisors are in place to deliver the IPO in a cost and time efficient manner. The Company will invest directly in some of these opportunities, will earn fees, payable in shares, upon delivering pre-determined milestones. The Company may take minority stakes in projects and will be able to trade such shares as it sees fit. The Company recently advised Cobra Resources plc ("**Cobra**") on its IPO and listing on the London Stock Exchange as part of its Indirect Investment Division. In lieu of fees, the Company received 4,166,666 ordinary shares in Cobra (representing approximately 6.2 per cent. of the entire issued share capital of Cobra) at the placing price of 1.5 pence per ordinary share, worth approximately £62,500 at market value.

The Board will conduct initial due diligence appraisals of potential businesses or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist with such reviews.

The Company does not have a separate investment manager. Additionally, the Company does not currently intend to fund any investments made under the New Investing Policy with debt or other

borrowings, but may do so in the future if the Board considers it appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer new Ordinary Shares by way of consideration as well as cash, in order to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems. For a detailed summary of the risks relating to the Company's business, please see *Part II – Risk Factors* of this document.

2. Current Investments

Palomino Cobalt Project

On 29 June 2017, the Company announced that it had entered into an agreement to acquire a cobalt licence in connection with the Palomino Cobalt Project in Western Australia, its first investment under the New Investing Policy.

The Cobalt Exploration Licence is currently held by Redstone Metals Pty Ltd ("**Redstone**"). Under the terms of an agreement entered into between the Company and Redstone on 27 June 2017 (the "**Cobalt Application Agreement**"), Redstone agreed to, upon the granting of the Cobalt Exploration Licence, hold the Cobalt Exploration Licence on trust on behalf of the Company. Due to the regulatory prohibition against transferring an exploration licence within one year of grant, it was further agreed that on the date falling one year after the granting of the Cobalt Exploration Licence, the Company would gain the right to acquire the Cobalt Exploration Licence from Redstone.

On 19 February 2018, the Western Australia Department of Mines, Industry Regulation and Safety granted the application for the Cobalt Exploration Licence. Therefore, on 20 February 2019, the Company will gain the right to acquire the Cobalt Exploration Licence from Redstone.

The Company formed a Cobalt division to act as a repository for the Palomino Cobalt Project and any future additional cobalt interests. MetalNRG Australia, which is incorporated in Australia, will serve as the operating company for the Palomino Cobalt Project. Once the Company exercises its option to acquire the Cobalt Exploration Licence from Redstone, MetalNRG Australia will be the holding entity for the Cobalt Exploration Licence.

Under the terms of the Cobalt Application Agreement, the Company agreed to cover the direct costs of Redstone in respect of the licence application of up to approximately A\$15,000 and to issue 600,000 Ordinary Shares to Redstone and 400,000 Ordinary Shares to Amy Teresa Richardson at a deemed price of 1.5p per Ordinary Share. Upon the granting of the Cobalt Exploration Licence, the Company issued a further 1,200,000 Ordinary Shares to Redstone and 800,000 Ordinary Shares to Amy Teresa Richardson at a deemed price of 1.5p per new Ordinary Share. On 3 April 2018, the Company also issued 500,000 Ordinary Shares to Redstone at a deemed price of 1.5p per new Ordinary Share as consideration for its services relating to the application for the Cobalt Exploration Licence.

US Cobalt project

On 22 March 2018, the Company announced that it had entered into a binding option agreement to sell its 15.38 per cent. stake in US Cobalt, the owner of the Goodsprings Cobalt and Base Metals Project, located in the State of Nevada, USA, to Tyranna. On 6 April 2018, the Company subsequently announced that the due diligence on US Cobalt had been successfully completed by Tyranna and that the parties (the Company, Tyranna and US Cobalt) would work together to satisfy all conditions precedent, which includes the drafting of the sale and purchase agreement (the "**US Cobalt SPA**"). On 21 August 2018, the Company confirmed that the US Cobalt SPA had been agreed. Following the approval by Tyranna shareholders of the US Cobalt SPA on 21 September 2018, the Company received 21,719,457 shares in Tyranna which, at the deemed transaction price

of A\$0.017, equates to a consideration received of A\$369,231 or circa £211,327 (at the A\$:GBP currency exchange rate on 20 September 2018). 25 per cent. of the consideration shares (i.e., 5,429,864 Tyranna shares) will remain under voluntary escrow for a six month period following the date of the US Cobalt SPA.

For more information on the cobalt market, please refer to *Part VIII – Market Overview – Overview of the cobalt market*.

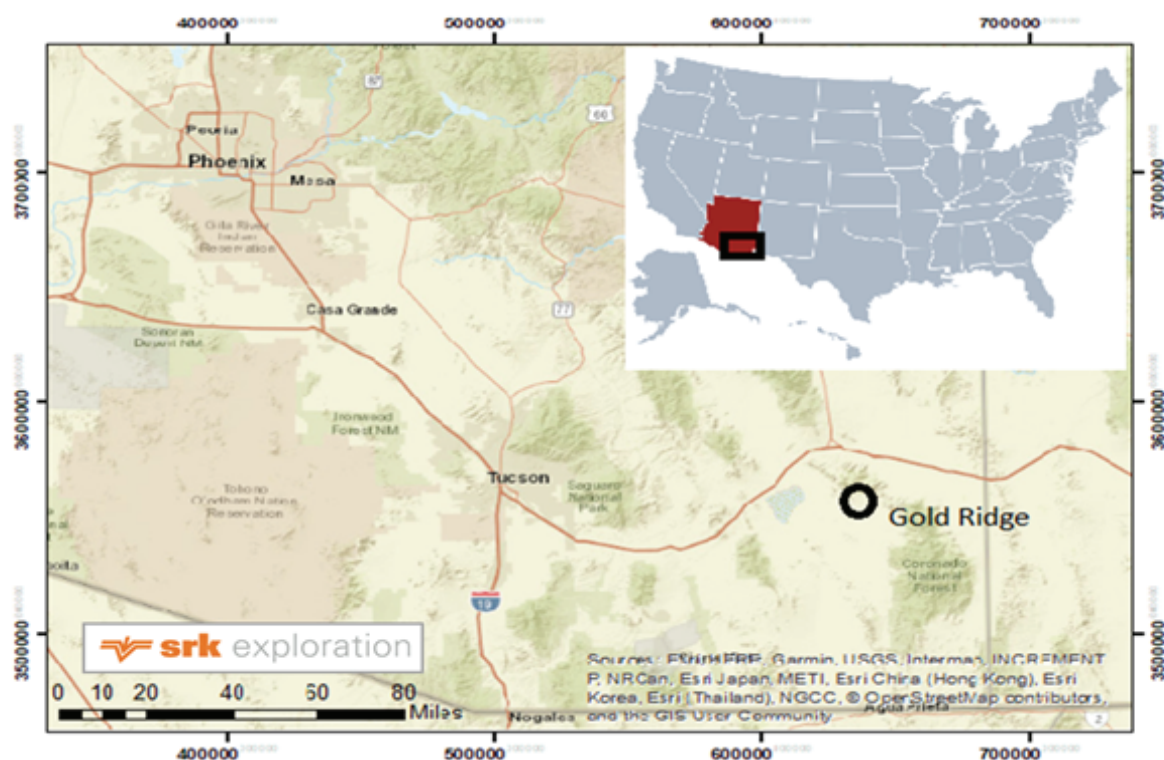
3. The acquisitions

The Gold Ridge Project

Introduction

On 25 July 2018, the Company signed the Gold Ridge Acquisition Agreement with Winston Gold pursuant to which the Company agreed to purchase all of the issued and outstanding shares of Goldridge Holdings, for cash payments totalling US\$219,220 and 21,942,576 Ordinary Shares in the Company at a deemed price of 1.75 pence per share. On 5 November 2018, the Company announced the completion of the Gold Ridge Acquisition Agreement and that 21,942,576 Ordinary Shares had been issued to Winston Gold.

Goldridge Holdings holds the interest in the Gold Ridge Project, located in Cochise County in south-eastern Arizona, approximately 160 km east of Tucson. The Gold Ridge Project lies approximately 100 km north of the US-Mexico border, and approximately 50 km west of the Texas state border.



The Gold Ridge Project comprises three historic mines; the Gold Ridge Mine, the Gold Prince Mine and the Dives Mine. The mines are located on the lower southern slopes of the Dos Cabezas Mountains. The Gold Ridge Project area covers approximately 2,305 acres, comprising 77.82 acres of private property, 343 acres of patented mining claims, 112 company-owned unpatented mining claims and 12 leased unpatented mining claims, sufficient to support any anticipated exploration, development and mining activities centred on the Gold Prince, Dives and Gold Ridge portions of the property.

Arizona is a mining friendly jurisdiction with an established permitting framework. The Fraser Institute 2017 Investment Attractiveness Index ranked Arizona 2nd by US State (after Nevada) and 9th/91 globally.

History

Mining in the Dos Cabezas district began in the mid-1800s with intermittent work on a wide variety of Gold-quartz veins and contact metamorphic copper deposits until the mid-1900s. The exact ownership and history is complicated by changes of names on several of the mines.

Gold production came principally from the Gold Prince Mine, the Gold Ridge Mine and the Dives Mine. Phelps Dodge Corp. ("**Phelps Dodge**") took over the Gold Ridge Project in 1984, although most pre-Phelps Dodge production occurred in the early 1930s and the Dos Cabezas Mining Company ("**DCMC**") began operating the Gold Prince Mine at its current level in 1949.

The Gold Prince Mine was operated by the small mines division of Phelps Dodge between 1984 and 1986, during which time 14,238 tons were shipped with an average grade of 9.74g/t Au. This production was shipped to Phelps Dodge smelters and used for flux. Phelps Dodge completed significant core drilling during this time.

Queenstake Resources U.S.A., Inc. ("**Queenstake**") leased the Gold Ridge Project between October 1986 and September 1992. Queenstake drilled additional core holes, developed additional mine openings and undertook minor production. The final 22 months of this production was conducted through agreement with Queenstake by contract miners.

Western States Mining Corp. ("**WSMC**") acquired the Gold Ridge Project in 1993 and operated it into the mid 1990's until it was shut down.

The following table highlights the historical production summary at the Gold Prince Mine:

<i>Year</i>	<i>Ore Tonnes</i>	<i>Grade g/t Au (tonnes)</i>	<i>Ounces Produced</i>	<i>Operating Company</i>
Pre-1932	N/A	N/A	N/A	
1932 – 1933	3,785	19.88	2,419	DCMC
1949 – 1950	2,541	13.71	1,120	DCMC
1984 – 1986	12,920	10.73	4,456	Phelps Dodge
1988	451	11.66	169	Queenstake
1989	4,638	8.70	1,298	Queenstake
1990	2,201	14.79	1,047	Queenstake
1991	3,029	16.50	1,607	Queenstake
1992	2,007	10.71	691	Contract Mining for Queenstake
1993	1,199	5.63	217	WSMC
1994	11,215	15.65	5,642	WSMC
1995	9,549	7.92	2,430	WSMC
1996	4,479	6.44	927	WSMC
TOTALS	58,015	11.81	22,023	

Geology and mineralisation

Regional geology

The Gold Ridge Project lies within the Dos Cabezas Quadrangle. The region is believed to be a large, late-Cretaceous to early-Tertiary-aged plutonic-volcanic centre constructed on deformed and intruded Precambrian, Paleozoic and Cretaceous-aged metavolcanic and metasedimentary rocks. These rocks were subsequently cut by the Apache Pass fault zone (the "**Apache Pass Fault Zone**"), a regional vertical shear zone that is believed to control the location of the high-grade gold vein systems like that at the Gold Ridge Project.

The Apache Pass Fault Zone, traced along a west-northwesterly trend for more than 20-miles, is the dominant structural feature of the Gold Ridge Project area. The Apache Pass Fault Zone is believed to have had a long history of recurrent movement and is believed to be an important control for the localization of the ore-bearing veins of the district. Numerous late north-to-northwesterly-trending faults cross the main shear zone and offset mineralized veins from a few feet to several hundred feet.

Local geology

Within the Gold Ridge Project, gold-bearing, irregular, quartz-sulfide veins occur within a sheared and faulted zone in Cretaceous-age sediments. The productive veins of the Gold Prince mine parallel the main shear zone and are localized along a complex set of related west-northwest, south dipping quartz veins and shears. The high-grade gold-bearing vein system at the Gold Prince mine is part of a three-mile vein swarm that includes both barren and mineralized veins. West of the Gold Prince mine, the Gold Ridge mine appears to have been offset approximately 400 feet to the north along an ill-defined cross-fault. The mines within the Gold Ridge Project are believed to be mesothermal in nature and similar exhibit similar features to the Low-Sulphide Gold-Quartz vein model that describes California's mother-lode and Canadian Abitibi deposits.

Mineralisation

Two principal styles of mineralisation are found in the Dos Cabezas Mining District. Gold-base metal sulphide quartz veins occur within the Apache Pass Fault Zone and contact metamorphic, skarn deposits of chalcopyrite, pyrite and magnetite in carbonate rocks are found immediately adjacent to Laramide stocks. To date, the Gold Ridge Project is known to host gold-base metal sulphide quartz veins within the Apache Pass Fault Zone.

Gold and silver bearing quartz-sulphide veins consist of coarsely crystalline quartz with pyrite, galena, sphalerite and chalcopyrite. Native gold occurs in pyrite as very-fine-grained blebs and fillings in crystal defect sites in pyrite and sphalerite. Native gold is also found preferentially in friable and cupriferous pyrite relative to massive euhedral pyrite in the quartz veins.

These sulphides are frequently arranged in bands or coarse aggregates within the quartz and are more common on the hanging wall side of the veins. Oxidation may extend to depths of 90 metres from the surface. Gold grade ranges from zero to 310g/t Au have been recorded. The gold/silver ratio is roughly 1:1. Lenticular ore shoots, 30 – 120 metres in length, are found in various locations throughout the width of the shear zone. They persist from the surface to the lowermost workings.

The Gold Prince Mine also contains gold in disseminated ores in wall rock, in early carbon-calcium carbonate-quartz veins and in the quartz veins. All are hosted by the Cretaceous Bisbee Group shales and quartzites. Wallrock alteration associated with the veins includes silicification and chlorite-sericite-pyrite assemblages. Alteration intensity is greater in the more competent units.

Mineral Estimates

The purpose of SRK Exploration Services Limited's site visit was to review the geological setting, mineralisation, and historic exploration work at the Gold Ridge Project and to assess historic exploration data, rather than to review or examine the physical mine itself.

There are currently no Joint Ore Reserves Committee ("**JORC**") compliant mineral resource or reserve estimates for the Gold Ridge Project as the mines are still in the exploration phase.

Similarly, there is currently no anticipated mine life or estimated duration of commercial activity in extracting reserves as the Gold Ridge Project is still being explored. The Gold Prince mine has seen the majority of the recorded production and all of the modern exploration and mining. The Gold Prince mine is a vein-type deposit developed on 5 levels over a strike length of roughly 300 m. This development appears to be within the confines of a broad southeast-plunging ore shoot. The nature of the mineralisation remains similar over the roughly 180 m of vertical development between the surface and the lowest level of the mine. Although the current extent of underground

development between levels is not completely known, it is probable that mineable material remains in place, particularly between the 4-level and the 6-level. Mapping and sampling both at surface and underground confirms that the vein is laterally extensive across the width of the property and anomalous to strongly mineralised in several places.

SRK Exploration Services Limited considers that the mapping and sampling conducted to date supports the concept that the Gold Ridge project has potential for the discovery of further, mineable gold mineralisation.

Mineral rights in Arizona

The following permits and applications may be required for a future mining operation at the Gold Ridge Project:

- reclamation plan with a bond posted against its completion;
- an identification number with both the Federal Mine Safety and Health Administration (“**MSHA**”) and the Arizona State Mine Inspectors office as soon as the Gold Ridge Project advances beyond the exploration phase;
- an MSHA-approved ventilation plan and a ground support plan;
- a mine rescue team on call;
- Arizona Department of Water Resources permits for exploration holes and wells;
- county highway use restrictions and maintenance requirements;
- National Pollutant Discharge Elimination System Multi-Sector General Permit for Industrial Activities for storm water runoff issued by the Arizona Department of Environmental Quality;
- an Air Quality Permit for crushing and screening; and
- an Aquifer Protection Permit.

Some of these permits/approvals may not be required if the scope and scale of a mining operation remains below certain thresholds. For example, an Air Quality Permit may not be required if emissions are below certain threshold values or if the operator uses a contracted, mobile crushing and screening company who would themselves take responsibility for permitting and ensuring that Air Quality Permits are attached to the mobile equipment. The mine rescue team requirement could be met if the Company were to contract within a “mine safety” cooperative as long as the MSHA rules that a “small and remote” classification would be appropriate for an operation at the Gold Ridge Project.

Mineral Exploration and Extraction

The Gold Ridge Project is accessible via a well-developed state and county road system, which provides reliable year-round access to the project area. State Highway 186 traverses the village of Dos Cabezas and, near the southern end of the town, the private South Hertado Ranch road forks off to the southeast. Taking this road for about 4 km takes one to the portal of the Gold Prince mine. The road is normally passable with a 2-wheel drive vehicle.

Due to the method of mining historically employed at the Gold Ridge Project, tall open stopes exist above many parts of the mines rendering access unsafe without extensive work to mitigate the hazard of rock fall. Despite this issue, previous studies of the Gold Prince mine has found a vein which is 0.6-3 m wide with variable sulphide content, and very high grade in some of the areas where historic mining had occurred. Investigation along the surface trace of the Gold Ridge vein system confirmed that the vein outcrops across much of the Company’s land holdings and represents a geologic target for surface sampling, geochemical studies and drilling that has potential to discover additional shoots of high-grade material similar to that mined at the Gold Prince, Gold Ridge and Dives mines.

The Uranium Project

Introduction

On 16 August 2018, the Company announced that it had signed the Option Agreement with IMC to acquire a majority interest in the Uranium Project in the Kyrgyz Republic. The Uranium Project is currently operated by IMC via its subsidiary Closed Joint Stock Company IMC Invest ("**CJSC IMC**"). CJSC IMC is the holder of the Mining Licence.

Under the Option Agreement the Company could own 51 per cent. of the issued share capital in Newco and IMC would own the remaining 49 per cent.

On 5 December 2018, the Company entered into the Amended Option Agreement to restructure the cash payments paid by the Company in order to progress the application of the Mining Licence.

On 22 January 2019, the State Committee for Reserves granted the Company's application to convert the Exploration Licence, which expired on 31 December 2018, into the Mining Licence.

On 26 March 2019, the Company and IMC entered into the Farm-in Letter Agreement, replacing the terms of the Option Agreement and the Amended Option Agreement entirely. Under the terms of the Farm-in Letter Agreement, the Company and IMC acknowledge that the Company has, as at 26 March 2019, made the Initial Payment (US\$170,650). Further, the Company agreed to transfer to IMC the Second Payment (US\$400,000) at a date to be agreed. The Second Payment shall represent the Entitlement, being a 51 per cent. economic interest in the assets and operations subject to the Mining License. The Second Payment is to be made using part of the Net Placing Proceeds. In order to maintain the Entitlement, the Company has also agreed, under the Farm-in Letter Agreement, to pay IMC a further US\$1,989,350 into over 18 months for the sole purpose of funding development costs at the Uranium Project. This sum shall be paid by way of the Tranche Payments.

IMC shall not be prohibited from entering into discussions with third party investors in connection with obtaining project finance in relation the Uranium Project. However, before making any Project Finance Offer, IMC must offer the same terms to the Company, and the Company shall have the Right of First Refusal over any Project Finance Offer. If the Company elects to provide funding equal to the amount of the Project Finance Offer, upon such funds being received by IMC, the Company and IMC shall commit to increase the Entitlement over the economic interest in the Uranium Project by way of further agreement at a date to be agreed between the parties.

If the Company cannot satisfy any of the Tranche Payments as they fall due, the Right of First Refusal shall not apply. Following any Default, IMC shall have the right, subject to approval by the Company, to enter into project finance arrangements with third party investors in relation to the Uranium Project, and the Company and IMC shall commit to re-distributing the Entitlement (by reference to the then prevailing market value of the Uranium Project) by way of further agreement accordingly at a date to be agreed between the parties.

On 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of the Uranium Ban. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In response to the Uranium Ban, the Company and IMC entered into the Side Letter, under which the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban.

Under the Side Letter, the Company and IMC have agreed that IMC will waive the obligation of the Company to pay the Second Payment and the Tranche Payments. From the effective date of the Side Letter, and throughout the duration of the Uranium Ban, the Right of First Refusal shall continue to apply in favour of the Company. If the Uranium Ban continues for a period of 12 months from the date of the Side Letter, the Company shall have the right to terminate the Farm-in Letter Agreement in its entirety by written notice to IMC and the Company shall not be liable for any unpaid payments thereunder.

If, within 12 months of the date of the Side Letter, either (i) the Uranium Ban ceases to be in force or (ii) the government of the Kyrgyz Republic allows IMC to progress work under the Mining License pursuant to the Waste Exemption, the Company may, in its sole discretion, elect to re-enter the Farm-in Letter Agreement, subject to the adjustment, if necessary, of the Agreed Dates in relation to the Tranche Payments and valuation of the Uranium Project.

The Company and IMC maintain the position that the activities at the Uranium Project of 'cleaning' the peat and contained groundwater, which carries high levels of uranium (such uranium often contaminating the local water supplies), amount to those of processing waste and accordingly fall under the Waste Exemption. The Company and IMC are currently discussing this position with the government of the Kyrgyz Republic.

For more information on the uranium market, please refer to *Part VIII – Market Overview – Overview of the uranium market*.

History

The area covered by the Uranium Project has been explored since the 1950s, mainly during the Soviet era for various commodities. In the 1960s the peat deposits were identified as potential fuel sources and as part of this investigation it was found that the peats contained anomalous uranium values. Only basic reconnaissance work was done at that time over the deposits because the peat was of poor fuel quality and the Soviets were looking at higher grade uranium deposits elsewhere.

IMC first acquired the exploration licence in 2006 when the exploration licence covered 51,600 hectares. Since then, as required by the Kyrgyzstan authorities, the licence area has been progressively reduced to its present 4,078 hectares. Over this period, IMC have extensively and systematically explored the Uranium Project area by mapping the outcropping peat deposits and drilling vertical auger holes over the main deposits on a regular grid. Since mid-2011, this drilling was extended beyond the ten main, large peat deposits into the numerous smaller peat deposits within the exploration licence identified with the aid of satellite imagery.

Geography and climate

The Uranium Project is located on the Chu River flood plain approximately 50km north-west of Bishkek with the northern boundary of the exploration licence being the Kyrgyzstan-Kazakhstan international border. The Kamushanovskoye uranium deposit is approximately 48km by road from Bishkek and 95km by road from the Karabalta uranium processing plant.



Geology and mineralisation

Geological setting

Uranium is geologically highly soluble in acid ground waters and is readily leached from primary sources usually associated with granitic igneous rocks. Concentrations of secondary uranium occur where the acidity (pH) or oxidation state (Eh) of the groundwater changes, allowing the dissolved uranium to precipitate out of solution. Certain organic materials make ideal sites for dissolved uranium to precipitate on.

Accumulations of Quaternary uranium such as that found at the Uranium Project are commonly associated with peat or similar organic material. Peat-hosted uranium accumulations are reported from Canada, USA, Scandinavia, UK and elsewhere in the former Soviet Union. Studies of peat-hosted uranium accumulations show that much of the uranium is derived from dissolved uranyl-bicarbonate complexes. The dissolved uranium is eventually fixed by adsorbing U^{6+} or reducing U^{6+} to U^{4+} producing uraninite (UO_2).

Kamushanovskoye geology and mineralisation

The Kamushanovskoye uranium deposit is located within a number of small peat deposits, formed of decomposing reeds and rushes, located in swampy areas that have formed within the Quaternary alluvial silts. These peats are mostly exposed at the surface, however some of the mineralised peats have been found buried below silts by some of the drilling. Ten mineralised peat deposits had been grid drilled and indicated and inferred resources estimated.

Regional geology

The Kamushanovskoye uranium deposit occurs in Quaternary alluvial deposits along the Chu River close to the Kyrgyzstan/Kazakhstan border. This Neogene - Quaternary basin extends 650km west-northwest as a broad fan from Tokmak in Kyrgyzstan into Kazakhstan. In Kyrgyzstan, the sedimentary basin is bounded on the south by the 3000m to 4800m Kyrgyz Mountain Range and on the north-east by the 1500m to 2000m Kendytas Range. These Neogene and Quaternary alluvials partly bury older topography, however there are scattered areas of lower and middle Pleistocene sediments outcropping. The alluvials are dissected by the modern drainage pattern that converges on the Chu River along the northern margin of the basin.

Roll-front style uranium deposits are known in Neogene and Quaternary deposits on the western side of the basin and in other adjacent basins.

The Kyrgyz Mountain Range and the Kendytas Range are composed of Riphean to Carboniferous sediments intruded by granitic intrusions and are the main source of the basin sediments, including the uranium mineralisation.

Mineral Estimates

CJSC IMC has systematically explored these peat deposits with hand-augered holes, up to 15m deep, over outcropping peat swamps in the exploration licence identified from Google Earth satellite images. To date, an estimated 2.923 million tonnes of Indicated resources at 0.032%U and 1.31 million tonnes of Inferred resources of peat and silt grading 0.047%U at a 0.0%U lower cut-off have been identified by this drilling with a further target of 1.6-2.6 million tonnes grading 0.045-0.064%U within the mapped peats not yet tested by drilling. It is important to note that the potential quantity and grade of a target estimate is conceptual in nature as there has been insufficient exploration to define a uranium resource and it is uncertain if further exploration will eventually result in the determination of a uranium resource in this material.

Table 10-3 Total Indicated Resource estimates at 0.0%U₃O₈ and 0.024%U₃O₈ lower cut-offs.

<i>INDICATED</i>	<i>0.000%U₃O₈ lower cut-off</i>			<i>0.024% U₃O₈ lower cut-off</i>		
	<i>Tonnes</i> <i>(1,000)</i>	<i>U₃O₈%</i>	<i>U₃O₈</i> <i>pounds</i>	<i>Tonnes</i> <i>(1,000)</i>	<i>U₃O₈%</i>	<i>U₃O₈</i> <i>pounds</i>
Silt	8,706	0.004	685,166	46	0.035	35,930
Peaty Silt	3,920	0.010	858,608	385	0.040	342,645
Silty Peat	1,867	0.031	1,293,519	842	0.057	1,061,250
Peat	1,056	0.033	767,550	412	0.068	617,592
UNKNOWN	82	0.029	52,807	29	0.072	45,953
Total	15,632	0.011	3,657,651	1,713	0.056	2,103,370

<i>INDICATED</i>	<i>Tonnes</i> <i>(1,000)</i>	<i>U₃O₈%</i>	<i>U₃O₈</i> <i>pounds</i>	<i>Tonnes</i> <i>(1,000)</i>	<i>U₃O₈%</i>	<i>U₃O₈</i> <i>pounds</i>
Peat and Silty Peat only	2,923	0.032	2,061,069	1,253	0.061	1,678,842

Table 10-4 Total Inferred Resource Estimate at 0.0%U₃O₈ and 0.024%U₃O₈ lower cut-offs.

<i>INFERRED</i>	<i>0.0%U₃O₈ cut-off</i>			<i>0.024%U₃O₈ cut-off</i>		
	<i>Million</i> <i>Tonnes</i>	<i>U₃O₈%</i>	<i>U₃O₈</i> <i>Thousand</i> <i>pounds</i>	<i>Million</i> <i>Tonnes</i>	<i>U₃O₈%</i>	<i>U₃O₈</i> <i>Thousand</i> <i>pounds</i>
Silt & Peaty Silt	4.13	0.005	494	0.25	0.046	266
Peat & Silty Peat	1.31	0.047	1,360	0.79	0.073	1,280
Total Inferred	5.45	0.015	1,854	1.05	0.067	1,546

As there are no JORC Code compliant Ore Reserves or a Feasibility Study with production rates it is not appropriate to provide an estimated mine life. Further, the potential quantity and grade of resources in the mine is conceptual in nature as there has been insufficient exploration to define a uranium resource and it is uncertain if further exploration will eventually result in the determination of a uranium resource.

Mineral rights and permits

CJSC IMC holds the Mining Licence, which, prior to 22 January 2019, was formerly the Exploration Licence.

The Exploration Licence expired on 31 December 2018.

To convert the Exploration Licence into the Mining Licence, a Kyrgyz government approved feasibility study was required. Since 2012, the following work was carried out:

- 2012 – 2014: Extensive laboratory and technological tests on ore (peat) excavating, gravitation concentration, burning (or gasification on the site) and leaching uranium from ash or char. The uranium extraction was 90-92 per cent. but the processes were not economically feasible. Ecological tests and a report were produced. The total monetary spend on this work was US\$725,000; and
- 2015 – 2018: Laboratory and field trials on *In-situ* Leaching method, Russian code feasibility study (the “**Feasibility Study**”) including reserve calculations were completed and IMC stated that all documents required by the State Committee for Reserves were ready for filing as part of the process to apply for the Mining Licence. The Feasibility Study was filed in December 2018. The total monetary spend on this work was US\$486,000.

On 22 January 2019, the State Committee for Reserves met to consider reports submitted by CJSC IMC in relation to the Exploration Licence. The decision of the committee was to approve the report and convert the Exploration Licence to the Mining Licence.

Production

The Uranium Project has not begun uranium production.

Mineral Exploration and Extraction

The Kamushanovskoye project area is readily accessible all year round by vehicle from the capital city Bishkek and the industrial town Karabalta to the south-west by bitumen and all weather gravel roads. Kyrgyzstan is a developing country with limited funds for public infrastructure so some of these roads are in need of maintenance work.

The Chu valley at Kamushanovskoye has an elevation at about 500m and approximately 20m below the surrounding terrain. The deposit area is quite flat with a natural elevation range of just a few metres. Minor earthworks for roads have created highs and lows with an overall range of less than 10m.

Kamushanovskoye is a farming district with the main crops being beet and wheat. The extreme temperature ranges experienced through the year, typical of continental areas of high latitudes influence the agricultural activities. Since the Project is based on deposits in peat bogs, the extreme range in temperature allows for work at the site to be possible all year round. In summer, much of the peat deposits are easily dug or drilled however access to the boggy areas is sometimes easier in winter when they are frozen solid allowing vehicular access to these areas. Grid electric power and water is available and the existing roads are capable of supporting the traffic expected with a mining operation of the scale envisaged by IMC. Maintenance and other services required by a mining operation are available from Bishkek and Karabalta.

Other Acquisition Opportunities

On 29 April 2019, the Company entered into a non-binding heads of terms agreement (the “**Mkango Heads of Terms Agreement**”) with Mkango Resources Ltd and Lancaster Exploration Limited in order to explore the possibility to earn a 75 per cent. economic interest in the Exclusive Prospecting Exploration License 0303/10R3 for exploration targets of uranium, niobium and tantalum (the “Thambani License”) over a three year period. Following a period of due diligence, the Company announced on 28 June 2019 that it would not be pursuing the opportunity and terminated the Mkango Heads of Terms Agreement.

4. Warrants

At the date of this document, the Company has 27,950,000 outstanding warrants. Of these warrants 18,250,000 are exercisable at 3 pence per share and 9,700,000 are exercisable at 2 pence per share. In addition, at Admission the Company will issue 94,333,326 warrants to subscribe for up to subscribe for up to 94,333,326 new Ordinary Shares (on a one for one basis), at an exercise price of 0.6 pence per Ordinary Share, to investors who have participated in the Placing (the “**Placing Warrants**”).

Pursuant to certain investments in the Company as announced on 23 February 2018, Rolf Gerritsen will be issued with 2,500,000 warrants. The warrants will have a term of 36 months expiring on 30 March 2021 and are exercisable at 3 pence per share (and are included within the 18,250,000 warrants exercisable at 3 pence per share, above).

Further details of the terms of the warrants are set out in paragraph 8 of *Part XVI – Additional Information* of this document and further details of the Placing Warrants are set out in *Part XI – Terms of the Warrants* of this document.

5. Options

At the date of this document, the Company has 9,500,000 outstanding options, each entitling the holder to subscribe for one Ordinary Share. Of these options, 5,000,000 are exercisable at 3 pence per share and 4,500,000 are exercisable at 0.75 pence per share.

6. Fully diluted Ordinary Share capital

The following table sets out the fully diluted Ordinary Share capital as at the date of this document and as at Admission:

	<i>As at the date of this document</i>	<i>As at the date of Admission</i>	<i>As a percentage of Enlarged Issued Share Capital at Admission</i>
Issued share capital	203,368,980	297,702,306	—
Ordinary Share options at 3p	5,000,000	5,000,000	—
Ordinary Share options at 0.75p	4,500,000	4,500,000	—
Warrants at 3p	18,250,000	18,250,000	—
Warrants at 2p	9,700,000	9,700,000	—
Placing Shares	—	94,333,326	32%
Placing Warrants	—	94,333,326	—

Accordingly, at Admission the Enlarged Issued Share Capital is expected to be 297,702,306 Ordinary Shares with a total of 9,500,000 options and 122,283,326 warrants outstanding. If all the outstanding options and warrants (including the Placing Warrants) were to be exercised the Company would receive approximately £1,491,250 in cash and the options and warrants would represent 31 per cent. of the fully diluted Enlarged Issued Share Capital.

7. Dividend policy

The Company currently intends to retain earnings, if any, for use in its future business operations and expansion. The Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

8. UK Bribery Act 2010

The government of the UK has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010 which came into force with effect from 1 July 2011. The Company has conducted a risk review into its operational procedures to consider the impact of the UK Bribery Act 2010 and has drafted and implemented an anti-bribery policy as adopted by the Board and also implemented appropriate procedures to ensure that the Directors, employees (including any Senior Managers) and consultants comply with the terms of the legislation.

9. Risk factors

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in *Part II – Risk Factors* of this document.

10. Further information

You should read the whole of this document and not just rely on the information contained in this *Part VII – The Company and the Acquisitions* of this document. Your attention is drawn to the information set out in *Part II – Risk Factors* to *Part XVI – Additional Information* of this document, which contain further information on the Company.

PART VIII

MARKET OVERVIEW

1. Overview of the gold market

Introduction

Gold is a precious metal, which has been a desirable and valuable commodity for centuries. Gold's ability to conduct heat, electricity and its resistance to tarnish mean that it is suitable for use in many industrial applications. It is also highly sought after as a precious metal for jewellery, coins and artwork. Gold is a naturally occurring element that is found widely throughout the geological world. Its value is recognised globally and it has served as a symbol of wealth and a store of value throughout history. Even in today's developed and sophisticated financial markets gold remains a sought after commodity and is seen as a "safe haven" in times of economic uncertainty.

Gold can be hardened by alloying it with other metals such as silver or copper. The term carat is used to indicate the percentage of gold remaining in the alloy, with 24 carats indicating pure gold and fractions thereof indicating proportionately less. Gold is measured in troy ounces and 1 troy ounce equates to 31.1 grams.

Application and demand

The demand for gold can be separated into a number of different markets. The main markets for gold demand are jewellery, technology and investment. The table below shows the end uses of the gold produced in 2015-2017 and the average gold price for the last three years:

Gold demand (Tonnes)

	2015	2016	2017
Jewellery	2,420.8	2,060.6	2,182.1
Technology	332.0	323.4	333.1
Electronics	262.1	255.6	265.6
Other Industrial	51.0	49.8	50.7
Dentistry	18.9	18.0	16.8
Investment	961.1	1,615.4	1,248.3
Total bar and coin demand	1,086.3	1,068.4	1,042.0
Physical Bar demand	786.6	794.2	778.7
Official Coin	224.3	207.2	187.9
Medals/Imitation Coin	75.4	67.0	75.3
ETFs & similar products	-125.1	547.0	206.4
Central banks & other inst.	576.5	389.8	374.8
Gold demand	4,290.4	4,389.2	4,138.3
LBMA Gold Price, US\$/oz	1,160.1	1,250.8	1,257.2

(Source: World Gold Council)

Net identifiable gold demand fell to 4,138.3t in 2017 from 4,389.2t in 2016, representing a 5.7 per cent. decrease, with investment demand falling by 22.7 per cent. However, jewellery consumption, including jewellery, small bars and coins, increased by 5.9 per cent. In terms of investment demand, there were significant flows of gold from western vaults to eastern markets, via refiners in North America, Switzerland, and Dubai. This was as a function of large-scale selling of Exchange Traded Fund ("ETF") positions among western investors as macro sentiment in the US improved. This physical metal supply was to some extent met by demand from consumers in India, China and numerous Asian and Middle Eastern markets.

Gold demand in Q2 2018 was 43.2t lower, compared with Q2 2017 but in line with its 10 year average. Jewellery demand weakened year-on-year, but the broad 5-year uptrend remains intact.

Investment demand pulled back from the extremes of last year amid relatively stable price conditions. Central banks continued to buy gold at a steady pace, albeit with a decline of 5.0t.

Gold as an investment

Gold, as a tangible or real asset, is widely used to increase the diversification of an investment portfolio. In times of economic uncertainty, a higher level of diversification is recognised to provide protection to the total value of an investment portfolio against fluctuations in the value of any one asset type. Therefore, when the investment outlook is unpredictable, the demand for gold as an investment is expected to increase.

The main feature of gold investment throughout 2017 was the contrast between ETFs, investment in which decreased by 62.3 per cent. in 2017, as sizable institutional positions were sold, and demand for medals and imitation coins, which increased by 12.4 per cent. to 75.3t in 2017. Notwithstanding the surge in medal and coin purchases, annual investment demand was down 22.7 per cent. in 2017.

The decline in investment in ETFs was mirrored in Q2 2018, declining to 33.8t from 62.5t in Q2 2017, a decrease of 45.9 per cent.

Technology

The volume of gold used in technology continued to stabilise in 2017 at 333.1t versus 323.4t in 2016 as the sector benefitted from a better global economic outlook and gold prices fell.

The two main contributing factors were in the electronics segment. On one hand, improved consumer sentiment (due to economic growth and stability) stimulated the supply chain, generating a healthy rise in sales of finished goods. On the other hand, further declines in the production of gold bonding wire offset these gains.

Similar factors contributed to a rise in the use of gold in the electronics segment in Q2 2018, rising to 66.2t from 64.4t in Q2 2017, a representing an increase of 2.8 per cent

Demand for gold in other industrial uses grew slightly in 2017.

Gold supply

Gold supply comes from mined gold, through recycling of gold already in circulation and from sales of existing gold stocks by governments and other such entities. In 2017, world gold supply was 4,447.3t of which 3,305.2t was from mined gold production.

Continued shrinkage in recycling activity outweighed modest growth in mine production, which fed through to a decline in the overall supply of gold during 2017. Insignificant levels of producer de-hedging had a limited impact on the numbers.

During the second quarter of 2018, 34.1 additional tonnes of gold were supplied to the market compared with Q2 2017. This 3.1 per cent. increase was almost solely due to growth in mine supply; recycling was little changed.

	2015	2016	2017
Supply			
Mine production	3,216.0	3,278.7	3,305.2
Net producer hedging	13.1	32.7	-25.6
Recycled gold	1,128.8	1,291.4	1,167.7
Total supply	<u>4,357.9</u>	<u>4,602.7</u>	<u>4,447.3</u>

(Source: World Gold Council)

Mined gold

Annual gold mine production grew by 26.5t (0.8 per cent.) in 2017, the bulk of which came through in the second half of the year. The fourth quarter saw a clear continuation of the trend that was in place throughout much of the year, new mines either coming on stream or building up to full capacity and growth in production of existing operations.

Net producer hedging activity, the second component of total mine supply, again had a minimal impact on supply in 2017. De-hedging of existing positions amounted to just 25.6t, with little or no evidence to suggest that the lower price environment will encourage producers to embark on any notable hedging programmes. The fact that the outstanding global hedge book stands at below 100t, the lowest for over a decade, provides a further indication that hedging will contribute little to gold's supply profile going forward.

Recycled gold

Gold is usually recoverable from most of its uses and is easily recyclable. Most recycled gold originates from jewellery, with smaller amounts coming from recycled bars and coins and also electrical components. The annual supply of recycled gold declined from 1,291.4t in 2016 to 1,167.7t in 2017.

Gold price

Gold has been used throughout history as a proxy for money and has been a relative standard for currency equivalents specific to economic regions or countries, until recent times. Many European countries implemented gold standards in the latter part of the 19th century until these were temporarily suspended in the financial crises involving World War I. After World War II, the Bretton Woods system pegged the US dollar to gold at a rate of US\$35 per troy ounce. The system existed until the 1971 Nixon shock, when the US unilaterally suspended the direct convertibility of the US dollar to gold and made the transition to a fiat currency system.

Since 1919 the most common benchmark for the price of gold has been the London gold fixing, a twice-daily telephone meeting of representatives from five bullion-trading firms of the London bullion market. Furthermore, gold is traded continuously throughout the world based on the intra-day spot price, derived from over-the-counter gold-trading markets around the world.

Today, the price of gold is driven by supply and demand including demand for speculation. However, unlike most other commodities, saving and disposal plays a larger role in affecting its price than its consumption. Most of the gold ever mined still exists in accessible form, such as bullion and mass-produced jewellery, with little value over its fine weight — and is thus potentially able to come back onto the gold market for the right price.

The chart below highlights the change in the market value of gold over the last 10 years:



(Source: World Gold Council)

The price of gold is dependent on a number of different factors including movements in foreign exchange rates, inflation, interest rates and political instability. The influence of these

macroeconomic factors on the price of gold can be very complex making it difficult to quantify and predict their effect on the gold market.

2. Overview of the uranium market

Introduction

U₃O₈, also known as yellowcake, is produced by crushing and soaking mined uranium ore in an acid solution. The solution is then dried and filtered, resulting in a yellow powder, which consists of 80 – 90 per cent. uranium-238.

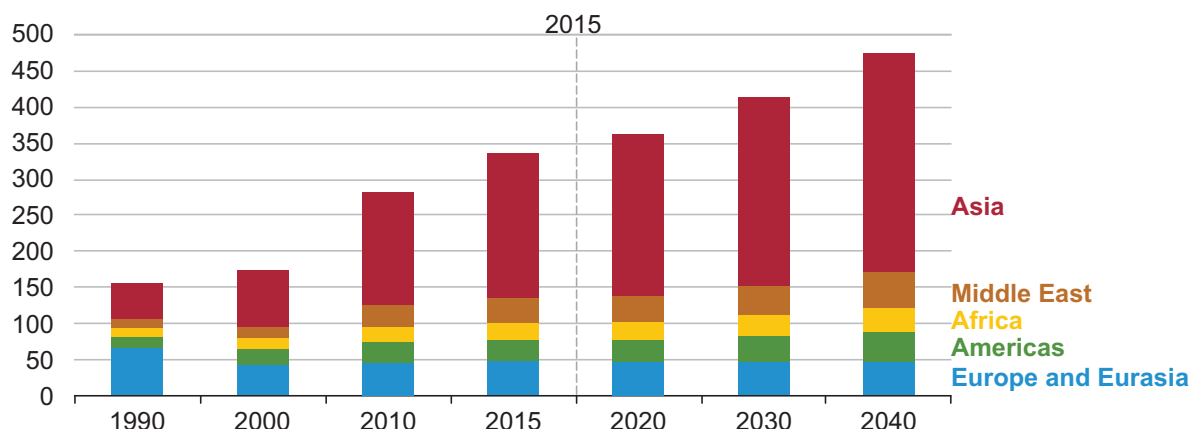
Uranium is most commonly used as a fuel for nuclear power plants. Nuclear fission is the basis of the power generation in the nuclear industry, and is the process whereby the uranium isotope uranium-235 is split into smaller particles, releasing significant amounts of energy. The first practical use of nuclear power was in 1951, when power from an experimental nuclear reactor was used to power ordinary lightbulbs. By the late 1950s, full-scale nuclear power plants had been placed in service throughout the US, the UK, Russia and France. The nuclear industry grew rapidly throughout the 1960s and 1970s, with the spread of nuclear reactors to Belgium, Bulgaria, Canada, the former Czechoslovakia, Finland, Germany, Hungary, Japan, Switzerland and Spain. Uranium is also widely used in the medical industry for research and diagnosis. Radiotherapy also uses radioisotopes in the treatment of cancer, and more powerful sources are applied to the sterilisation of syringes, bandages and other medical equipment.

Uranium demand

The primary use of uranium is in production of electricity. Long term energy demands, coupled with reactor construction, are the key indicator for uranium demand. Historically, the demand for uranium has been dominated by the US and France, however, increased demand for energy is being driven by growing economies in non-OECD countries and the increased electrification of OECD economies, including expected increased demand from electric vehicles (“EVs”). In the UK alone, National Grid estimates that by 2050, most, if not all, cars will be EVs.

As global energy demand grows, nuclear power is expected to remain a key aspect of the global energy mix. Based upon research from the US Energy Information Administration, global energy consumption is expected to increase by 28 per cent. between 2015 and 2040 with more than half of the increase attributed to non-OECD Asia, where strong economic growth drives increasing demand for energy, as illustrated by the following table:

**Non-OECD energy consumption by region
quadrillion Btu**



(Source: US Energy Information Administration)

Uranium production and supply

Mining production

Uranium can be mined through traditional open pit or underground methods, where the rock ore is removed from the ground and processed in order to access the minerals. Alternatively, uranium is also recovered through In Situ Recovery (“ISR”), whereby oxygenated groundwater is pumped directly into the orebody and the minerals are recovered from the solution.

After recovery, uranium ore is processed and milled to produce U_3O_8 , containing 80 – 90 per cent. uranium-238, which is then shipped to a converter, where the U_3O_8 is converted to uranium hexafluoride (“ UF_6 ”). UF_6 is suitable for the enrichment and fuel fabrication steps required to make the fuel ready for insertion into a nuclear reactor.

The World Nuclear Association (“WNA”) reference case for uranium supply projections assumes that the uranium supply of 189 mmlb in 2017 will decrease to 165 mmlb by 2035, and supply from current production sources is expected to decrease by 24 per cent. over the same period. As outlined in the table below, without a significant improvement in the uranium price, few new mining projects are expected to be developed. Further, any supply response is expected to be delayed due to the requirement to obtain all necessary approvals for developing and commissioning a uranium mine.

	2017 (mmlb)	2017 (%)	2020 (mmlb)	2020 (%)	2025 (mmlb)	2025 (%)	2030 (mmlb)	2030 (%)	2035 (mmlb)	2035 (%)
Current Production Capacity	161	85%	170	86%	153	83%	138	81%	122	74%
Mines Under Development	–	–	–	–	6	3%	5	3%	5	3%
Planned Mines	–	–	–	–	–	–	–	–	–	–
Prospective Mines	–	–	–	–	1	0%	2	1%	18	11%
Secondary	28	15%	27	14%	24	13%	26	15%	20	12%
Total	189		196		183		170		165	

(Source: WNA 2017 Nuclear Fuels Report)

According to the WNA 2017 Nuclear Fuels Report, of the c. 162 mmlb of uranium produced globally in 2016, 71% was produced in three countries: Kazakhstan (39 per cent.), Canada (22 per cent.) and Australia (10 per cent.). Production and marketing is dominated by four companies: Kazatomprom (21 per cent.), Cameco (17 per cent.), Orano (previously, Areva) (13 per cent.), and ARMZ – Uranium One (13 per cent.).

Due to the declining uranium price environment, the market has seen a reduction in production capacity as producers have shut down or reduced capacity at existing mines. Additionally, uranium companies have not been exploring for and developing new sources of uranium.

Secondary supply

The quantities of U_3O_8 made available from secondary supplies has been decreasing and, according to the WNA, are currently estimated to be supplying approximately 16 per cent. of global uranium demand. The key sources of secondary supply include commercial inventories, government inventories and recycling of materials from reprocessing.

Commercial inventories are predominantly held by utilities to ensure that any supply disruption will not affect reactor operations and to allow for contract lead time involved in the various fuel cycle stages. These inventories generally cover between one and three years of reactor requirements. Commercial inventories beyond this level are regarded as surplus, as such inventories may be sold or lent to other parties.

Government inventories are generally held for strategic purposes to ensure security of supply, as well as for new build programmes, especially in the case of countries such as China, India and Ukraine which have publicly stated their intention to build inventories. While the exact size of Russian government inventories is not clear, it is thought that they are intended for use both in domestic nuclear power plants as well as in plants being constructed in other countries.

Pricing of uranium

The principal end users of uranium are the global utility companies, which are also the largest buyers of uranium and other components of the nuclear fuel cycle. As there is no regulated or underwritten market for uranium, a substantial percentage of utilities' uranium supply is sourced from long-term contracts, with the balance purchased on the spot market. Spot market purchases are defined as purchases for delivery within a year. While long term contract prices may be obfuscated by privacy agreements or pricing terms, such as ceilings, floors and escalations, the market has some visibility on prices in the uranium spot market where there are other active parties, including traders, financial institutions and producers.

Due to the necessity of securing uranium for their reactors, most utilities have historically entered into long term contracts for uranium for the bulk of their fuel requirements, and maintain a fuel inventory equivalent to between one and three years of requirements. As is customary, these utilities are expected to begin renegotiating new long term contracts one to two years before they fall due. The need to secure new long-term contracts is further underpinned by the risk of a supply deficit in a near term to mid-term timeframe and the impact this might have on an already thin spot market.

3. Overview of the cobalt market

Introduction

Cobalt is a lustrous steel grey metal and one of only three naturally occurring magnetic metals (along with iron and nickel) which possess similar properties to each other in terms of hardness, tensile strength, machinability, thermodynamic properties and electrochemistry.

The uses of cobalt can be broken broadly into two groups – metallurgical and chemical. Metallurgically, cobalt is a critical element in alloys that need to endure severe temperature and mechanical stress, due to its properties of high temperature resistance, hardness and wear characteristics. These qualities make it ideal for superalloys, hard metals and diamond tools, special steels and alloys, as well as high temperature, high strength magnetic materials. The principal chemical use is in the cathodes of certain rechargeable lithium-ion batteries, as well as uses as catalysts in the petrochemical and plastic industries, colouring in pigments and ceramics; and as paint driers and use in the tyre industry.

Cobalt's attractiveness is often aligned to that of lithium. If one examines the raw materials which make up a battery, lithium makes up a much smaller percentage than one would imagine, given its strategic value to the product. Typically, lithium accounts for less than two per cent. of the composition of an average battery. Cobalt, on the other hand is used for the battery cathode and can typically be as much as 35 to 40 per cent. of the material used in battery manufacture. Nickel also makes up a significant proportion of the battery, depending on the use. The primary reason for considering cobalt as opposed to nickel concerns the geopolitical locations of cobalt and the potential for disruptive supply from the world's largest producing country, the Democratic Republic of Congo (the "DRC").

Supply and demand

The cobalt market has historically been driven by battery demand (primarily from consumer electronics) representing 40 per cent. of demand in 2017. However, the growing demand for electric vehicles ("EVs") and need for EV batteries with higher energy densities will see the demand for lithium increase more than threefold from 214 kt to 669 kt Lithium Carbonate Equivalent ("LCE") between 2017 and 2025, whereas cobalt will increase by 60 per cent. from 136 kt to 222 kt over the same period. The EV revolution is considered to be the underlying driver for cobalt demand, with global EV production expected to increase from 3.2 million units in 2017 to 18 million units by 2025, ultimately reaching 26 to 30 million units in 2030. There are several drivers that will impact the extent and speed of global EV adoption, including government

regulations and targets, future battery costs, the availability of EV charging and servicing infrastructure, and consumer preferences.

The cobalt mine supply is currently quite fragmented from a producer perspective, with the top three players today accounting for just below 40 per cent. of global mine supply; Glencore plc (“**Glencore**”) (22 per cent.), DRC state miner Gecamines (“**Gecamines**”) (9 per cent.) and China Molybdenum Co., Limited (“**China Molybdenum**”) (7 per cent.). However, in contrast to lithium, cobalt mine supply is almost monopolistic in structure when looking at regional supply: the DRC alone accounted for almost 70 per cent. of globally mined cobalt output in 2017, with Russia, Cuba, Australia, and Canada, the next largest supply countries, accounting for just 13 per cent. of global supply.

Approximately 40 to 45kt of the cobalt mine capacity additions by 2025 are expected to come from two projects, both in the DRC. The announced expansion of Glencore’s Kamoto Copper Company, operated by the joint venture between Glencore’s Katanga Mining (75 per cent.) and Gecamines (25 per cent.), is the largest known expansion project and could add up to 30kt of cobalt supply annually by the end of 2019. The second largest expansions is the Metalkol Roan Tailings Reclamation project from Eurasian Resources Group, which could add up to 14kt of cobalt supply annually as early as 2020.

However, several key issues make an accurate determination of future mine supply uncertain. Firstly, a major complication of cobalt mine supply is the fact that nearly two-thirds of global mine supply today comes from the DRC and that share is expected to increase even further to approximately 75 per cent. The DRC has historically seen supply disruptions and is currently witnessing changes in its mining law and ownership disputes. Furthermore it is mired in concerns regarding the role of artisanal mining and child labor, which relates to one of the main concerns of cobalt consumers in the automotive and consumer electronics sector – the traceability of the material. Having certainty about the origin of the metal and being sure it is not related to child labor could either lead to a premium for certified material or at least lower the accessible supply for certain end-use sectors. Indeed, this supply risk is one of the main reasons China has increased its focus on this strategic country, e.g., China Molybdenum’s acquisition of the Tenke Fungurume Mine in the DRC. China also has no significant domestic resources of cobalt and 90 per cent. of China’s cobalt units (in the form of ores or as semiprocessed material, such as alliage blanc with approximately 25 percent cobalt content) are sourced from the DRC.

Secondly, and in contrast to lithium, approximately 90 per cent. of cobalt mine supply is produced as a by-product, either from copper (55 per cent.) or nickel (35 per cent.) mines. That makes several expansion projects not only dependent on the future cobalt demand, supply, and price dynamics, but also on nickel and copper dynamics. There are only two operating cobalt mines where cobalt is the main product: Mukondo in the DRC and Bou Azzer in Morocco.

Pricing of cobalt

Unlike many widely used materials in today’s conventional vehicles, such as copper, aluminium, and steel, cobalt comes from a far different place in terms of pricing. Cobalt has been seen in the past as a “minor metal” and does not have high transparency and liquidity around pricing. While cobalt trades on the London Metal Exchange (“**LME**”), the contract is very illiquid, averaging open interests of just 354 contracts since the beginning of 2016. This pales in comparison to copper, which has an average of 331,000 contracts.

Over time, it is expected that the liquidity and transparency for cobalt will increase as the markets increase in size. Financial traders are beginning to enter these markets and more liquid contracts could begin to appear. The maturation of these markets will be important to the long-term success of the EV battery material market. Cobalt is less transparent than lithium, with deals structured below the spot price, at various timeframes, and the details of which are not publicly announced. This means buyers must have a full awareness of the market when structuring deals.

Significant Recent Trends

The global gold market is currently undergoing a geographic change as markets in the Far East, such as China and India, are consuming a much larger amount of gold than in previous years and, as a result, are enjoying an increasing share of the global market. The future of the market will likely be influenced by new technologies, such as blockchain, making transactions in gold as a commodity more cost efficient for market participants. Similarly, new participants to the gold market, traditionally dominated by banks, will likely continue to have an impact on the price of gold in 2019. These new participants include, for example, hedge funds and retail investors.

The most significant recent trend in the global cobalt market, which looks set to continue in 2019, is the increasing demand for cobalt as a key component of lithium-ion batteries (such batteries being used to power electric vehicles). The Democratic Republic of Congo, the world's largest producer of cobalt, recently introduced legislation which increased royalties and taxes on the extraction of cobalt within its territory, increasing extraction costs for producers.

The global market has seen a consistent, albeit moderate, uranium price growth throughout the second half of 2018, likely stimulated by the global reduction in stockpiles of the commodity at production sites. This trend is forecast to continue into 2019, particularly as the uranium market sees increased interest from US-based funds interested in investing in the commodity. The uranium market has recently experienced increased demand, particularly from countries such as China where more nuclear reactors are being built. The demand for uranium may further increase if other countries attempt to compete with the Chinese market in terms of uranium production. For example, in 2018, there were requests by the Minerals Council of Australia and certain uranium producers in the US for an expansion in production.

PART IX

THE PLACING

Details of the Placing

The Company has raised approximately £283,000 (before expenses) pursuant to the proposed issue of the Placing Shares at the Placing Price. The Joint Bookrunners, as the Company's agents, have procured commitments to subscribe for the Placing Shares from subscribers in the Placing.

The Placing is conditional upon:

- (a) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (b) Admission occurring by 8.00 am on 23 July 2019 (or such later date as the Company and the Joint Bookrunners may agree).

If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to subscribers.

Following satisfaction of all conditions and subject to the Placing Agreement becoming unconditional in all respects, application will be made for the Enlarged Issued Share Capital to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 23 July 2019.

The Placing Shares will, when issued, rank *pari passu* in all respects with the Ordinary Shares in issue on Admission, including the right to receive dividends and other distributions declared following Admission.

Immediately following Admission, the Enlarged Issued Share Capital will consist of 297,702,306 Ordinary Shares.

Shareholdings immediately prior to Admission will be diluted by approximately 46 per cent. as a result of the Placing Shares being issued pursuant to the Placing.

When admitted to trading, the Ordinary Shares (including the Existing Ordinary Shares and the Placing Shares) will continue to be registered with ISIN GB00B15FS791 and SEDOL code B15FS79 and trade under the TIDM MNRG.

Placing Agreement

The Company, the Directors and the Joint Bookrunners entered into the Placing Agreement dated 17 July 2019 relating to the Placing pursuant to which, subject to certain conditions, the Joint Bookrunners agreed to use reasonable endeavours to procure subscribers for up to 94,333,326 Placing Shares to be issued by the Company. The Placing Shares subscribed for in the Placing by subscribers at the Placing Price will represent up to approximately 32 per cent. of the Enlarged Issued Share Capital.

The Joint Bookrunners, as the Company's agents, have procured irrevocable commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.

In accordance with Listing Rule 14.2.2, at Admission at least 25 per cent. of the Ordinary Shares of this listed class of Ordinary Shares will be in public hands (as defined in the Listing Rules).

Further details of the Placing Agreement are set out in paragraph 10 of *Part XVI – Additional Information* of this document.

Use of proceeds

The Net Placing Proceeds will be used by the Company as follows: (i) £80,000 is intended to be spent reviewing all current and historical data with a view to establishing a new database at the Gold Ridge Project (ii) £22,000 is intended to be spent on exploration costs at the Palomino Cobalt Project, and (iii) the remaining balance of £91,000 is earmarked for general corporate purposes (including directors' fees over 18 months, marketing, website administrative costs, and future acquisition opportunities).

Lock-up arrangements

Under the terms of the Placing Agreement, each of the Directors have agreed with the Company and the Joint Bookrunners not to dispose of any of their interests in any Ordinary Shares held or acquired for a period of 180 days from the date of Admission, save in certain limited circumstances.

The aggregate interests following Admission which will be subject to the lock-up and orderly market arrangements, as described above, will amount to 72,804,075 Ordinary Shares which is equivalent to approximately 24 per cent. of the Enlarged Issued Share Capital.

Further details of the lock-up and orderly market arrangements are set out in paragraph 11.2 of *Part XVI – Additional Information* of this document.

Admission, settlement and dealings

Applications will be made for the Enlarged Issued Share Capital to be admitted to a Standard Listing on the Official List of the FCA and to trading on the Main Market of the London Stock Exchange.

A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings, which are subject to additional obligations under the Listing Rules.

It is expected that Admission will become effective and dealings, for normal settlement, will commence on 23 July 2019. No application has been or will be made for any of the warrants to be admitted to trading on the Main Market of the London Stock Exchange or on any other securities market.

The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if the relevant holder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain certificates will be able to do so.

The warrants are not CREST eligible for settlement and will remain in certificated form.

Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the register. No temporary documents of title will be issued.

PART X

THE DIRECTORS AND THE SENIOR MANAGERS

The Directors

The Directors are responsible for the overall management and control of the Company and there are no other persons who manage the investments of the Company. The Directors will review the operations of the Company at regular meetings and it is currently intended that the Board will meet at least four times a year.

The Directors have provided the Company with the necessary combination, at this stage of its development, of both specialist market sector and corporate and acquisition experience that will be key to the successful execution of the Company's strategy. The Board will be reviewed to ensure that it remains appropriate for the Company such that the constitution of the Board at that time will reflect the profile of the Company and prevailing corporate governance standards.

Details of the Directors are listed below:

Christopher Latilla-Campbell, Chair (age 58)

Christopher Latilla-Campbell is a member of the Institute of Chartered Accountants in Zimbabwe. He has held a number of directorships including of a group listed in Luxembourg and Johannesburg with Southern African investments in mining, agriculture and manufacturing. Christopher was also part of the Afpenn Group that established the existence of Coalbed Methane in Zimbabwe. He is also a member of the Management Committee of Golden Valley Mine in Zimbabwe and sits on a number of family boards and Trusts. Christopher was a founding shareholder and Director of the Company.

Rolf Gerritsen, Chief Executive Officer (age 55)

Rolf Gerritsen is an entrepreneurial executive, with strategic, organisational, commercial and financial skills developed over the last 30 years with specific focus on the Natural Resources sector. Mr Gerritsen is currently a director of Cobra Resources plc, ECRG Limited, RCA Associates Ltd, and Pearman Investments LLP. Mr Gerritsen has been working on the Boards of these companies developing, designing and implementing growth strategies. Mr Gerritsen has also acted as a consultant, with a focus on investor relations, for Rock Fire Resources plc (then Papua Mining plc), Pembridge Resources plc (then China Africa Resources plc) and Metal Tiger plc. Mr Gerritsen also spent three years in Paris working as a consultant with BBSP, France.

Christian Schaffalitzky, Non-Executive Director (age 64)

Christian Schaffalitzky, EurGeol, FIMMM, PGeo, CEng has over 40 years' experience in minerals exploration working for companies and also as founder and principal of the geological consultancy CSA. Christian Schaffalitzky co-established Ivernia West PLC, where he led the exploration, discovery and development of the Lisheen zinc deposit in Ireland. Currently he is active in precious and base metals minerals exploration and development in Russia and the former Soviet Union as Managing Director of Eurasia Mining plc. He is also chairman of Kibo Mining plc and a director of Two Shields Investments plc.

Gervaise Heddle, Non-Executive Director (age 44)

Gervaise Heddle holds a B.Ec from the University of Adelaide and has held various board roles on public and private companies. Gervaise is Chief Executive Officer of Greatland Gold PLC. Previously, Gervaise was a Division Director of Macquarie Bank and a Fund Manager at Merrill Lynch Investment Managers. Gervaise is a CFA charterholder and has extensive financial market experience.

Management equity incentives

Rolf Gerritsen, pursuant to the terms of a service agreement entered into with the Company on 5 December 2018, will be paid a one off equity bonus of 2,500,000 new Ordinary Shares on the Enlarged Issued Share Capital being admitted to the Main Market of the London Stock Exchange. The bonus will, at the election of Mr. Gerritsen, take the form of a cash bonus, the net amount of which (after deduction of payroll taxes) will be reinvested by Mr. Gerritsen subscribing for new Ordinary Shares in the capital of the Company.

Mr. Gerritsen will also be issued with a one off equity bonus of shares in the Company upon the Company completing a transaction which secures a majority stake in a new project. The quantum of the bonus is set at the lesser of (i) 2,500,000 million shares or (ii) 15% of the effective sterling value of the transaction divided by the trading price per share of the Company's shares on a 5 day volume weighted average basis over the 5 days preceding the announcement of the triggering transaction. The bonus will, at the election of Mr. Gerritsen, take the form of a cash bonus, the net amount of which (after deduction of payroll taxes) will be reinvested by Mr. Gerritsen in subscribing for new shares in the capital of the Company.

Director options

At the date of this document, the Company has 5,000,000 outstanding Director share options granted to Rolf Gerritsen and all are exercisable at an exercise price of 3 pence per Ordinary Share with a term of three years from the date of Rolf Gerritsen's appointment to the Board.

The Company also has 4,500,000 outstanding share options granted to Paul Johnson, a former Director, exercisable at an exercise price of 0.75 pence per share until 7 November 2019.

On 15 November 2018, the Company announced that certain of the Directors intended to exercise their options at exercise prices of 0.5 pence and 0.75 pence and as a result would subscribe for 8,500,000 Ordinary Shares for a total consideration of £62,500 (the "**Directors' Options Exercise**") in the following proportions:

<i>Name of Director</i>	<i>Number of Ordinary Share Options</i>	<i>Option Exercise Price</i>
Christopher Latilla-Campbell	3,000,000	0.75p
Christian Schaffalitzky	500,000	0.5p
	2,000,000	0.75p
Gervaise Heddle	3,000,000	0.75p

Further details of the terms of the options are set out in paragraph 7 of *Part XVI – Additional Information* of this document.

Senior Managers

The Company's Senior Managers, in addition to the Directors listed above, are as follows:

Nick O'Reilly, Technical Director (age 43)

Nick O'Reilly is a qualified exploration geologist and Competent Person for JORC Code and AIM Rules. He has over 14 years' experience in mining and exploration programme valuation, audit, due diligence, design and project management, ranging from grassroots stage through feasibility study to production across all major commodities, with a developed specialty in gold, uranium and base metal exploration. Nick provides technical advice to junior mining and exploration companies looking to develop their own projects, raise capital or divest and technical due diligence to the mining investment sector. Nick is currently Co-Chairman and Treasurer of the Association of Mining Analysts, a non-profit London based organisation representing the broad mining investment community and a Non-Executive Director of Panther Metals PLC. He holds a BSc degree in

Applied Geology from the University of Leicester and an MSc in Mineral Project Appraisal from the Royal School of Mines, Imperial College, London.

Windell Callaghan, Accounting (age 44)

Windell is a financial controller with experience in the financial services, pharmaceutical, automotive and exploration and mining industry sectors. Windell is highly experienced in financial control, cost management, budgeting & forecasting, financial analysis and auditing. Windell has an MBA from Henley Management.

Corporate governance

The Directors recognise the importance of sound corporate governance and the Company will comply with the Quoted Companies Alliance ("**QCA**") Code, as published by the QCA, to the extent they consider appropriate in light of the Company's size, stage of development and resources.

The Company will hold Board meetings periodically, and at least four times a year, as issues arise which require the attention of the Board. The Board will be responsible for the management of the business of the Company, setting the strategic direction of the Company, establishing the policies of the Company and appraising the making of all material investments. It will be the Board's responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board will be to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Company's approach to risk management. The Company has also established an audit committee of the Board (the "**Audit Committee**") with formally delegated duties and responsibilities.

The Audit Committee, which will comprise Christopher Latilla-Campbell as chair and Gervaise Heddle will meet at least twice a year. The Audit Committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

The Company has adopted a share dealing code regulating trading in the Company's shares for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing code.

PART XI

TERMS OF THE PLACING WARRANTS

The Placing Warrants are constituted by, and issued subject to and with the benefit of, the Placing Warrant Instrument.

Warrantholders will be bound by all the terms and conditions set out in the Placing Warrant Instrument. The terms and conditions attached to the Placing Warrants are summarised below in paragraphs 1 to 9.

Statements made in this *Part XI – Terms of the Placing Warrants* are a summary of those made in the Placing Warrant Instrument.

1. Definitions

In this *Part XI – Terms of the Placing Warrants* of this document, unless otherwise defined in this document, each of the following expressions has the following meanings:

“**Conditions**” means the terms and conditions of the Placing Warrants;

“**Effective Date**” 23 July 2019;

“**Final Exercise Date**” means 3:00 p.m., London time on 23 July 2021;

“**Notice of Exercise**” means in relation to a Placing Warrant, the duly completed notice of exercise in the form, or substantially in the form, contained in the Placing Warrant Certificate;

“**Placing Warrants**” means the Placing Warrants constituted under the Placing Warrant Instrument;

“**Placing Warrant Certificate**” means in relation to an Placing Warrant, a certificate evidencing a Warrantholder’s entitlement to Placing Warrants;

“**Subscription Period**” means the period from the Effective Date to the Final Exercise Date;

“**Subscription Price**” means 0.6 pence per Ordinary Share;

“**Subscription Rights**” means the right to subscribe for Ordinary Shares conferred by the Warrants;

“**Warrantholder**” means a registered holder for the time being of Placing Warrants; and

“**Warrant Register**” means the register of Warrantholders entitled to the benefit of the Placing Warrants.

2. Subscription Rights

2.1 Warrantholders are entitled in respect of every one Placing Warrant held to subscribe for one Ordinary Share in the Company at the Subscription Price at any time within the Subscription Period. The Placing Warrants registered in a Warrantholder’s name will be evidenced by a Placing Warrant Certificate issued by the Company. The Subscription Rights will not be exercisable in respect of a fraction of an Ordinary Share. The Subscription Price shall be payable in full on the exercise of the Placing Warrant(s) on any day prior to the Final Exercise Date provided always that if the same shall not be a Business Day then the Final Exercise Date shall be the next Business Day to occur.

2.2 The Company undertakes that upon the exercise of the Subscription Rights by a Warrantholder in accordance with the Conditions it shall allot and issue to that Warrantholder

the relevant number of Ordinary Shares to be allotted and issued pursuant to the Subscription Rights.

- 2.3 The Company undertakes to the Warrantheolders that it will seek to put such resolutions as are necessary to authorise the issue of Ordinary Shares in connection with the exercise of the Warrants in accordance with the Conditions at the Company's next general meeting.
- 2.4 In order to exercise its Subscription Rights in whole or in part a Warrantheolder must lodge with the Company a Notice of Exercise together with its Placing Warrant Certificate (if any) and the remittance in cleared funds of an amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantheolder as a result of the exercise of the Placing Warrants which are being exercised.
- 2.5 Once delivered to the Company in accordance with paragraph 2.4 above, a Notice of Exercise shall (save with the consent of the Company) be irrevocable.
- 2.6 Ordinary Shares issued pursuant to the exercise of Subscription Rights will be allotted as soon as practicable but not later than 14 days after the lodging of the relevant Notice of Exercise under paragraph 2.4 above and receipt of payment of the aggregate Subscription Price ("**Subscription Date**") and share certificates in respect of such Ordinary Shares will be issued free of charge not later than 14 days after the Subscription Date to the Warrantheolder in whose name the Placing Warrants are registered at the Subscription Date. In the event of a partial exercise of the Subscription Rights comprised in the Placing Warrants the Company shall at the time of issue of share certificates issue free of charge a fresh Placing Warrant Certificate (if required) in the name of the Warrantheolder for any balance of his Subscription Rights remaining exercisable.
- 2.7 Ordinary Shares allotted pursuant to the exercise of the Subscription Rights will rank for all dividends or other distributions declared after the date of allotment of such shares but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise.
- 2.8 The Placing Warrant Instrument constitutes the Placing Warrants from the Effective Date.
- 2.9 The Placing Warrants have been granted to each Warrantheolder by deed poll and no further or other consideration shall be required from a Warrantheolder on the grant of a Placing Warrant.

3. Adjustment of Subscription Rights

- 3.1 The Subscription Rights will be subject to adjustment as follows:
 - (a) upon any allotment of fully paid Ordinary Shares by way of a bonus issue to holders of the Ordinary Shares on the register on a date prior to the Final Exercise Date, the number of Ordinary Shares to be subscribed for on any subsequent exercise of the Subscription Rights will be increased in due proportion with effect from the record date of such bonus issue. No change will be made to the Subscription Price pursuant to this paragraph 3.1(a); and
 - (b) if prior to the Final Exercise Date, the Company should sub-divide or consolidate its share capital, then the nominal value of Ordinary Shares to be subscribed for on any subsequent exercise of the Subscription Rights shall be reduced or increased (as appropriate) in due proportion with effect from the record date for such sub-division or consolidation.
- 3.2 Upon the occurrence of an event referred to in paragraph 3.1, the Company shall request the auditors of the Company from time to time, acting as experts, to determine such adjustment to the number and/or nominal value of Ordinary Shares to be subscribed on exercise of the Subscription Rights and/or the Subscription Price as is fair and reasonable

in accordance with paragraph 3.1 above and, within 14 days thereafter, the Company shall give notice of such adjustments to the Warrantheolders, together with a new Placing Warrant Certificate (if required) in respect of any additional Ordinary Shares for which that Warrantheolder is entitled to subscribe (if any) in consequence of such adjustments. The amount of any such adjustments as certified by the auditors shall, in the absence of manifest error, be final and binding on the Company and the Warrantheolders.

- 3.3 No adjustment shall be made pursuant to this paragraph 3 which would result in the issue by the Company of a fraction of an Ordinary Share and no adjustments shall be made if, as a consequence, the Subscription Price would be less than the nominal value of an Ordinary Share.
- 3.4 Warrantheolders will be given notice in writing of all adjustments. No adjustment will be made to the Subscription Price if such adjustment would be less than one per cent of the Subscription Price in force and, on any adjustment by reason of consolidation or division, the adjusted Subscription Price will be rounded down to the nearest 0.01 pence. Any adjustment not so made and any amount by which the Subscription Price is rounded down will be carried forward and taken into account in any subsequent adjustment.
- 3.5 The Placing Warrants contain an accelerator which shall be triggered at 2.4 pence per Placing Warrant when the Company has had five continuous trading days of the volume weighted average price ("VWAP") of the Ordinary Shares of 2.4 pence. The Warrantheolder shall exercise the Placing Warrants within 30 days after the fifth day of VWAP of 2.4 pence per Ordinary Share.

4. Stock Dealing Exchanges

Provided that at the time of issue of any Ordinary Shares pursuant to the exercise of Placing Warrants, the Ordinary Shares (or any of them) are quoted on the Official List of the FCA or are traded on AIM or the NEX Growth Market or permission has been granted for dealings therein on any other recognised investment exchange in any part of the world, the Company will apply to such body for permission to deal in or for quotation of such Ordinary Shares (as the case may be) and shall use its best endeavours to secure such permission or quotation no later than five business days after the issue of such Ordinary Shares.

5. Winding up of the Company

- 5.1 If an order is made or an effective resolution is passed on or before the Final Exercise Date for the voluntary winding up of the Company each Warrantheolder will be entitled for the purpose of ascertaining his rights in the winding up to be treated as if he had immediately before the date of the passing of the resolution fully exercised his rights to acquire Ordinary Shares pursuant to his Placing Warrants and in that event he shall be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares such a sum as he would have received had he been the holder of all such Ordinary Shares entitled to by virtue of such exercise after deducting a sum equal to the aggregate Subscription Price which would have been payable in respect of such exercise.
- 5.2 The rights of the Warrantheolders under this paragraph 5 shall be calculated by the auditors of the Company whose determination shall (save in the case of manifest error) be binding on the Company and the Warrantheolders.
- 5.3 Subject to this condition the Placing Warrants shall lapse on liquidation of the Company.

6. Variation of Rights

- 6.1 All or any of the rights for the time being attached to the Placing Warrants may from time to time (whether or not the Company is being wound up) be altered, amended or abrogated only with the prior sanction of a special resolution of the Warrantheolders and the agreement

of the Company and shall be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to the Placing Warrant Instrument.

6.2 All the provisions of the Articles for the time being of the Company relating to general meetings shall apply mutatis mutandis as though the Placing Warrants were a class of shares forming part of the share capital of the Company except that:

- (a) the necessary quorum shall be the Warrantholders (present in person or by proxy) entitled to subscribe for one-third in nominal amount of the Ordinary Shares subject to outstanding Placing Warrants;
- (b) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and on a poll every Warrantholder present in person or by proxy at any such meeting shall be entitled to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Placing Warrants;
- (c) any Warrantholder or Warrantholders holding 10 per cent or more of the aggregate outstanding Placing Warrants present in person or by proxy may demand or join in demanding a poll; and
- (d) if at any adjourned meeting a quorum as above defined is not present those holders of outstanding Placing Warrants who are then present in person or by proxy shall be a quorum.

7. Other Provisions

7.1 So long as any Subscription Rights remain exercisable the Company shall not:

- (a) (other than Ordinary Shares paid out of distributable reserves and issued in lieu of a cash dividend) issue securities by way of capitalisation of profits or reserves except fully paid Ordinary Shares issued to the holders of its Ordinary Shares;
- (b) prior to the Final Exercise Date in any way modify the rights attached to its existing Ordinary Shares as a class, or create any new class of shares except for shares which carry, as compared with the existing Ordinary Shares, no greater rights as regards voting, dividend or capital provided that nothing herein shall restrict the right of the Company to increase or to consolidate or sub-divide its share capital;
- (c) issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves; or
- (d) except with the sanction of a special resolution of the Warrantholders or except by the redemption of redeemable shares reduce its share capital or any share premium account or capital redemption reserve fund provided that nothing shall prevent the Company from purchasing any of its shares for the time being in issue on such terms as it may think expedient nor require the sanction of a special resolution of the Warrantholders for any such purchase.

7.2 The Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Rights remaining exercisable.

7.3 If at any time whilst the Subscription Rights remain capable of being exercised an offer or invitation is made to all holders of Ordinary Shares (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued Ordinary Shares and the Company becomes aware that as a result of such offer or invitation the right to cast a majority of votes which may ordinarily be cast at a general meeting of the Company has become vested in the offeror and/or such persons or companies, the Company shall, so far as it is able, procure, subject to deducting a sum equal to the aggregate Subscription Price which would

have been payable in respect of such exercise, that a like offer or invitation is made or extended at the same time to each Warrantholder as if the Placing Warrants had been exercised in full and as if the Ordinary Shares issued pursuant to such exercise had been issued immediately prior to the record date for such an offer or invitation.

- 7.4 The Company shall send to the Warrantholders a copy of every document sent to the holders of its Ordinary Shares at the same time as it is sent to such holders.

8. Transfer

- 8.1 The Company shall maintain a Warrant Register and the provisions of paragraph 8.2 will apply in relation to any transfer.
- 8.2 The Company shall be entitled to treat each Warrantholder as the absolute owner of a Placing Warrant and, accordingly, shall not, except as required by law or a court of competent jurisdiction, be bound to recognise any equitable or other claim to or interest in a Placing Warrant on the part of any other person, whether or not it shall have express or other notice of such a claim.
- 8.3 Every Warrantholder will be recognised by the Company as entitled to the Placing Warrants free from any equity, set-off or cross claim on the part of the Company against the original or any intermediate holder of the Placing Warrants.
- 8.4 The Placing Warrants are non-transferable except by a corporate entity to rights holding company, any of its subsidiaries or any subsidiary of such holding company and in any event only in accordance with the provisions of the Articles relating to the transfer of Ordinary Shares.
- 8.5 Placing Warrants transferred in accordance with paragraph 8.4 are transferable by instrument of transfer in writing in any usual form or in another form approved by the Directors and the instrument shall be executed by or on behalf of the transferor.
- 8.6 When a Warrantholder transfers the whole or part only of relevant instrument of transfer and the Placing Warrant Certificate to the Company at its registered office (or such other its holding of Placing Warrants in accordance with paragraph 8.4 the transferor shall deliver the place as may be agreed by the Company) and the Company shall cancel the Placing Warrant Certificate and issue a new Placing Warrant Certificate to the transferee in respect of the Placing Warrants transferred and a new Placing Warrant certificate to the transferor in respect of the balance (if any) of Placing Warrants retained by him, in each case without charge, and shall update the Warrant Register accordingly.
- 8.7 The transferor is deemed to remain the holder of the Placing Warrants (as the case may be) until the name of the transferee is entered in the Warrant Register in respect of it.
- 8.8 The Company may not charge a fee for registering the transfer of a Placing Warrant or other document relating to or affecting the title to a Placing Warrant or the right to transfer it or for making any other entry in the Warrant Register.

9. Tradability

The Placing Warrants shall not be listed or traded on a recognized stock exchange.

10. Uncertificated Securities Regulations

The Placing Warrant Instrument does not impose any obligation on the Company to procure that the Placing Warrants are capable of being held in uncertificated form. However, if at any time there are Placing Warrants which are requested to be held in uncertificated form or an application has been made by the Company for Placing Warrants to be held in uncertificated form to the operator of a relevant system (such application being able to be made by the

Company without the prior consent of the Warrantholders), then no provision (or any term of issue of the Placing Warrants) shall apply or have effect to the extent that it is in any respect inconsistent with:

- (a) the holding of the Placing Warrants in uncertificated form;
- (b) the transfer of title to the Placing Warrants by means of a relevant system; or
- (c) the Conditions.

PART XII

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Part A: Accountants' Report on the Historical Financial Information of the Group

The Directors
MetalNRG plc
1 Ely Place
London
EC1N 6RY



18 July 2019

Dear Sirs

MetalNRG plc (the “Company”) and its subsidiaries (together with the Company, the “Group”) – accountants’ report on the historical financial information of the Group for the financial years ended 28 February 2019, 28 February 2018 and 28 February 2017 (the “Historical Financial Information”)

Introduction

We report on the Historical Financial Information relating to the Group as set out in this *Part XII* of the prospectus dated 18 July 2019 (the “**Prospectus**”) relating to the proposed admission of the entire issued ordinary share capital of the Company to listing on the standard segment of the official list of the Financial Conduct Authority and to trading on the main market for listed securities of London Stock Exchange plc (“**Admission**”). The Historical Financial Information has been prepared for inclusion in the Prospectus and on the basis of the accounting policies set out in note 2 to the Historical Financial Information. This report is given for the purpose of complying with Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the “**Prospectus Directive Regulation**”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibility

The directors (the “**Directors**”) of the Company are responsible for preparing the Historical Financial Information on the basis of preparation set out in the notes to the Historical Financial Information and in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union.

It is our responsibility to form an opinion on the Historical Financial Information, and to report our opinion to you. Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 to Commission Regulation (EC) No. 809/2004, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the

preparation of the Historical Financial Information and whether the accounting policies are appropriate to the Company and consistently applied and adequately disclosed.

The Unaudited Interim Historical Financial Information has not been audited, whereas the Audited Full Year Historical Financial Information has been audited by us.

We planned and performed our work so as to obtain all of the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the Prospectus, a true and fair view of the state of affairs of the Group as at 31 August 2019 and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Group.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Commission Regulation (EC) No. 809/2004.

Yours faithfully

Edwards Veeder (UK) Limited
Reporting Accountants

PART B: HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Consolidated statement of Financial Position

The consolidated statement of financial position of the group is set out below:

		28 February 2019	As at 28 February 2018	28 February 2017
	Note	£	£	£
Assets				
<i>Non-current assets</i>				
Intangible fixed assets	10	621,151	—	—
Investments	11	168,919	175,433	—
Available for sale assets		107,800	—	—
		<u>897,870</u>	<u>175,433</u>	<u>—</u>
<i>Current assets</i>				
Trade and other receivables	12	190,650	2,396	23,181
Cash and cash equivalents		24,168	209,673	128,526
		<u>214,818</u>	<u>212,069</u>	<u>151,707</u>
TOTAL ASSETS		<u>1,112,688</u>	<u>387,502</u>	<u>151,707</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	13	257,114	250,709	243,563
Share premium	14	1,886,524	1,095,221	715,361
Retained earnings	14	(1,210,550)	(972,442)	(815,525)
Foreign currency reserve	14	1,127	—	—
TOTAL EQUITY		<u>934,215</u>	<u>373,488</u>	<u>143,399</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	15	178,473	14,014	8,308
TOTAL LIABILITIES		<u>178,473</u>	<u>14,014</u>	<u>8,308</u>
TOTAL EQUITY AND LIABILITIES		<u>1,112,688</u>	<u>387,502</u>	<u>151,707</u>

Consolidated statement of Income

The consolidated statement of comprehensive income of the Group is set out below:

		<i>Year ended</i>	
	<i>28 February</i>	<i>28 February</i>	<i>28 February</i>
<i>Note</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
	£	£	£
CONTINUING OPERATIONS			
Revenue	—	—	—
Administrative expenses	(249,629)	(157,037)	(37,983)
Other operating income	11,279	—	—
OPERATING LOSS	4	(238,413)	(157,037)
Finance Income	6	305	120
LOSS BEFORE INCOME TAX		(238,108)	(156,917)
Income Tax	8	—	—
LOSS FOR THE PERIOD		(238,108)	(156,917)

Consolidated statement of Comprehensive Income

The consolidated statement of comprehensive income of the Group is set out below:

		<i>Year ended</i>	
	<i>28 February</i>	<i>28 February</i>	<i>28 February</i>
<i>Note</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
	£	£	£
Loss after tax	(238,108)	(156,917)	(37,983)
Items that may subsequently be reclassified to profit or loss:			
– Foreign exchange	—	—	—
– Foreign exchange movements	1,127	—	—
TOTAL COMPREHENSIVE LOSS			
ATTRIBUTABLE TO EQUITY HOLDERS			
OF THE PARENT		(236,981)	(156,917)

Consolidated statement of Changes in Equity

The consolidated statement of changes in equity of the Group is set out below:

	<i>Share capital £</i>	<i>Share Premium £</i>	<i>Accumulated deficit £</i>	<i>Foreign currency reserve £</i>	<i>Total £</i>
At 1 March 2016	241,660	667,260	(777,542)	–	131,378
Changes in equity					
Issue of share capital	1,903	48,101	–	–	50,004
Loss for the year	–	–	(37,983)	–	(37,983)
At 28 February 2017	243,563	715,361	(815,525)	–	143,399
Changes in equity					
Issue of share capital	7,146	379,860	–	–	387,006
Loss for the year	–	–	(156,917)	–	(156,917)
At 28 February 2018	250,709	1,095,221	(972,442)	–	373,488
Changes in equity					
Issue of share capital	6,405	791,303	–	–	797,708
Loss for the year	–	–	(238,108)	–	(238,108)
Translation differences	–	–	–	1,127	1,127
At 28 February 2019	257,114	1,886,524	(1,210,550)	1,127	934,215

Consolidated statement of Cash Flows

The consolidated cash flow statement of the Group is set out below:

	28 February 2019 (Audited) £	Year ended 28 February 2018 (Audited) £	28 February 2017 (Audited) £
Cash flows from operating activities			
Loss for the period before taxation	(238,108)	(156,917)	(37,983)
<i>Adjustment for:</i>			
Finance income	(305)	(120)	–
Profit on disposal of investments	(11,279)	–	–
Shares received in lieu of fees	(62,500)	–	–
Impairment of investments	92,878	–	–
	<u>(219,314)</u>	<u>(157,037)</u>	<u>(37,983)</u>
<i>Changes in:</i>			
Trade and other debtors	(153,254)	20,785	(4,431)
Trade and other creditors	129,078	5,706	(2,191)
Cash generated from operations	<u>(243,490)</u>	<u>(130,546)</u>	<u>(44,605)</u>
Cash flows from Investing activities			
Purchase of fixed asset investments	(147,822)	(175,433)	–
Purchase of intangible assets	(621,251)	–	–
Proceeds from sale of assets	26,118	–	–
Creditors on acquisition	37,927	–	–
Cash used in investing activities	<u>(705,028)</u>	<u>(175,433)</u>	<u>–</u>
Cash flows from financing activities			
Issue of shares	762,708	387,006	50,004
Interest received	305	120	–
Cash generated by Financing activities	<u>763,013</u>	<u>387,126</u>	<u>50,004</u>
Net (decrease)/increase in cash and cash equivalents	(185,505)	81,147	5,399
Cash and cash equivalents at beginning of year	<u>209,673</u>	<u>128,526</u>	<u>123,127</u>
Cash and cash equivalents at end of year	<u>24,168</u>	<u>209,673</u>	<u>128,526</u>

Notes to the Historical Financial Information

1. 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.

2. 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) issued by the International Accounting Standards Board (IASB). The standards have been applied consistently.

The Historical Financial Information is presented in pounds sterling.

3. 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 20.

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 that are relevant to the Company, issued, but not yet effective, up to the most recent date of the Historical Financial Information are listed below. The Company intends to adopt these standards, if applicable, when they become effective.

<i>Standard</i>	<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.

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.

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.

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 has adequate resources to continue operational existence for the foreseeable future.

4. Operating profit

Operating profit or loss is stated after charging/(crediting):

	<i>28 February 2019</i>	<i>Year ended 28 February 2018</i>	<i>28 February 2017</i>
	£	£	£
Impairment of debtors	-	17,570	-
Impairment of investments	92,878	-	-
Profit on disposal of investments	(11,279)	-	-
Foreign exchange differences	-	13,114	(16,147)
	<u>-</u>	<u>13,114</u>	<u>(16,147)</u>

5. Auditor's remuneration

	<i>28 February 2019</i>	<i>Year ended 28 February 2018</i>	<i>28 February 2017</i>
	£	£	£
Audit services	<u>7,860</u>	<u>5,940</u>	<u>6,480</u>

6. Net finance income

	<i>28 February 2019</i>	<i>Year ended 28 February 2018</i>	<i>28 February 2017</i>
	£	£	£
Finance income – interest received	<u>305</u>	<u>120</u>	<u>-</u>

7. Director's emoluments

	<i>28 February 2019</i>	<i>Year ended 28 February 2018</i>	<i>28 February 2017</i>
	£	£	£
Fees	67,500	20,000	-
Salaries	15,000	-	-
Finance income – interest received	<u>82,500</u>	<u>20,000</u>	<u>-</u>

The Directors were the key management personnel.

	<i>28 February 2019</i>	<i>Year ended 28 February 2018</i>	<i>28 February 2017</i>
	£	£	£
Average number of employees	<u>1</u>	<u>-</u>	<u>-</u>

8. Income Tax

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19%

	28 February 2019	Year ended 28 February 2018	28 February 2017
	£	£	£
Loss before tax	(238,108)	(156,917)	(37,983)
Corporation tax at 19%	(45,241)	(29,814)	(7,597)
Effect of:			
Losses for which no deferred tax is recognised	45,241	29,814	7,597
Total tax charge	—	—	—

9. Loss per share

Basic loss per share

	28 February 2019	Year ended 28 February 2018	28 February 2017
Basic loss per share from continuing operations (pence per share)	(0.14)	(0.11)	(0.06)

The loss and weighted average number of shares used in the calculation of basic loss per share are as follows:

	28 February 2019	Year ended 28 February 2018	28 February 2017
	£	£	£
Loss used in the calculation of basic loss per share from continuing operations	(238,108)	(156,917)	(37,983)
Weighted average number of Ordinary Shares in issue	169,015,298	138,826,404	67,359,271

Diluted loss per share

	28 February 2019	Year ended 28 February 2018	28 February 2017
Diluted loss per share from continuing operations (pence per share)	(0.12)	(0.09)	(0.05)

The loss and weighted average number of shares used in the calculation of diluted loss per share are as follows:

	<i>28 February 2019 £</i>	<i>Year ended 28 February 2018 £</i>	<i>28 February 2017 £</i>
Loss used in the calculation of basic loss per share from continuing operations	<u>(238,108)</u>	<u>(156,917)</u>	<u>(37,983)</u>
Weighted average number of Ordinary Shares in issue	169,015,298	138,826,404	67,359,271
Share options granted	9,500,000	13,000,000	10,000,000
Warrants issued	<u>27,950,000</u>	<u>29,500,000</u>	<u>—</u>
Weighted average number of Ordinary Shares in issue used in the calculation of diluted loss per Ordinary Share	<u>206,465,298</u>	<u>171,826,404</u>	<u>77,359,271</u>

10. Intangible Fixed Assets

	<i>Licenses £</i>	<i>Total £</i>
At 01 March 2016, 01 March 2017 and 01 March 2018	—	—
On acquisition of subsidiary	621,151	621,151
At 28 February 2019	<u>621,151</u>	<u>621,151</u>

11. Investments

	<i>Available for sale £</i>	<i>Investments £</i>	<i>Total £</i>
At 01 March 2016 and 01 March 2017	—	—	—
Additions	<u>—</u>	<u>175,433</u>	<u>175,433</u>
At 28 February 2018	—	175,433	175,433
Additions	265,658	147,822	413,480
Transfer	—	(1,319)	(1,319)
Disposals	(64,980)	(153,017)	(217,997)
Impairment	<u>(92,878)</u>	<u>—</u>	<u>(92,878)</u>
At 28 February 2019	<u>107,800</u>	<u>168,919</u>	<u>276,719</u>

12. Trade and other receivables

	<i>28 February 2019 £</i>	<i>As at 28 February 2018 £</i>	<i>28 February 2017 £</i>
Subscription for shares	35,000	—	—
Other receivables	502	101	21,432
Prepayments and accrued income	<u>155,148</u>	<u>2,295</u>	<u>1,749</u>
	<u>190,650</u>	<u>2,396</u>	<u>23,181</u>

13. Called up share capital

Authorised share capital

	28 February 2019		As At		28 February 2018	
	(Audited)				(Audited)	
	No.	£	No.	£	No.	£
Ordinary Shares of £0.0001 each	5,131,730,000	513,173	5,131,730,000	513,173		
Deferred Ordinary Shares of £0.0049 each	48,332,003	236,827	48,332,003	236,827		
	<u>5,180,062,003</u>	<u>750,000</u>	<u>5,180,062,003</u>	<u>750,000</u>		

		As at	
		28 February 2017	
		(Audited)	
	No.	£	
Ordinary Shares of £0.005 each		5,131,730,000	513,173
Deferred Ordinary Shares of £0.0049 each		48,332,003	236,827
		<u>5,180,062,003</u>	<u>750,000</u>

Issued and fully paid

	28 February 2019		As At		28 February 2018	
	(Audited)				(Audited)	
	No.	£	No.	£	No.	£
Ordinary Shares of £0.0001 each	202,868,980	20,287	138,826,404	13,883		
Deferred Ordinary Shares of £0.0049 each	48,332,003	236,827	48,332,003	236,827		
	<u>251,200,986</u>	<u>257,114</u>	<u>187,158,407</u>	<u>250,710</u>		

		As at	
		28 February 2017	
		(Audited)	
	No.	£	
Ordinary Shares of £0.005 each		67,359,271	6,736
Deferred Ordinary Shares of £0.0049 each		48,332,003	236,827
		<u>115,691,274</u>	<u>243,563</u>

Share movements

	No.	£
<i>Ordinary Shares of £0.005 each</i>		
At 01 March 2016	48,332,003	241,660
Shares cancelled	(48,332,003)	(241,660)
At 28 February 2017	—	—
	No.	£
<i>Ordinary Shares of £0.0001 each</i>		
At 01 March 2016	—	—
Issue of shares	67,359,271	6,736
At 28 February 2017	67,359,271	6,736
Issue of shares	71,467,133	7,147
At 28 February 2018	138,826,404	13,883
Issue of shares	64,042,576	6,404
At 28 February 2019	202,868,980	20,287
	No.	£
<i>Deferred Ordinary Shares of £0.0049 each</i>		
At 1 March 2016	—	—
Issue of shares	48,332,003	236,827
At 28 February 2017	48,332,003	236,827
Issue of shares	—	—
At 28 February 2018	48,332,003	236,827
Issue of shares	—	—
At 28 February 2019	48,332,003	236,827

At the period-end there were 37,450,000 warrants and options outstanding:

<i>No of warrants</i>	<i>Exercise price (pence)</i>	<i>Final exercise date</i>	<i>Vested</i>
15,750,000	3	08 June 2020	01 June 2018
2,500,000	3	30 March 2021	23 February 2018
9,700,000	2	15 November 2020	15 November 2018
<i>No of options</i>	<i>Exercise price (pence)</i>	<i>Final exercise date</i>	<i>Vested</i>
1,500,000	0.75	07 November 2019	07 November 2016
5,000,000	3	23 February 2021	23 February 2018

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 account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Retained earnings - 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. Trade and other payables

	28 February 2019 £	As at 28 February 2018 £	28 February 2017 £
Trade creditors	162,355	6,945	1,239
Social security and other taxes	3,944	–	–
Accruals and deferred income	12,174	7,069	7,069
	<u>178,473</u>	<u>14,014</u>	<u>8,308</u>

16. Capital commitments

As at 28 February 2019, the group had no capital commitments (2018 £nil).

17. Contingent Liabilities

As at 28 February 2019, the group had no contingent liabilities (2018 £nil).

18. Financial Instruments – risk management

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 8) 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.

19. 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.

20. 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.

21. Ultimate controlling party

The Directors consider there to be no ultimate controlling party as no Shareholder owns more than 50 per cent. of the share capital of the Company.

22. Nature of financial information

The Historical Financial Information presented above does not constitute statutory financial statements for the period under review.

PART XIII

UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE ENLARGED GROUP

Section A: Accountant's Report on the Pro Forma Financial Information of the Enlarged Group

The Directors
MetalNRG plc
1 Ely Place
London EC1N 6RY
United Kingdom



18 July 2019

Dear Sirs

MetalNRG Plc (the “Company”)

Introduction

We report on the unaudited pro forma financial information (the “**Pro Forma Financial Information**”) set out in Section B of this *Part XIII – Unaudited Pro Forma Financial Information for the Enlarged Group* of the Company’s prospectus dated 18 July 2019 (the “**Prospectus**”).

The Pro Forma Financial Information has been prepared on the basis described, for illustrative purposes only, to provide financial information about how the acquisition by the Company of Gold Ridge Holdings Limited (the “**Gold Ridge Project**”) might affect the income, expenses and net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the year ended 28 February 2018. This report is required by Annex I, item 20.2 of Commission Regulation (EC) N 809/2004 Rules and is given for the purpose of complying with that requirement and for no other purpose.

The Company and the Gold Ridge Project are, where the context requires, together referred to as the “**Enlarged Group**”).

The Pro Forma Financial Information comprises the unaudited pro forma income statement for the year ended 28 February 2019 prepared based on the consolidated income statement of the Enlarged Group for the year ended 28 February 2019.

The Pro Forma Financial Information has been prepared to illustrate the impact of the Gold Ridge Project on the consolidated income statement and financial position of the Enlarged Group as if the Acquisitions had been completed on 1 March 2018.

Responsibilities

It is the responsibility of the directors of the Company (the “**Directors**”) to prepare the Pro Forma Financial Information in accordance with Annex I, item 20.2 and Annex II, items 1 to 6 of Commission Regulation (EC) N 809/2004.

It is our responsibility to form an opinion, in accordance with Annex I, item 20.2 of Commission Regulation (EC) N 809/2004, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you in accordance with Annex II, item 7 of Commission Regulation (EC) N 809/2004.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as to the extract there provided and, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statements, required by and given solely for the purposes of complying with Annex 1 item 23.1 of the Prospectus Directive legislation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company that will be used in the preparation of the next financial statements.

Declaration

For the purpose of Prospectus Rule 5.5.3R, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I, item 1.2 of Commission Regulation (EC) N 809/2004.

Yours faithfully

Edwards Veeder (UK) Limited

Reporting Accountants

Section B: Unaudited Pro Forma Financial Information

The Pro Forma Financial Information set out below in this Section B of this *Part XIII – Unaudited Pro Forma Financial Information For The Enlarged Group* of this Prospectus has been prepared in a manner consistent with the accounting policies to be adopted by the Company in preparing the Company's audited consolidated financial statements for the period ended 28 February 2019 on the basis set out in the notes to the Pro Forma Financial Information in accordance with Annex II to Commission Regulation (EC) No.809/2004. The adjustments in the Pro Forma Financial Information are expected to have a continuing impact on the Enlarged Group, unless stated otherwise.

The Pro Forma Financial Information comprises the unaudited pro forma income statement for the year ended 28 February 2019 prepared based on the consolidated income statement of the Enlarged Group for the year ended 28 February 2019.

The Pro Forma Financial Information has been prepared to illustrate the impact of the Gold Ridge Project on the consolidated income statement of the Enlarged Group as if the Gold Ridge Project had been completed on 1 March 2018.

The Pro Forma Financial Information has been prepared on the basis that the Gold Ridge Project will be accounted for under the acquisition method pursuant to IFRS 3 "Business Combinations". Under the acquisition method, assets and liabilities are recorded at their fair values on the date of purchase and any excess of the fair value of the total purchase price over the fair values of the tangible and intangible assets acquired and liabilities assumed is recorded as goodwill. As of the date of this Prospectus, the valuation studies necessary to finalise the fair values of the purchase price, the assets acquired and the liabilities assumed have not been finalised.

The Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and, therefore, does not represent the Company's or the Enlarged Group's actual financial position or results.

The Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. Shareholders should read the whole of the Prospectus and not rely solely on the summarised financial information in this *Part XIII – Unaudited Pro Forma Financial Information for the Enlarged Group*. Edwards Veeder (UK) Limited's report on the Pro Forma Financial Information is set out in Section A of this *Part XIII – Unaudited Pro Forma Financial Information for the Enlarged Group*.

The Pro Forma Financial Information does not purport to represent what the Enlarged Group's financial position and results of operations actually would have been if the Gold Ridge Project had been completed on the date indicated nor does it purport to represent the results of operations for any future period or the financial condition at any future date.

Unaudited Pro Forma Income Statement of the Enlarged Group year ended 28 February 2019

The consolidated pro forma statement of income of the Group is set out below:

	<i>MetalNRG Group as reported</i>	<i>Goldridge Holdings Limited</i>	<i>Pro Forma Adjustments</i>	<i>Pro Forma Consolidated Income Statement</i>
	£	£	£	£
CONTINUING OPERATIONS				
Revenue	–	–	–	–
Administrative expenses	(249,692)	(16,274)	–	(265,966)
Other operating income	11,279	55,642	–	66,921
OPERATING (LOSS)/PROFIT	<u>(238,413)</u>	<u>39,368</u>	<u>–</u>	<u>(199,045)</u>
Finance Income	305	–	–	305
(LOSS)/PROFIT BEFORE INCOME TAX	<u>(238,108)</u>	<u>39,368</u>	<u>–</u>	<u>(198,740)</u>
Income Tax	–	–	–	–
(LOSS)/PROFIT FOR THE YEAR	<u>(238,108)</u>	<u>39,368</u>	<u>–</u>	<u>(198,740)</u>

Consolidated statement of Comprehensive Income

The pro forma consolidated statement of comprehensive income of the Group is set out below:

	<i>MetalNRG Group as reported</i>	<i>Goldridge Holdings Limited</i>	<i>Pro Forma Adjustments</i>	<i>Pro Forma Consolidated Income Statement</i>
	£	£	£	£
(Loss)/Profit after tax	(238,108)	39,368	–	(198,740))
Items that may subsequently be reclassified to profit or loss:				
– Foreign exchange movements	1,127	–	–	1,127
TOTAL COMPREHENSIVE (LOSS)/ PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	<u>(236,981)</u>	<u>39,368</u>	<u>–</u>	<u>(197,613)</u>

Notes to the Pro Forma Income Statement for the year ended 28 February 2019

The financial information for the Company for the year ended 28 February 2019 has been extracted from the Company's audited financial statements for the year ended 28 February 2019 incorporated by reference in *Part XII – Historical Information of the Company*, of this document.

The financial information for Goldridge Holdings not already included in the Company's consolidated income statement has been extracted from the financial records of Goldridge Holdings for the period 01 January 2018 to 05 November 2018, being the actual date of acquisition. The reporting accountant is of the view that the results for the period 01 March 2018 to 05 November 2018 are equal to those for the period of account.

As there was no trading between the Company and Goldridge Holdings for the period under review, no pro forma adjustments are required.

PART XIV

OPERATING AND FINANCIAL REVIEW (INCLUDING LIQUIDITY AND CAPITAL RESOURCES AND CAPITALISATION AND INDEBTEDNESS)

SECTION A: THE COMPANY

The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's Historical Financial Information for the years ended 28 February 2019, 28 February 2018 and 28 February 2017, which are the only relevant periods prepared in accordance with IFRS.

This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on page 43.

The key risks and uncertainties, include, but are not limited to those described in Part II – Risk Factors of this document on pages 23 to 38.

Overview

The Company was incorporated in England and Wales on 20 February 2006 as a public company under the name ZimNRG plc and its shares were admitted to trading on the NEX Growth Market (then known as PLUS Markets) on 21 August 2006. The Company's original objective was to create value by investing in natural resource opportunities in Southern Africa, specifically Zimbabwe.

At a general meeting on 11 March 2016, the Shareholders, by way of special resolution, resolved to change the Company's name to MetalNRG plc and simultaneously approved the New Investing Policy.

The Company's New Investing Policy is to invest in and/or acquire companies or projects within the natural resources sector, with potential for growth or value creation. For those projects that offer substantial growth opportunity, the Company will seek a controlling interest and maintain a medium to long term investment view. For those projects that offer value creation opportunities, the Company will seek to list such projects on an appropriate stock exchange and crystallize value in the short term. The New Investing Policy also allows the Company to consider opportunities in other related sectors if the Board considers that there is an opportunity to generate an attractive return for Shareholders. Such related sectors may include natural resource technologies and fintech opportunities offering leverage to resource identification, processing, recording, storage and trading businesses.

The opportunities will be managed in one of the two divisions that the Company has created under the New Investing Policy: the Direct Investment Division and the Indirect Investment Division.

The Company's Direct Investment Division will have majority investments, board control and add value to the projects that it invests in. The Company intends to take an active role in these projects and will drive them along the value chain creating long term Shareholder value.

The Company's Indirect Investment Division will invest in privately owned projects that can be structured, packaged and then listed on a major stock exchange. The Company's role will be to coordinate and facilitate any pre-IPO funding and the IPO process itself, making sure that the appropriate advisors are in place to deliver the IPO in a cost and time efficient manner.

The Company will invest directly in some of these opportunities, will earn fees, payable in shares, upon delivering pre-determined milestones. The Company may take minority stakes in projects and will be able to trade such shares as it sees fit. The Company recently advised Cobra on its IPO and listing on the London Stock Exchange as part of its Indirect Investment Division. In lieu of fees, the Company received 4,166,666 ordinary shares in Cobra (representing approximately 6.2 per cent. of the entire issued share capital of Cobra) at the placing price of 1.5 pence per ordinary share, worth approximately £62,500 at market value.

The Board will conduct initial due diligence appraisals of potential businesses or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist with such reviews.

The Company does not have a separate investment manager. Additionally, the Company does not currently intend to fund any investments made under the New Investing Policy with debt or other borrowings, but may do so in the future if the Board considers it appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer new Ordinary Shares by way of consideration as well as cash, in order to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems. For a detailed summary of the risks relating to the Company's business, please see *Part II – Risk Factors* of this document.

RESULTS OF OPERATIONS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2019 COMPARED TO THE FINANCIAL YEARS ENDED 28 FEBRUARY 2018 AND 28 FEBRUARY 2017

The table below sets forth the Company's results of operations for the financial year ended 28 February 2019 compared to the financial years ended 28 February 2018 and 28 February 2017:

	28 February 2019 (Audited) £	Year ended 28 February 2018 (Audited) £	28 February 2017 (Audited) £
CONTINUING OPERATIONS			
Revenue	–	–	–
Administrative expenses	(249,692)	(157,037)	(37,983)
Other operating income	11,279	–	–
OPERATING LOSS	<u>(238,413)</u>	<u>(157,037)</u>	<u>(37,983)</u>
Finance income	305	120	–
LOSS BEFORE INCOME TAX	<u>(238,108)</u>	<u>(156,917)</u>	<u>(37,983)</u>
Income tax	–	–	–
LOSS FOR THE PERIOD	<u>(238,108)</u>	<u>(156,917)</u>	<u>(37,983)</u>

The Company did not record any revenue for either the financial years ended 28 February 2019, 28 February 2018 and 28 February 2017. The Company is yet to generate any income from its New Investing Policy.

Administrative Expenses

The Company incurred administrative expenses of £249,692 for the financial year ended 28 February 2019, compared to £157,037 for the financial year ended 28 February 2018, and £37,983 for the financial year ended 28 February 2017. Such increase in the financial year ended

28 February 2019 was primarily due to costs associated with the Goldridge Acquisition and the Uranium Project.

Finance Income

The Company received finance income of £305 for the financial year ended 28 February 2019, compared to the £120 received for the financial year ended 28 February 2018 as a result of interest paid on cash at bank. The Company did not receive any finance income for the financial year ended 28 February 2017.

Income Tax

The Company's income tax loss increased by 51.7 per cent. to £45,241 for the financial year ended 28 February 2019 compared to £29,814 for the financial year ended 28 February 2018 and £7,597 for the financial year ended 28 February 2017, reflecting an increase in operating loss before tax.

The table below sets forth a breakdown of corporate income tax for the financial years ended 28 February 2019 and 28 February 2018:

	<i>Year ended</i>		
	<i>28 February</i>	<i>28 February</i>	<i>28 February</i>
	<i>2019</i>	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Loss before tax	(238,108)	(156,917)	(37,983)
Corporation tax at 19% (2019, 2018)/20% (2017)	(45,241)	(29,814)	(7,597)
Effect of:			
Losses for which no deferred tax is recognised	45,241	29,814	7,597
Total tax charge	—	—	—

The total income tax charge applicable to the Company remained at nil for the financial years ended 28 February 2019, 28 February 2018 and 28 February 2017, because the tax loss was offset against the loss for the period.

Loss for the Period

The Company recorded a loss for the financial year ended 28 February 2019 of £238,108, compared to a loss of £156,917 for the financial year ended 28 February 2018 and £37,983 for the financial year ended 28 February 2017. Such loss was caused due to the increase in administrative expenses as described above.

Cash Flow Analysis

The following table presents the Company's cash flow summary for the financial years ended 28 February 2019, 28 February 2018 and 28 February 2017:

	28 February 2019 (Audited) £	Year ended 28 February 2018 (Audited) £	28 February 2017 (Audited) £
Cash flows from operating activities			
Loss for the period before taxation	(238,108)	(156,917)	(37,983)
<i>Adjustment for:</i>			
Finance income	(305)	(120)	—
Profit on disposal of investments	(11,279)	—	—
Shares received in lieu of fees	(62,500)	—	—
Impairment of investments	92,878	—	—
	<u>(219,314)</u>	<u>(157,037)</u>	<u>(37,983)</u>
<i>Changes in:</i>			
Trade and other debtors	(153,254)	20,785	(4,431)
Trade and other creditors	129,078	5,706	(2,191)
Cash generated from operations	<u>(243,490)</u>	<u>(130,546)</u>	<u>(44,605)</u>
Cash flows from Investing activities			
Purchase of fixed asset investments	(147,822)	(175,433)	—
Purchase of intangible assets	(621,251)	—	—
Proceeds from sale of assets	26,118	—	—
Creditors on acquisition	37,927	—	—
Cash used in investing activities	<u>(705,028)</u>	<u>(175,433)</u>	<u>—</u>
Cash flows from financing activities			
Issue of shares	762,708	387,006	50,004
Interest received	305	120	—
Cash generated by Financing activities	<u>763,013</u>	<u>387,126</u>	<u>50,004</u>
Net (decrease)/increase in cash and cash equivalents	(185,505)	81,147	5,399
Cash and cash equivalents at beginning of year	<u>209,673</u>	<u>128,526</u>	<u>123,127</u>
Cash and cash equivalents at end of year	<u>24,168</u>	<u>209,673</u>	<u>128,526</u>

Net cash flows from operating activities

For the financial year ended 28 February 2019, the Company's net cash generated from operating activities was a loss of £243,490 compared to a loss of £130,546 for the financial year ended 28 February 2018 and a loss of £44,605 for the financial year ended 28 February 2017. Such loss was due to administrative expenses of £249,692 for the financial year ended 28 February 2019, compared to £157,037 for the financial year ended 28 February 2018 and £37,983 for the financial year ended 28 February 2017.

Net cash flows from investing activities

For the financial year ended 28 February 2019, the Company's net cash used in investing activities was £705,028 compared to £175,433 for the financial year ended 28 February 2018 and £nil for the financial year ended 28 February 2017. The increased cash used in investing activities is mainly attributable to the purchase of fixed asset investments of £168,919 in the financial year

ended 28 February 2019 compared to the £175,433 for the financial year ended 28 February 2018 and £nil for the financial year ended 28 February 2017.

Net cash flows from financing activities

For the financial year ended 28 February 2019, the Company's net cash generated from financing activities was £763,013 compared to £387,126 for the financial year ended 28 February 2018 and £50,004 for the financial year ended 28 February 2017. All cash generated through financing activities is attributable to issuances of the Company's Ordinary Shares.

Liquidity and Capital resources

The Company currently has a cash balance of £289,033. The cash balance is the sum of (i) the cash balance of £6,033 as at 30 June 2019 plus the Gross Placing Proceeds of £283,000. It will use such cash to fund the expenses of the Placing, including legal and professional fees, ongoing costs and expenses (including the FCA listing application, listing and vetting fee and competent person report fee of £32,000, the London Stock Exchange listing fee of £10,000, the Registrar's basic fees of £2,500 per year and the London Stock Exchange's fee of £7,500 per year), the Joint Bookrunners' fees of £30,000 and an estimated annual audit fee of £15,000, all exclusive of VAT, and the costs and expenses to be incurred in connection with developing the Gold Ridge Project and the Palomino Cobalt Project. The costs and expenses of any further acquisition will likely comprise legal, financial and tax due diligence in relation to any target company; however, the Company would only reach this stage after the Directors have carried out an initial commercial review of the target and the Company has entered into a non-disclosure agreement and/or heads of terms. In addition to any share consideration used by the Company in relation to any acquisition, the Company may raise additional capital in connection with the consummation of that acquisition (dependent upon the size of such acquisition and the ability of the Company to satisfy the consideration in shares). Such capital may be raised through share issues (such as rights issues, open offers or private placings) or borrowings. The Company may also make an acquisition or fund part of any acquisition through share-for-share exchanges.

Although the Company envisages that any capital raised will be from new equity, the Company may also choose to finance all or a portion of an acquisition with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no financing arrangements will be in place at Admission. The Company envisages that debt financing may be necessary if, for example, a target company has been identified but would require a certain amount of cash consideration in addition to, or instead of, share consideration.

Any associated debt financing (if any) for an acquisition will be assessed with reference to the projected cash flow of the target company or business and may be incurred at the Company level or by any subsidiary of the Company. Any costs associated with the debt financing will be paid with the proceeds of such financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

Substantially all of the cash raised (including cash from any subsequent share offers) is expected to be used for working capital. Following an acquisition, the Company's future liquidity will depend in the medium to longer term primarily on: (i) the profitability of the company or business it acquires; (ii) the Company's management of available cash; (iii) cash distributions on sale of existing assets; (iv) the use of borrowings, if any, to fund short-term liquidity needs; and (v) dividends or distributions from subsidiary companies.

Capitalisation and indebtedness

The following table shows the Group's indebtedness as at 1 July 2019 (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) and the Group's capitalisation as at 28 February 2019.

	<i>As at 28 February 2019 £</i>
Total current debt	178,473
Guaranteed	—
Secured	—
Unguaranteed/unsecured	178,473
Total non-current debt (excluding current portion of non-current debt)	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Shareholders' equity	—
Share capital	257,114
Legal reserve	—
Other reserves	1,127
Total capitalisation	<u>436,714</u>

Since 28 February 2019, there has been no material change in the capitalisation of the Company.

The following table shows the Group's net indebtedness as at 1 July 2019.

	<i>As at 1 July 2019 £</i>
Cash	7,693
Liquidity	—
Current creditors	75,301
Net current financial indebtedness	—
Non-current financial indebtedness	—
Net financial indebtedness	<u>67,608</u>

As at 1 July 2019, the Group has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

Hedging arrangements and risk management

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a

variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation between the instruments used in a hedging or other derivative transactions and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets, because the values of its assets are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

Critical 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 IFRIC 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 that are relevant to the Company, issued, but not yet effective, up to the most recent date of the Historical Financial Information are listed below. The Company intends to adopt these standards, if applicable, when they become effective.

<i>Standard</i>	<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.

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.

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.

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 Company 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 Company has adequate resources to continue operational existence for the foreseeable future.

PART XV

TAXATION

Certain UK tax considerations

General

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of the Ordinary Shares. They are based on current UK tax legislation and what is understood to be the current published practice of HMRC (which may not be binding on HMRC) as at the date of this document, both of which may change at any time, possibly with retrospective effect. They are written on the basis that the Company is and remains solely resident in the UK for tax purposes. They apply only to Shareholders who are resident and, in the case of individuals, domiciled, for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents) who hold their Ordinary Shares as an investment (other than in an individual savings account or a Self-Invested Personal Pension) and who are the absolute legal and beneficial owners of both the Ordinary Shares and any dividends paid in respect of them. The tax position of certain categories of Shareholders who are subject to special rules (such as trustees, persons acquiring their Ordinary Shares in connection with employment, dealers in securities, investment managers, insurance companies, charities or tax-exempt organisations and collective investment schemes) is not considered.

These paragraphs summarise the current position and are intended as a general guide only. They do not describe all of the circumstances in which holders of Ordinary Shares may benefit from an exemption or relief from UK taxation. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

Taxation of dividends

The Company is not required to withhold UK tax from dividend payments it makes. Liability to income tax on dividends will depend upon the individual circumstances of a Shareholder.

UK resident individual Shareholders

An individual Shareholder who is resident for tax purposes in the UK and who receives a cash dividend from the Company will generally not pay income tax on the first £2,000 of dividend income in the 2019/2020 tax year (the “**nil rate band**”). An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will (subject to the availability of any income tax personal allowance) be liable to income tax on the dividend in excess of the nil rate band at the rate of 7.5 per cent. An individual UK resident Shareholder who is subject to income tax at the higher rate or the additional rate will (subject to the availability of any income tax personal allowance) be liable to tax on the dividend in excess of the nil rate band at the rate of 32.5 per cent. or 38.1 per cent., respectively, to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate or additional rate income tax.

UK resident corporate Shareholders

It is likely that most dividends paid in respect of the Ordinary Shares to UK resident corporate Shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the

Shareholder will be subject to UK corporation tax on dividends received from the Company at the rate of 19 per cent.

Non-UK resident Shareholders

A Shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law. A Shareholder who is not resident for tax purposes in the UK should not be chargeable to UK income tax on dividends received from the Company unless he or she carries on (whether solely or in partnership) any trade, profession, or vocation in the UK through a branch or agency to which the Ordinary Shares are attributable (subject to certain exceptions for trading through independent agents, such as some brokers and investment managers). A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

Taxation of disposals

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and (in respect of assets acquired prior to 1 January 2018) indexation for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

For an individual Shareholder within the charge to UK capital gains tax, capital gains tax is charged on gains on the disposal of Ordinary Shares to the extent that the gain exceeds any applicable annual exemption. The current rate is 10 per cent. for individuals who are subject to income tax at the basic rate, save to the extent that any capital gains when aggregated the Shareholder's other taxable income and gains in the relevant tax year exceeds the upper limit of the income tax basic rate band, in which case the excess will be taxed at a rate of 20 per cent. The current rate for all trustees and personal representatives, and individuals who are subject to income tax at the higher or additional rates is 20 per cent. For a corporate Shareholder within the charge to UK corporation tax, corporation tax is charged on chargeable gains at the current rate of 19 per cent.

Non-UK resident Shareholders

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Ordinary Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Ordinary Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has ceased to be resident in the UK for tax purposes, or is treated as resident outside the UK for the purposes of a double tax treaty, and who disposes of all or part of their Ordinary Shares during that period may be liable to capital gains tax on his return to the UK if the temporary non-residence rules are met, subject to any available exemptions or reliefs.

Stamp duty and SDRT

The statements in this section apply to any holders of Ordinary Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries, brokers and dealers.

Issue of Ordinary Shares

No UK stamp duty or Stamp Duty Reserve Tax ("**SDRT**") is payable on the issue of the Ordinary Shares.

Transfers of certificated Ordinary Shares

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Ordinary Shares. An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, or the instrument is otherwise exempt, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee.

Ordinary Shares transferred through paperless means including CREST

Paperless transfers of Ordinary Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system and to pay this to HMRC. The charge is generally borne by the purchaser. Under CREST, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the system unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

Ordinary Shares held through Clearance Systems or Depositary Receipt Arrangements

Special rules apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent. Following litigation, HMRC confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares into a clearance service or depositary receipt system on the basis that the charge is not compatible with EU law. It was announced in the Autumn Budget on 22 November 2017 that the government will not seek to reintroduce this charge following the departure of the UK from the EU. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. Any liability for stamp duty or SDRT in respect of such a transfer will strictly be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

Where a clearance service has made and maintained an election under section 97A of the Finance Act 1986, the 1.5 per cent. charge will not apply. Rather, stamp duty or SDRT will be charged at the normal rate of 0.5 per cent. on the transfer of existing shares into and within the clearance service.

Accordingly, specific professional advice should be sought before incurring a 1.5 per cent. stamp duty or SDRT charge in any circumstances.

Inheritance tax

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence

or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

Certain Canadian Federal income tax considerations

General

The following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Income Tax Act of 1985 (Canada) and regulations thereunder (the “**Tax Act**”), generally applicable to a holder who acquires, as beneficial owner, the Ordinary Shares, and who, for purposes of the Tax Act and at all relevant times, holds the Ordinary Shares as capital property and deals at arm’s length with the Company, the Underwriters and any subsequent purchaser of such securities. This summary only addresses holders who meet all of the foregoing requirements (“**Holder**”). The Ordinary Shares will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a “financial institution”, as defined in the Tax Act for purposes of the mark-to-market rules in the Tax Act, (ii) that is a “specified financial institution”, as defined in the Tax Act, (iii) an interest in which is a “tax shelter investment” as defined in the Tax Act, (iv) that has elected to report its Canadian tax results in a currency other than the Canadian currency, or (v) that has entered into or will enter into a “derivative forward agreement”, a “synthetic equity arrangement”, a “synthetic disposition arrangement” (as those terms are defined in the Tax Act) or a similar arrangement, with respect to the Ordinary Shares. Any such Holders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes (or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes), as part of a transaction or series of transactions or events that includes the acquisition of the Ordinary Shares, controlled by a non-resident corporation for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences of acquiring the Ordinary Shares.

This summary is based on the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) other than as noted below, and our understanding of the current administrative and assessing policies and practices of the Canada Revenue Agency (the “**CRA**”) published in writing prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all. This summary does not take into account the consultation paper released on 18 July 2017 by the Minister of Finance (Canada) proposing that the tax treatment of passive investment income (such as interest, dividends and capital gains) earned through a private corporation be changed, or related follow-up announcements or legislative proposals (including those contained in the 2018 federal Budget), and affected holders should consult with their own tax advisors in this regard. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA’s administrative and assessing

policies or practices, whether by legislative, governmental or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. Any particular Holder should consult their own tax advisors with respect to provincial, territorial or foreign tax considerations. **This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder, and no representations with respect to the income tax consequences to any Holder are made. Consequently, holders should consult their own tax advisors with respect to the tax consequences applicable to them, having regard to their own particular circumstances. The discussion below is qualified accordingly.**

Currency conversion

In general, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Ordinary Shares must be converted into CAD based on the daily noon rate as quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to the CRA.

Taxation of Resident Holders

The following portion of this summary applies to Holders (as defined above) who, for the purposes of the Tax Act, are or are deemed to be resident in Canada at all relevant times (herein, “**Resident Holders**”) and this portion of the summary only addresses such Resident Holders. Certain Resident Holders who might not otherwise be considered to hold their Ordinary Shares as capital property may be entitled, in certain circumstances, to treat their Ordinary Shares, and every other “**Canadian security**” as defined for this purpose in the Tax Act, as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. A Resident Holder should consult its own tax advisor with respect to whether the election is available and advisable in its particular circumstances.

Taxation of dividends

A Resident Holder will be required to include in computing income for a taxation year any dividends received, or deemed to be received, in the year by the Resident Holder on the new Ordinary Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where the Company designates the dividend as an “eligible dividend” in accordance with the provisions of the Tax Act. There may be restrictions on the ability of the Company to designate any dividend as an “eligible dividend”, and the Company has made no commitments in this regard.

A dividend received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income but will generally be deductible in computing the corporation’s taxable income, subject to all of the rules and restrictions under the Tax Act in that regard. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. A corporation that is a “private corporation” (as defined in the Tax Act) or any other corporation controlled (whether because of a beneficial interest in one or more trusts or otherwise) by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), generally will be liable to pay an additional tax (refundable under certain circumstances) under *Part IV of the Tax Act* on dividends received or deemed to be received on the Ordinary Shares in a year to the extent such dividends are deductible in computing taxable income for the year.

Disposition of the Ordinary Shares

A Resident Holder who disposes, or is deemed to dispose of, an Ordinary Share, generally will realise a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of

disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of such Ordinary Shares immediately before the disposition or deemed disposition. The taxation of capital gains and losses is generally described below under the heading “Capital Gains and Capital Losses”.

Capital gains and capital losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realised by the Resident Holder in such taxation year. Subject to and in accordance with the rules contained in the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realised in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses not so deductible in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realised in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realised by a Resident Holder that is a corporation on the disposition or deemed disposition of an Ordinary Share may be reduced by the amount of any dividends received or deemed to have been received by such Resident Holder on such Ordinary Shares, to the extent and under the circumstances described in the Tax Act. Similar rules apply where a corporation is a member of a partnership or a beneficiary of a trust that owns the Ordinary Shares, directly or indirectly. Corporations to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, including taxable capital gains. Such Resident Holders should consult their own tax advisors.

Alternative minimum tax

Capital gains realised and dividends received or deemed to be received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors in this regard.

Taxation of Non-Resident Holders

The following portion of this summary is generally applicable to Holders (as defined above) who, for the purposes of the Tax Act and at all relevant times: (i) are not resident or deemed to be resident in Canada, and (ii) do not use or hold the Ordinary Shares in carrying on a business in Canada. This portion of the summary only addresses non-resident holders who meet all of the foregoing requirements (“**Non-Resident Holders**”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Receipt of dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company are subject to Canadian withholding tax at the rate of 25 per cent. of the gross amount of the dividend unless reduced by the terms of an applicable tax treaty between Canada and the Non-Resident Holder’s jurisdiction of residence. Under the convention Between Canada and the US with respect to taxes on income and on capital, signed September 26, 1980 (the “**Canada-US Tax Convention**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder that is a resident in the US for purposes of the Canada-US Tax Convention and that is entitled to benefits under the Canada-US Tax Convention (a “**US Holder**”) is generally limited to 15 per cent. of the gross amount of the dividend (or 5 per cent. in the case of a US Holder that is

a company beneficially owning at least 10 per cent. of the Corporation's voting shares). Non-Resident Holders should consult their own tax advisors in this regard.

Disposition of Ordinary Shares

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of an Ordinary Share unless it constitutes "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Holder at the time of disposition and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty between Canada and the Non-Resident Holder's jurisdiction of residence.

Provided the Ordinary Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the London Stock Exchange) at the time of disposition, the Ordinary Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are satisfied: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25 per cent. or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50 per cent. of the fair market value of the Ordinary Shares, as applicable, was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties.

A Non-Resident Holder's capital gain (or capital loss) in respect of the Ordinary Shares that constitute or are deemed to constitute taxable Canadian property (and are not "treaty-protected property", as defined in the Tax Act) will generally be computed in the manner described above under the subheading "*Taxation of Resident Holders – Disposition of the Ordinary Shares*".

Non-Resident Holders who may hold the Ordinary Shares as taxable Canadian property should consult their own tax advisors.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL CANADIAN TAX CONSIDERATIONS APPLICABLE TO HOLDERS WITH RESPECT TO THE OWNERSHIP, EXERCISE OR DISPOSITION OF THE ORDINARY SHARES. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

PART XVI

CONSEQUENCES OF A STANDARD LISTING

As the Company intends to migrate its listing of Ordinary Shares from the NEX Exchange Growth Market to the Main Market of the London Stock Exchange, listing of the Existing Issued Share Capital will be cancelled and an application will be made for the immediate admission of the Enlarged Issued Share Capital to a Standard Listing (pursuant to Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange. The Company intends to comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which apply to all companies with their securities admitted to the Official List. In addition, the Company also intends to comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing. With regard to the Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the FCA.

While the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with Admission;
- Chapter 9 of the Listing Rules relating to the ongoing obligations of companies with a Premium Listing and therefore does not apply to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that an acquisition will not require Shareholder consent – even if Ordinary Shares are being issued as consideration for the acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a “related party transaction” as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.
- The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules.

Upon completion of an acquisition, the Company's Standard Listing will be cancelled and the Company will be treated as a new applicant. At that point the Directors may seek admission as a Standard Listing or as a Premium Listing or another appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. Alternatively, it may determine to seek re-admission to a Standard Listing, subject to eligibility criteria. If admission with a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to seek a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure Guidance and Transparency Rules) in the same manner as any other company with a Premium Listing.

It should be noted that the UKLA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this document are themselves misleading, false or deceptive.

PART XVII

ADDITIONAL INFORMATION

1. Responsibility statements

The Company and the Directors, whose names appear on page 46 of this document, accept responsibility for all the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and registration

- 2.1 The Company was incorporated and registered in England and Wales on 20 February 2006 under the Companies Act 1985 as a public limited company with the name ZimNRG plc and registered number 05714562. On 11 March 2016, the Company changed its name to MetalNRG plc.
- 2.2 The registered office of the Company and its principal place of business is 1 Ely Place, London, EC1N 6RY, United Kingdom. The telephone number of the Company's principal place of business is +44 (0)207 796 9060.
- 2.3 The Company is not regulated by the FCA or any financial services or other regulator. The Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.
- 2.4 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act and the regulations made thereunder. The Company operates in conformity with its constitution.
- 2.5 The business of the Company and its principal activity is to act as an investing company focused on the natural resource sector.

3. Group structure

The Company currently has two wholly-owned subsidiaries: (1) MetalNRG Australia Pty Ltd, which is incorporated in Australia with Australian Company Number 620 704 663 and which will serve as the operating company for the Palomino Cobalt Project; and (2) Goldridge Holdings Limited, which is incorporated in British Columbia under the Canada Business Corporations Act (R.S.C.) 1985 and which serves as the operating company for the Gold Ridge Project.

As part of a binding option agreement entered into by the Company on 22 March 2018 to sell its 15.38 per cent. shareholding in US Cobalt to Tyranna, an exploration company listed on the Australian Stock Exchange, the Company received 21,719,457 shares in Tyranna, which at the deemed price of A\$0.017, equates to a consideration received of A\$369,231 or circa £211,327 (at the A\$:GBP currency exchange rate on 20 September 2018). 25 per cent. of the consideration shares (i.e., 5,429,864 Tyranna shares) remain under a voluntary escrow for a six month period following the date of the sale and purchase agreement for the consideration shares, being 21 August 2018.

On 16 August 2018, the Company announced that it had signed an Option Agreement with IMC to acquire a majority interest in the Uranium Project in the Kyrgyz Republic. Under the Option Agreement, the Company would own 51 per cent. of the share capital in a Newco into which IMC would transfer the Mining Licence, which grants the right to operate the Uranium Project in full.

On 5 December 2018, the Company entered into the Amended Option Agreement to restructure the cash payments paid by the Company in order to progress the application of the Mining Licence.

On 26 March 2019, the Company and IMC entered into the Farm-in Letter Agreement, replacing the terms of the Option Agreement and the Amended Option Agreement entirely. Under the terms of the Farm-in Letter Agreement, the Company and IMC acknowledge that the Company has, as at 26 March 2019, made the Initial Payment (US\$170,650). Further, the Company agreed to transfer to IMC the Second Payment (US\$400,000) at a date to be agreed. The Second Payment shall represent the Entitlement, being a 51 per cent. economic interest in the assets and operations subject to the Mining License. The Second Payment is to be made using part of the Net Placing Proceeds. In order to maintain the Entitlement, the Company has also agreed, under the Farm-in Letter Agreement, to pay IMC a further US\$1,989,350 into over 18 months for the sole purpose of funding development costs at the Uranium Project. This sum shall be paid by way of the Tranche Payments.

IMC shall not be prohibited from entering into discussions with third party investors in connection with obtaining project finance in relation the Uranium Project. However, before making any Project Finance Offer, IMC must offer the same terms to the Company, and the Company shall have the Right of First Refusal over any Project Finance Offer. If the Company elects to provide funding equal to the amount of the Project Finance Offer, upon such funds being received by IMC, the Company and IMC shall commit to increase the Entitlement over the economic interest in the Uranium Project by way of further agreement at a date to be agreed between the parties.

If the Company cannot satisfy any of the Tranche Payments as they fall due, the Right of First Refusal shall not apply. Following any Default, IMC shall have the right, subject to approval by the Company, to enter into project finance arrangements with third party investors in relation to the Uranium Project, and the Company and IMC shall commit to re-distributing the Entitlement (by reference to the then prevailing market value of the Uranium Project) by way of further agreement accordingly at a date to be agreed between the parties.

On 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of the Uranium Ban. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In response to the Uranium Ban, the Company and IMC entered into the Side Letter, under which the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban.

Under the Side Letter, the Company and IMC have agreed that IMC will waive the obligation of the Company to pay the Second Payment and the Tranche Payments. From the effective date of the Side Letter, and throughout the duration of the Uranium Ban, the Right of First Refusal shall continue to apply in favour of the Company. If the Uranium Ban continues for a period of 12 months from the date of the Side Letter, the Company shall have the right to terminate the Farm-in Letter Agreement in its entirety by written notice to IMC and the Company shall not be liable for any unpaid payments thereunder.

If, within 12 months of the date of the Side Letter, either (i) the Uranium Ban ceases to be in force or (ii) the government of the Kyrgyz Republic allows IMC to progress work under the Mining License pursuant to the Waste Exemption, the Company may, in its sole discretion, elect to re-enter the Farm-in Letter Agreement, subject to the adjustment, if necessary, of the Agreed Dates in relation to the Tranche Payments and valuation of the Uranium Project.

The Company and IMC maintain the position that the activities at the Uranium Project of 'cleaning' the peat and contained groundwater, which carries high levels of uranium (such uranium often contaminating the local water supplies), amount to those of processing waste and accordingly fall under the Waste Exemption. The Company and IMC are currently discussing this position with the government of the Kyrgyz Republic.

For more information on the cobalt market, please refer to *Part VIII – Market Overview – Overview of the cobalt market*.

For more information on the uranium market, please refer to *Part VIII – Market Overview – Overview of the uranium market*.

4. Share capital

- 4.1 The issued and fully paid up Ordinary Share capital of the Company, as at the date of this document and as it is expected to be immediately following Admission, is as follows:

<i>Class of shares</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Nominal value/£</i>	<i>Number of Ordinary Shares</i>	<i>Nominal value/£</i>
Ordinary shares issued and fully paid	203,368,980	0.0001	297,702,306	0.0001

- 4.2 The following table sets out the fully diluted Ordinary Share capital as at the date of this document and as at Admission:

	<i>As at the date of this document</i>	<i>As at the date of Admission</i>	<i>As a percentage of Enlarged Issued Share Capital at Admission</i>
Issued share capital	203,368,980	297,702,306	—
Ordinary Share options at 3p	5,000,000	5,000,000	—
Ordinary Share options at 0.75p	4,500,000	4,500,000	—
Warrants at 3p	18,250,000	18,250,000	—
Warrants at 2p	9,700,000	9,700,000	—
Placing Shares	—	94,333,326	32%
Placing Warrants	—	94,333,326	—

Accordingly, at Admission the Enlarged Issued Share Capital is expected to be 297,702,306 Ordinary Shares with a total of 9,500,000 options and 122,283,326 warrants outstanding. If all the outstanding options and warrants (including the Placing Warrants) were to be exercised the Company would receive approximately £1,491,250 in cash and the options and warrants would represent 31 per cent. of the fully diluted Enlarged Issued Share Capital.

- 4.3 Save as disclosed in this document:

- (A) no share or loan capital of the Company has been issued or is proposed to be issued;
- (B) no person has any preferential subscription rights for any shares of the Company;
- (C) no share or loan capital of the Company (or any of its subsidiaries) is under option or is the subject of an agreement, conditional or unconditional to be put under option; or
- (D) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

- 4.4 All Ordinary Shares in the capital of the Company are in registered form.

- 4.5 The Ordinary Shares will have a Standard Listing on the Official List and will be traded on the Main Market of the London Stock Exchange. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

- 4.6 The Articles do not contain any limit on the number of Ordinary Shares which the Company may issue. However, the ability of the Company to issue shares is subject to the terms of any resolution passed by Shareholders.
- 4.7 At the date of incorporation, the issued share capital of the Company was £100,000.00 divided into 10,000,000 ordinary shares of nominal value 1 pence each and issued, for nil consideration, to the subscribers to the Company's memorandum of association.

The following changes have occurred in the issued share capital of the Company since 20 August 2010, being the date of its incorporation:

- (A) on 24 March 2006, each ordinary share of 1 pence was subdivided into 10 ordinary shares of 0.1 pence;
- (B) on 11 April 2006, the Company allotted:
 - (i) 1,000,000 ordinary shares at a price of 0.1 pence per share to Loeb & Aron Company Limited;
 - (ii) 3,499,990 ordinary shares at a price of 0.1 pence per share to Somers Investments Limited; and
 - (iii) 499,990 ordinary shares at a price of 0.1 pence per share to Alan Mason;
- (C) on 21 June 2006, the Company:
 - (i) allotted 2,800 ordinary shares of nominal value 0.5 pence at a price of 0.5 pence per share to Loeb & Aron Company Limited;
 - (ii) allotted 800,000 ordinary shares of nominal value 0.5 pence at a price of 0.5 pence per share to Somers Investments Limited;
 - (iii) allotted 400,000 ordinary shares of nominal value 0.5 pence at a price of 0.5 pence per share to Alan Mason;
 - (iv) increased its share capital by £650,000 beyond the registered capital of £100,000 to £750,000; and
 - (v) consolidated every five of the issued and unissued ordinary shares of 0.1 pence each into one ordinary share of 0.5 pence each;
- (D) on 29 February 2012, the Company issued 1,102,067 ordinary shares of nominal value 0.5 pence to certain directors in lieu of the Directors' fees;
- (E) on 11 March 2016, each of the issued ordinary shares of 0.5 pence was sub-divided into one ordinary share of 0.01 pence and 1 deferred share of 0.49 pence;
- (F) on 31 March 2017, the Company issued 68,500,000 new Ordinary Shares at a price of 0.5 pence;
- (G) on 25 August 2017, the Company issued:
 - (i) 1,000,000 Ordinary Shares at a deemed price of 1.5 pence per share as consideration (£15,000) to secure 100 per cent. of the rights over the licence applications in respect of the Palomino Project; and
 - (ii) 1,967,133 Ordinary Shares at a deemed price of 1.5 pence per share as consideration (£29,507) for an option fee in respect of an option over 81.82 per cent. of the equity in US Cobalt not then owned by the Company;

- (H) on 10 April 2018, the Company issued 2,000,000 Ordinary Shares at a deemed price of 1.5 pence per share as consideration for the grant of the licence applications in respect of the Palomino Project;
 - (I) on 8 June 2018, the Company issued 15,750,000 Ordinary Shares at a price of 1 pence to certain shareholders, including Director, Christopher Latilla-Campbell, following the exercise of their 15,750,000 warrants, of which Christopher Latilla-Campbell exercised his 3,500,000;
 - (J) on 8 June 2018, the Company issued 3,000,000 Ordinary Shares to Gervaise Heddle following the exercise of 3,000,000 options at 0.5 pence per share;
 - (K) on 5 November 2018, the Company issued 21,942,576 Ordinary Shares at a price of 1.75 pence per share to Winston Gold in satisfaction of the consideration pursuant to the Gold Ridge Acquisition Agreement;
 - (L) on 15 November 2018, the Company (i) issued 9,700,000 Ordinary Shares pursuant to the Strategic Financing (with each Ordinary Share issued pursuant to such Strategic Financing accompanied by one warrant to subscribe for one new Ordinary Share at an exercise price of 2 pence per share, expiring on 15 November 2020) and (ii) received notice that certain of the Directors would be subscribing for 8,500,000 Ordinary Shares in connection with the Directors' Options Exercise; and
 - (M) on 15 December 2018, the Company issued 150,000 Ordinary Shares to Rolf Gerritsen at 2 pence per share.
- 4.8 By resolution passed on 7 August 2018, the Company granted the following powers and authorities to the Directors to issue ordinary shares:
- (A) the Directors were generally and unconditionally authorised pursuant to section 551 of the UK Companies Act 2006 (the "**Companies Act**") to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into such shares (all of which transactions are referred to hereafter as an allotment of "relevant securities") up to an aggregate amount of £25,000. The authority conferred by this resolution expires at the conclusion of the annual general meeting ("**AGM**") to be held in 2019, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied; and
 - (B) the Directors were empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined by section 560 of the Companies Act) for cash up to an aggregate amount of £25,000, as if section 561 of the Companies Act did not apply to any such allotment. This power expires at the conclusion of the AGM to be held in 2019, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.
- 4.9 The provisions of section 551 of the Companies Act, which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up fully in cash, other than by way of allotment to employees under an employee share scheme (as defined in section 1166 of the Companies Act) will apply to the ordinary share capital of the Company, to the extent that such rights are not disapplied by special resolution by the shareholders pursuant to section 570 of the Companies Act in accordance with paragraph 4.7 above or otherwise.

- 4.10 The Existing Ordinary Shares and Placing Shares will have the rights and be subject to the restrictions referred to in paragraph 5.4(B) of this *Part XVI — Additional Information* of this document.
- 4.11 The Ordinary Shares comprising the Enlarged Issued Share Capital will, on Admission, be credited as fully paid and will rank *pari passu* in all respects with the Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of this document.
- 4.12 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any of its share or loan capital.
- 4.13 During the period between the incorporation of the Company and Admission, more than 10 per cent. of the issued share capital of the Company, has been paid for by assets other than cash.
- 4.14 The Company does not have in issue any shares not representing share capital.
- 4.15 None of the share capital of the Company is held by or on behalf of the Company or by any subsidiary of the Company.
- 4.16 Save as set out below the Company does not have any convertible securities, exchangeable securities or securities with warrants currently in issue.
- (A) Expiring 30 September 2019, there are 15,750,000 warrants outstanding to subscribe for new Ordinary Shares at 3 pence per Ordinary Share.
 - (B) Expiring 15 November 2020, there are 9,700,000 warrants outstanding to subscribe for new Ordinary Shares at 2 pence per Ordinary Share.
 - (C) Expiring 30 March 2021, there are 2,500,000 warrants outstanding to subscribe for new Ordinary Shares at 3 pence per Ordinary Share. These warrants were issued to Paul Johnson, a former Director, following his subscription in March 2018 for 2,500,000 Ordinary Shares at 2 pence per Ordinary Share.
 - (D) A further 2,500,000 warrants will be issued to Rolf Gerritsen on completion of his subscription for 2,500,000 new Ordinary Shares. These warrants exercisable at 3 pence per share will expire 36 months from their date of issue.
 - (E) Save in respect of the options and warrants set out, there are no acquisition rights and/or obligations over the unissued share capital of the Company and the Company has not given any undertaking to increase its share capital.
 - (F) A total of 5,000,000 share options granted to Rolf Gerritsen are outstanding and all are exercisable at an exercise price of 3 pence per share from the first anniversary of his appointment to the Board and until the third anniversary of this appointment.
 - (G) Expiring on 23 July 2021, a total of 94,333,326 Placing Warrants will be issued, conditional upon Admission, exercisable at a price of 0.6 pence per Ordinary Share in connection with the Placing.

Further details of the outstanding share options and its operation is set out in paragraph 10 below.

- 4.17 None of the Directors nor members of their families have a related financial product referenced to the Ordinary Shares.
- 4.18 The Ordinary Shares will be registered with the ISIN GB00B15FS791.

- 4.19 The Ordinary Shares are in registered form and, following Admission, will be capable of being held in uncertificated form, enabled through CREST. Definitive share certificates for Shareholders not settling through CREST are planned to be dispatched on or about 25 July 2019. No temporary documents of title will be issued.

5. Articles

- 5.1 The Articles were adopted by a special resolution of the Shareholders passed in a general meeting on 15 November 2018. A summary of the terms of the Articles is set out below. The summary below is not a complete copy of the terms of the Articles.
- 5.2 The Articles do not provide for any objects of the Company by virtue of section 31(1) of the Companies Act, and accordingly the Company's objects are unrestricted. The Articles also do not state any purposes for which the Company was established and therefore the Company is able to undertake any activities permitted by the laws of England and Wales.
- 5.3 The liability of the Company's members is limited to any unpaid amount on the Ordinary Shares held by them.
- 5.4 The Company's Articles contain, *inter alia*, provisions to the following effect:

(a) ***Share capital***

The Company's Existing Issued Share Capital currently consists of Ordinary Shares and Deferred Shares. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

(b) ***Rights attaching to shares***

Subject to the provisions of the Articles and the Companies Act, and in particular to those conferring rights of redemption, and without prejudice to any special rights conferred on the holders of any shares or class of shares, any shares in the Company may be issued with or have attached to them such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Directors may determine.

Subject to the Companies Act, any shares may be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may by special resolution determine.

The Board may issue share warrants to the bearer in respect of any fully paid shares under the Company's seal or in any other manner authorised by the Board. Any share while represented by such warrant shall be transferable by delivery of the warrant relating to it. In any case in which a warrant is so issued, the Board may provide for the payment of dividends or other moneys on the shares represented by the warrant by coupons or otherwise. The Board may decide, either generally or in any particular case, that any signature on a warrant may be applied by mechanical means or printed on it or that the warrant need not be signed by any person.

(c) ***Voting***

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting has one vote and, on a poll, every such holder

who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him.

(d) ***Variation of class rights***

Subject to the Companies Act and the terms of their issue, all or any of the rights and restrictions for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied, added to or abrogated with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares.

(e) ***Transfers of Shares***

- (i) In the case of certificated shares any member may, subject to the Articles, transfer all or any of his shares by an instrument of transfer in the usual common form or in any manner (whether or not by written instrument) which the Directors may approve. Any written instrument of transfer of a share shall be signed by or on behalf of the transferor (and, in the case of a share which is not fully paid by or on behalf of the transferee) and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members of the Company in respect thereof.
- (ii) In the case of uncertificated shares and subject to the Companies Act but notwithstanding any other provision of the Articles, a member is entitled to transfer his shares and other securities by means of a relevant system.
- (iii) The Directors may refuse to register the transfer of a share which is not fully paid, providing that any such refusal will not prevent dealings in the shares from taking place on an open and proper basis.
- (iv) The Directors may decline to register any transfer of a certificated share unless any written instrument of transfer, duly stamped, is lodged with the Company, accompanied by the relevant certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, the instrument is in respect of only one class of share and, in the case of a transfer to joint holders the number of joint holders does not

(f) ***Allotment of shares and pre-emption rights***

Subject to the Companies Act and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine (including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares).

In accordance with section 551 of the Companies Act, the Directors may be generally and unconditionally authorised to exercise all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution authorising such allotment. The authorities referred to in paragraph 5.4(a) and 5.4(c) above were included in the special resolution passed on 7 August 2018 and remain in force at the date of this document.

The provisions of section 561 of the Companies Act (which confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the Company except to the extent disapplied by special resolution of the Company. Such pre-emption rights have been disapplied to the extent referred to in paragraph 5.4(c) above pursuant to the special resolution passed on 7 August 2018.

(g) **Section 793 of the 2006 Act**

Without limitation to the powers of the Directors under section 793 of the 2006 Act, where a member fails to comply with any notice (a “**statutory notice**”) given by the Directors under section 793 of the 2006 Act requiring such member or any other named person to give particulars of any interest in respect of shares in the Company, the Company may, no earlier than fourteen days after the service of the statutory notice, give the registered holder of such shares a notice (a “**restriction notice**”) stating or to the effect that, the shares in respect of which the default has occurred (“**default shares**”), are subject to certain sanctions for so long as the default continues.

(h) **General meetings**

The Company must convene and hold AGMs in accordance with the Companies Act.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a Chair of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

(i) **Directors**

- (i) Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be less than two and there shall not more than fifteen.
- (ii) The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a Director or an alternate Director.
- (iii) Questions and matters requiring resolution arising at a meeting shall be decided by a majority of votes of the participating Directors, with each director having one vote. In the case of an equality of votes, the Chair will only have a casting vote or second vote (unless he is not entitled to vote on the resolution in question).
- (iv) Subject to the Companies Act and the Articles, no Director or proposed or intending Director shall be disqualified by his office from entering into any contract or arrangement with the Company either with regard to his tenure of any office or employment or as a vendor, purchaser or otherwise. Nor shall any such contract be liable to be avoided. Nor shall any Director so contracting be liable to account to the Company for any remuneration, profit or other benefit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but such Director shall declare the nature of his interest in accordance with the Companies Act.
- (v) The Board may, in accordance with the requirements in the Articles, authorise any matter proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under the Companies Act to avoid conflicts of interests.
- (vi) A Director seeking authorisation in respect of such conflict shall declare to the Board the nature and extent of their interest in a conflict as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict together with such additional information as may be requested by the Board.

(j) ***Restrictions on voting by Directors***

Save as otherwise provided by the Articles, a Director shall not vote nor be counted in the quorum on any resolution of the Directors concerning his own appointment as the holder of any office or place of profit with the Company. Save as otherwise provided by the Articles a Director shall not vote on any resolution of the Directors concerning a matter in which he has directly or indirectly an interest or duty which is material and which conflicts or may conflict with the interests of the Company unless his interest or duty only arises because the case falls within one or more of the following paragraphs:

- (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (iii) his interest arises by virtue of his subscribing or agreeing to subscribe for any shares, debentures or other securities of the Company or any of its subsidiary undertakings, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any of its subsidiary undertakings for subscription, purchase or exchange;
- (iv) the resolution relates in any way to any proposal concerning a retirement, death or disability benefits scheme or a share option scheme, share incentive scheme or profit-sharing scheme which either relates to both employees and Directors and/or directors of any subsidiary undertaking and does not provide to any Director as such any privilege or advantage not accorded to the employees to whom such scheme or fund relates or has been approved by or is conditional on approval by HMRC for tax purposes;
- (v) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 198 to 211 of the Companies Act) representing one per cent. or more of either any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); and
- (vi) any proposal concerning an insurance which the Company is empowered to purchase and/or maintain for the benefit of and against any liability incurred by any Directors or persons who include the Directors.

(k) ***Remuneration of Directors***

- (i) Each of the Directors may be paid a fee at such rate as the Directors may from time to time determine. The fees paid to Directors (excluding amounts payable under any other Article) shall not exceed £300,000 per annum or such larger amount as the Company may by ordinary resolution determine.
- (ii) Each Director may be paid his reasonable travelling, hotel and other expenses properly and reasonably incurred by him in attending and returning from meetings of the Directors or any committee of the Directors or meetings of

shareholders or debenture holders of the Company or otherwise in connection with the business of the Company or the discharge of his duties as a Director. Any Director who, by request, goes to reside abroad for any purposes of the Company or who performs services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profit or otherwise) as the Directors may determine and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other article.

(l) ***Appointments to office***

Subject to the provisions of the Articles, the Company may by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board.

The Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with the Companies Act, remove any Director before the expiration of his period of office and may (subject to these Articles) by ordinary resolution appoint another person in his place. Any person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of these Articles to appoint any person to be a Director, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the earlier to occur of the close of the next following AGM and someone being appointed in his place at that meeting. Such a Director shall be eligible for re-election at that meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at the meeting.

(m) ***Rotation of Directors***

- (i) At every AGM one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to and not exceeding one-third shall retire from office and each Director shall retire from office at least once every three years. If there is only one Director who is subject to retirement by rotation, he shall retire.
- (ii) The Directors to retire on each occasion shall be those subject to retirement by rotation who have been longest in the office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree amongst themselves) be determined by lot. The Directors to retire on each occasion (both as to number and identity) shall be determined by composition of the Board at the date of the notice convening the AGM, and no Director shall be required to retire or be relieved from retiring by reason of any change in the number or identify of Directors after the date of such notice but before the close of the meeting.
- (iii) A Director who retires at the AGM shall be eligible for re-election. If he is not reappointed he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.
- (iv) Subject to the provisions of the Articles, the Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by electing a person and in default the retiring Director shall, if willing to continue to act, be deemed to have been re-elected, unless at such meeting it is expressly resolved

not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost or such Director has given notice in writing to the Company that he is unwilling to be re-elected or such Director has attained any retiring age applicable to him as Director pursuant to the Companies Act.

(n) ***Borrowing powers***

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and uncalled capital, and to issue debentures and other securities. The Directors must ensure that the aggregate amount for the time being of all borrowings of the Company and its subsidiaries (other than owing by the Company and any of its subsidiary undertakings in respect of the intra group borrowings) shall not at the date of any such borrowings, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to £5,000,000.

(o) ***Pensions, gratuities etc.***

The Directors may, subject to the provisions of the Companies Act, exercise all the powers of the Company to grant pensions, annuities or other allowances and benefits in favour of any person including any Director or former Director or the relations, connections or dependants of any Director or former Director, provided that no pension, annuity or other allowance or benefit (except such as may be provided for by the Articles) shall be granted to a Director or former Director who has not been an executive Director or held any other office or place of profit under the Company or any of its subsidiaries or to a person who has no claim on the Company except as a relation, connection or dependant of such a Director or former Director without the approval of an ordinary resolution of the Company.

(p) ***Dividends***

- (i) Subject to the provisions of the Companies Act, the Directors may pay such interim dividend as they think fit.
- (ii) Subject to the Companies Act, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provides, all dividends shall be declared and paid according to the nominal amounts paid up on the shares (excluding any premium), but no amount paid up on a share in advance of calls shall be treated for this purpose as paid up on such share, and all dividends shall be apportioned and paid pro rata to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid.

(q) ***Unclaimed dividends***

Any dividend unclaimed for a period of 12 years after it became due for payment shall be forfeited and shall revert to the Company.

(r) ***Return of capital***

Save as otherwise provided in the Articles and subject to the rights attached to any shares issued on any special terms and conditions, on return of assets on a winding up or otherwise the surplus assets of the Company after discharge of its liabilities shall belong to and be distributed amongst the holders of shares in proportion to the number of such shares held by them irrespective of the amount paid or credited as paid on any share.

6. The Takeover Code

The City Code on Takeovers and Mergers (the “**Takeover Code**”) applies to the Company. Under A.3.4.9 Rule 9 of the Takeover Code (“**Rule 9**”), any person who acquires an interest in shares, whether by a series of transactions over a period of time or not, which, taken together with any interest in shares held or acquired by persons acting in concert (as defined in the Takeover Code) with him, in aggregate carry 30 per cent. or more of the voting rights of a company, that person is normally required by the Takeover Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which they are interested.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company acquired during the 12 months prior to the announcement of the offer.

7. Squeeze-out rules, sell-out rules and takeover bids

7.1 Squeeze-out

Under the Companies Act, if an offeror makes a takeover offer for the Company and successfully acquired (or unconditionally contracted to acquire) 90 per cent. in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights carried by those shares, it could then compulsorily acquire the remaining shares. It would do so by sending a notice to outstanding shareholders, within three months of the last day of which the offer can be accepted, telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

7.2 Sell-out

The Companies Act also gives minority Shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the shares in the Company and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. in value of all voting shares in the Company, which carry not less than 90 per cent. of the voting rights, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

There have been no public takeover bids by third parties in respect of the Company’s equity in the current financial year or the previous financial year.

7.3 **Shareholder notification and disclosure requirements**

- (a) Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3 per cent. of the nominal value of the Company's share capital or any 1 per cent. threshold above that.
- (b) The DTRs can be accessed and downloaded from the FCA's website at <http://fshandbook.info/FS/html/FCA/DTR>. Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

8. **Terms and conditions of the warrants**

- 8.1 On 30 March 2017, the Company executed a warrant instrument for the creation and issue of 29,500,000 warrants at an exercise price of 1 pence per Ordinary Share, which expired on the final exercise date on 30 September 2018.
- 8.2 On 30 March 2018, the Company executed a further warrant instrument for the creation and issue of 5,000,000 warrants at an exercise price of 3 pence per Ordinary Share, which will expire on the final exercise date on 30 March 2021.
- 8.3 On 8 June 2018, the Company executed a further warrant instrument for the creation and issue of 15,750,000 warrants at an exercise price of 3 pence per Ordinary Share, which will expire on the final exercise date on 8 June 2020.
- 8.4 On 15 November 2018, the Company executed a further warrant instrument for the creation and issue of 9,700,000 warrants at an exercise price of 2 pence per Ordinary Share, which will expire on the final exercise date on 15 November 2020.
- 8.5 The Company entered into a warrant instrument dated 17 July 2019 (the "**Placing Warrant Instrument**") pursuant to which the Company created and will issue, subject to Admission a total of 94,333,326 Placing Warrants each entitling the holder to acquire one Ordinary Share at 0.6 pence for each Placing Warrant during the period commencing on Admission and ending on 23 July 2021. The terms of the Placing Warrant Instrument is described in more detail in *Part XI – Terms of the Placing Warrants*.

9. **Directors' and Senior Managers' and other relevant interests in the share capital of the Company**

- 9.1 The Directors and their functions within the Company and their biographies are set out in *Part X – The Directors and the Senior Managers* of this document.
- 9.2 The business address of each of the Directors is at the registered office of the Company, being 1 Ely Place, London EC1N 6RY, United Kingdom.
- 9.3 As at 16 July 2019, being the latest practicable Business Day prior to the publication of this document, insofar as known to the Company, the interests of the Directors, their immediate families and those of any connected person (within the meaning of the provisions of the Disclosure Guidance and Transparency Rules), the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through

another party, in the share capital of the Company in respect of such capital were and are expected to be immediately following Admission as follows:

<i>Name</i>	<i>As at the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Ordinary Shares held</i>	<i>Percentage of the Existing Issued Share Capital held</i>	<i>Number of Ordinary Shares held</i>	<i>Percentage of the Enlarged Issued Share Capital held</i>
Christopher Latilla-Campbell ⁽¹⁾	36,040,442	17.72%	39,373,775	13.22%
Gervaise Heddle	15,513,634	7.62%	18,846,967	6.33%
Christian Schaffalitzky	4,600,000	2.26%	7,933,333	2.66%
Rolf Gerritsen ⁽²⁾	1,650,000	0.81%	6,650,000	2.23%
Total Director Holdings	57,907,076	28.41%	72,804,075	24.44%

(1) Christopher Latilla-Campbell's interests includes 24,750,000 shares held by Buchanan Trading Inc, in whose shares he is deemed to be interested, as he is a potential beneficiary of a discretionary trust which controls it.

(2) Rolf Gerritsen will hold 5,000,000 Placing Shares via Pearman Investments LLP.

- 9.4 On 15 November 2018, the Company received £62,500 as a result of the Directors' Options Exercise. At the date of this document, the Company has 9,500,000 outstanding Director share options comprising (i) 4,500,000 options granted to Paul Johnson, a former Director, which are exercisable at an exercise price of 0.75 pence per share until 7 November 2019 and (ii) 5,000,000 options granted to Rolf Gerritsen which are exercisable at an exercise price of 3 pence per share from the first anniversary of his appointment to the Board until the third anniversary of his appointment.
- 9.5 Save as disclosed above, and with regards to options in paragraph 9.20 of this *Part XVI – Additional Information* of this document, none of the Directors nor any member of his immediate family or any person connected with him holds or is beneficially or non-beneficially interested directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company.
- 9.6 In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.
- 9.7 There are no arrangements or understandings with major Shareholders, customers, suppliers or others, pursuant to which any Directors were selected as member(s) of the Board.
- 9.8 There are no outstanding loans granted by the Company to the Directors or any guarantees provided by the Company for the benefit of the Directors.
- 9.9 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.
- 9.10 The terms of the Directors service arrangements are summarised below:
- (a) Rolf Gerritsen entered into a service agreement with the Company on 5 December 2018 with respect to his appointment as Chief Executive Officer of the Company. Mr. Gerritsen's service agreement can be terminated by either party giving no less than six months' notice in writing.

- (b) Mr. Gerritsen will receive a salary and benefits (which may include pension and insurance costs) of £7,500 per month with effect from 1 June 2018.
 - (c) Under the service agreement, Mr. Gerritsen will be paid a one off equity bonus of 2,500,000 shares on the shares of the Company being admitted to trading on the Main Market of the London Stock Exchange. The bonus will, at the election of Mr. Gerritsen, take the form of a cash bonus, the net amount of which (after deduction of payroll taxes) will be reinvested by Mr. Gerritsen in subscribing for new shares in the capital of the Company.
 - (d) Mr. Gerritsen will be issued a one off equity bonus of shares in the Company upon the Company completing a transaction which secures a majority stake in a new project, the quantum of the bonus is set at the lesser of (i) 2,500,000 Ordinary Shares or (ii) 15% of the effective sterling value of the transaction divided by the trading price per share of the Company's shares on a 5 day volume weighted average basis over the 5 days preceding the announcement of the triggering transaction. The bonus will, at the election of Mr. Gerritsen, take the form of a cash bonus, the net amount of which (after deduction of payroll taxes) will be reinvested by Mr. Gerritsen in subscribing for new shares in the capital of the Company.
- 9.11 Save as set out in paragraph 9.10, there are no service contracts or consultancy agreements between any of the Directors and any of the Company's subsidiaries and no such contract has been entered into or amended or replaced within the six months preceding the date of this document and no such contracts are proposed.
- 9.12 Save as set out in paragraph 9.10, the Directors receive no shares or options over shares in lieu of remuneration or as any form of compensation. However, on 20 March 2017, 4,500,000 options were granted to Paul Johnson, a former Director, whilst in office. The options are exercisable at an exercise price of 0.75 pence per Ordinary Share until 7 November 2019.
- 9.13 Save as set out in paragraph 9.10, the Company is not party to any service contract with any of the Directors which provides for benefits on the termination of any such contract.
- 9.14 No Director has any accrued pension or retirement benefits. No other material benefits accrue to the Directors in connection with their appointment.
- 9.15 The Directors, other than Rolf Gerritsen, have waived their remuneration and future emoluments.
- 9.16 As at 28 February 2019, the total aggregate remuneration paid, consultancy fees and benefits-in-kind granted, to the Directors was £82,500, such payment being made solely to Rolf Gerritsen.

9.17 The Directors have not held any directorships of any company (other than the Company and its subsidiaries) or partnerships within the last five years, except as set forth below:

<i>Name</i>	<i>Current</i>	<i>Past</i>
Christopher Latilla-Campbell	Dougalston Limited Industrial and Commercial Holdings Plc London Finance and Investment Corporation Limited Marlands Estates Limited Biscay Investments Limited Starmer Limited Tennyson Dollar Investments Limited Tennyson Sterling Investments Limited Ukhozi Resources Limited (formerly Afpenn Resources Ltd) Frank Watson and Company Limited Ukhozi Lupane Developments (Pvt) Ltd (formerly Afpenn Lupane Developments (Pvt) Ltd)	Ukhozi Limited Casa Renata Ltd Pinebark Ltd Suracate Finance Limited Umganu Ltd Afpenn Central Africa Ltd
Rolf Gerritsen	Strategic Global Minerals Limited Cobra Resources plc Pearman Investments LLP ECRG Limited ¹ RCA Associates Limited	
Christian Schaffalitzky	Two Shields Investments plc Eurasia Mining plc Eurasia Mining (UK) Ltd Urals Alluvial Platinum Ltd Shaffman Agents Ltd Sloane Developments Ltd Kibo Energy plc United Antimony Mines Ltd	East India Devonshire Sports and Public Schools Club Ltd Red Crescent Resources Ltd Mogul of Ireland Limited (voluntary liquidation) Tylai Mining Limited Eurasia Investments Limited Energy Resources Asia Ltd Eyessel Metals Limited Prospex Oil & Gas plc (company voluntary administration)
Gervaise Heddle	Greatland Gold plc Bletchley Economics	Thor Mining plc Macquarie Bank Limited Merrill Lynch Investment Managers

9.18 None of the Directors or Senior Managers:

- (A) has received any convictions in relation to fraudulent offences at any time in the previous five years;
- (B) has been declared bankrupt or entered into any individual voluntary arrangement at any time in the previous five years;

¹ ECRG Limited is in a voluntary arrangement for a period of 36 months and is making payments to HMRC which commenced in May 2017. The voluntary arrangement was approved at a creditors' meeting. HMRC was the sole creditor, being owed approximately £66,000.

- (C) has, at any time in the previous five years, been a director with an executive function of any company at the time of, or within 12 months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors, save as set out in paragraph 9.17;
- (D) has, at any time in the previous five years, been a partner in a partnership at the time of, or within 12 months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (E) has, at any time in the previous five years, had any of his assets the subject of any receivership or has been a partner of a partnership at the time of, or within 12 months preceding, any assets thereof being the subject of a receivership; or
- (F) has, at any time in the previous five years, been subject to any public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or has ever been disqualified by a court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

9.19 The Company entered into an advisory agreement with Cobra in September 2018, through its indirect Investment Division, to provide advisory services during its application for listing on the London Stock Exchange. The Company also agreed to assist Cobra with the implementation and development of its strategy and was awarded 4,166,666 ordinary shares in the capital of Cobra for its services.

10. Company's Share Option Scheme

The Company established the Share Option Scheme on 11 February 2016 for the purpose of granting 10,000,000 share options to certain Directors at the time: Paul Johnson (4,500,000), Christopher Latilla-Campbell (3,000,000) and Christian Schaffalitzky (2,500,000). With the exception of the 4,500,000 options granted to Paul Johnson which are outstanding and may be exercised up to 7 November 2019, all of the share options were exercised in full on 15 November 2018.

At the date of this document, the Company has 5,000,000 outstanding Director share options granted to Rolf Gerritsen and all are exercisable at an exercise price of 3 pence per share. The main features of the options of Rolf Gerritsen and Paul Johnson are summarised below.

Grant of Option and Exercise Price

The Company granted the right to acquire up to 5,000,000 Shares for Rolf Gerritsen and 4,500,000 for Paul Johnson (each, an "**Option**") at the exercise price of 3 pence per share for Rolf Gerritsen and 0.75 pence per share for Paul Johnson (each, an "**Exercise Price**").

The option did not provide an entitlement to acquire any percentage of the share capital of the Company, other than the percentage that shares actually acquired under the Option represented at any time. The grant and existence of the Option does not restrict the Company's freedom to issue any shares, rights to subscribe for shares, or any other securities, at any time after the date of the grant (the "**Grant Date**") and on such terms as the Company may decide.

Adjustment to Option

If there is any variation of the share capital of the Company (whether that variation is a capitalisation issue (other than a scrip dividend), rights issue, consolidation, subdivision or reduction of capital or otherwise) that affects (or may affect) the value of the Option, the Board shall adjust the number and description of shares subject to the Option or the Exercise Price of the Option in a manner that the Board, in its reasonable opinion, considers to be fair and appropriate.

Exchange of Option

In the event that a company obtains control of the Company (the “**Acquiring Company**”) the optionholder may, by agreement with the Acquiring Company within a period specified by the Board, release the Option in exchange for a replacement option.

Exercise of Option

The Options are exercisable any time after the Grant Date provided such exercise occurs in the following period:

- (A) if there is an asset sale, the period of 14 days starting with the date on which the contract for the asset sale becomes unconditional in all respects;
- (B) if there is a share sale or a capital raising, the period of 14 days after the time when the acquiror has obtained control of the Company; or
- (C) 30 April 2021 (in the case of Rolf Gerritsen) or 7 November 2019 (in the case of Paul Johnson), if none of the events listed above occur before this date.

Lapse of Option

The optionholder shall not transfer, assign or have any charge or other security interest created over the Option (or any right arising under it). The Option shall lapse if the optionholder attempts to do any of these.

If the optionholder ceases to be an employee or director of the Company:

- (A) for any reason, the Board may permit the optionholder to exercise all or any part of the Option. If the Board does not make such a decision within 21 days after the termination of the optionholder’s employment or the ceasing to be a director of the Company (or such longer period as the optionholder and the Board may agree), the Option will lapse; and
- (B) after a share sale, asset sale or capital raising, the optionholder may exercise the Option during the period specified not more than 14 days after so ceasing.

11. Placing arrangements

A Placing Agreement dated 17 July 2019 pursuant to the terms of which the Joint Bookrunners agreed to use their reasonable endeavours to procure placees for all of the Placing Shares at the Placing Price, as the Company’s agents. The Placing Agreement contains certain warranties and indemnities from the Company and the Directors in favour of the Joint Bookrunners and is conditional on:

- (a) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and
- (b) Admission occurring by not later than 8.00 a.m. on 23 July 2019 (or such other time and/or date as the Joint Bookrunners and the Company may agree).

If Admission does not proceed, the Placing will not proceed and all monies paid will be refunded to subscribers.

The Placing Shares will, upon issue, rank *pari passu* with the Ordinary Shares.

The Joint Bookrunners, as the Company’s agents, have procured irrevocable commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.

The Joint Bookrunners may terminate the agreement in certain circumstances prior to Admission including, *inter alia*, if there shall have been a material adverse change or if any of the Directors or the Company fail to comply in any material respect with any of their respective obligations under the Placing Agreement.

The Placing Agreement provides for the Joint Bookrunners to receive, conditional upon Admission total commission of £30,000.

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, which are summarised above, and which will be satisfied prior to Admission, and the Placing Agreement not having been terminated. In the event that the Placing does not complete, Admission will not take place. The Company will pay the costs and expenses associated with the Placing, irrespective of whether Admission takes place. VAT will be payable where appropriate.

The following Directors are participating in the Placing as follows:

<i>Name</i>	<i>No. of Placing Shares</i>	<i>Total participation at the Placing Price</i>
Rolf Gerritsen ⁽¹⁾	5,000,000	£15,000
Christopher Latilla-Campbell	3,333,333	£10,000
Gervaise Heddle	3,333,333	£10,000
Christian Schaffalitzky	3,333,333	£10,000

(1) Held via Pearman Investments LLP

12. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company in the two years prior to the date of this document and are or may be material:

12.1 Broker Agreement

A broker agreement dated 30 January 2018 between the Company and SI Capital, pursuant to which the Company appointed SI Capital as the Company's broker as from Admission and for an initial period of 12 months and continuing thereafter until terminated by either party giving the other three months' notice. Pursuant to the broker agreement, the Company has agreed to pay to SI Capital an annual retainer fee of £15,000 (together with any applicable VAT) payable quarterly in advance, the first payment being due on the day of Admission.

12.2 Lock-up agreements

Pursuant to the Placing Agreement, each of the Directors has undertaken to the Company and the Joint Bookrunners that, subject to certain limited exceptions, he will not dispose of any Ordinary Shares he holds for a period of 180 days following Admission.

The restrictions on the ability of the Directors to transfer his Ordinary Shares are subject to certain usual and customary exceptions including: transfers pursuant to the acceptance of, or provision of an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms, transfers pursuant to an offer by or an agreement with the Company to purchase Ordinary Shares made on identical terms to all Shareholders or transfers as required by an order made by a court with competent jurisdiction or competent judicial body.

12.3 Gold Ridge Acquisition Agreement

On 25 July 2018, the Company signed the Gold Ridge Acquisition Agreement with Winston Gold pursuant to which the Company agreed to purchase all of the issued and outstanding shares of Winston Gold's wholly owned subsidiary, Goldridge Holdings Limited, for cash payments totalling US\$219,220 and the issue of 21,942,576 Ordinary Shares at a fixed price of 1.75 pence with an overall value of US\$500,000 (approximately GBP 384,000) based on the US\$:GBP currency exchange rate prior to the completion announcement date.

12.4 ***Farm-in Letter Agreement***

On 26 March 2019, the Company and IMC entered into the Farm-in Letter Agreement, replacing the terms of the Option Agreement and the Amended Option Agreement entirely. Under the terms of the Farm-in Letter Agreement, the Company and IMC acknowledge that the Company has, as at 26 March 2019, made the Initial Payment (US\$170,650). Further, the Company agreed to transfer to IMC the Second Payment (US\$400,000) at a date to be agreed. The Second Payment shall represent the Entitlement, being a 51 per cent. economic interest in the assets and operations subject to the Mining License. The Second Payment is to be made using part of the Net Placing Proceeds. In order to maintain the Entitlement, the Company has also agreed, under the Farm-in Letter Agreement, to pay IMC a further US\$1,989,350 into over 18 months for the sole purpose of funding development costs at the Uranium Project. This sum shall be paid by way of the Tranche Payments.

IMC shall not be prohibited from entering into discussions with third party investors in connection with obtaining project finance in relation the Uranium Project. However, before making any Project Finance Offer, IMC must offer the same terms to the Company, and the Company shall have the Right of First Refusal over any Project Finance Offer. If the Company elects to provide funding equal to the amount of the Project Finance Offer, upon such funds being received by IMC, the Company and IMC shall commit to increase the Entitlement over the economic interest in the Uranium Project by way of further agreement at a date to be agreed between the parties.

If the Company cannot satisfy any of the Tranche Payments as they fall due, the Right of First Refusal shall not apply. Following any Default, IMC shall have the right, subject to approval by the Company, to enter into project finance arrangements with third party investors in relation to the Uranium Project, and the Company and IMC shall commit to re-distributing the Entitlement (by reference to the then prevailing market value of the Uranium Project) by way of further agreement accordingly at a date to be agreed between the parties.

12.5 ***Side Letter***

On 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of the Uranium Ban. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In response to the Uranium Ban, the Company and IMC entered into the Side Letter, under which the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban.

Under the Side Letter, the Company and IMC have agreed that IMC will waive the obligation of the Company to pay the Second Payment and the Tranche Payments. From the effective date of the Side Letter, and throughout the duration of the Uranium Ban, the Right of First Refusal shall continue to apply in favour of the Company. If the Uranium Ban continues for a period of 12 months from the date of the Side Letter, the Company shall have the right to terminate the Farm-in Letter Agreement in its entirety by written notice to IMC and the Company shall not be liable for any unpaid payments thereunder.

If, within 12 months of the date of the Side Letter, either (i) the Uranium Ban ceases to be in force or (ii) the government of the Kyrgyz Republic allows IMC to progress work under the Mining License pursuant to the Waste Exemption, the Company may, in its sole discretion, elect to re-enter the Farm-in Letter Agreement, subject to the adjustment, if necessary, of the Agreed Dates in relation to the Tranche Payments and valuation of the Uranium Project.

The Company and IMC maintain the position that the activities at the Uranium Project of 'cleaning' the peat and contained groundwater, which carries high levels of uranium (such uranium often contaminating the local water supplies), amount to those of processing waste and accordingly fall under the Waste Exemption. The Company and IMC are currently discussing this position with the government of the Kyrgyz Republic.

13. Related party transactions

Save as set out in paragraph 9 of this *Part XVI – Additional Information* of this document or as referred to in the financial statements referenced in *Part II – Risk Factors* of this document, there are no related party transactions that were entered into by the Company during the period covered by the financial information referenced in *Part III – Important Information* of this document and up to the date of this document.

14. Employees

The total number of employees (including Directors and Senior Managers) employed by the Company as at 16 July 2019 being the last practicable date prior to publication of this document was one.

15. Major Shareholders

As at 16 July 2019 (being the latest practicable date prior to publication of this document), and in addition to the interests of certain Directors, as set out in paragraph 9.3 above, the Company is aware of the following persons who, directly or indirectly, have or will following Admission have an interest in 3 per cent. or more of the Company's issued share capital:

<i>Name</i>	<i>Number of Existing Ordinary Shares held as at the date of this document</i>	<i>Percentage of the Existing Issued Share Capital held as at the date of this document</i>	<i>Number of Ordinary Shares held immediately following Admission</i>	<i>Percentage of the Enlarged Issued Share Capital held immediately following Admission</i>
Jim Nominees Limited	53,027,341	26.07%	56,360,674	18.93%
Buchanan Trading Inc	24,750,000	12.17%	24,750,000	8.31%
Share Nominees Limited	22,758,497	11.19%	22,758,497	7.64%
Winston Gold Corp	21,942,576	10.79%	21,942,576	7.37%
Peterhouse Capital Limited	–	–	16,666,666	5.59%
Winterflood Securities Limited	11,287,293	5.55%	11,287,293	3.79%
N Grant	–	–	10,000,000	3.35%
C Latilla-Campbell	–	–	9,333,333	3.13%
Hargreaves Lansdown (Nominees) Limited	9,640,364	4.74%	–	–
Interactive Investor Services Nominees Limited	7,500,000	3.69%	–	–
CGWL Nominees Limited	6,790,442	3.34%	–	–
Pershing Nominees Limited	6,500,000	3.20%	–	–

As at 16 July 2019 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

Those interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital (as set out above) do not now, and following the Placing and Admission, will not, have different voting rights from other holders of Ordinary Shares.

16. Litigation and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) at any time during the 12 months preceding this document which may have, or have had a significant effect on the financial position or profitability of the Company or any of its subsidiaries.

There are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Company is aware) at any time during the 12 months preceding this document which may have, or have had a significant effect on the financial position or profitability of Goldridge Holdings.

17. Working capital

In the opinion of the Company, taking into account the Net Placing Proceeds receivable by the Company pursuant to the Placing, the working capital available to the Group is sufficient for the Group's present requirements, that is, for at least 18 months from the date of this document.

18. No significant change

Since 28 February 2019, the following significant developments have occurred:

- On 2 May 2019, the parliament of the Kyrgyz Republic voted in favour of the Uranium Ban. The government of Kyrgyzstan has been instructed to draft legislation to put the Uranium Ban into effect. In response to the Uranium Ban, the Company and IMC entered into the Side Letter, under which the parties agreed to suspend the Farm-in Letter Agreement and all obligations of the Company and IMC thereunder for the duration of the Uranium Ban.

Save as disclosed above, there has been no significant change in the financial or trading position of the Company since 28 February 2019, being the end of the period for which the last historical financial statements of the Company were published.

There has been no significant change in the financial or trading position of Goldridge Holdings Limited since 31 December 2018, being the end of the period for which the last audited financial statements of Goldridge Holdings were published.

19. Dividend policy

The Company currently intends to retain earnings, if any, for use in its future business operations and expansion. The Company will only pay dividends to the extent that to do so is in accordance with the Companies Act and all other applicable laws. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

20. Investments in progress

Other than as described above under the paragraph "*No Significant Change*", the Company has no investments in progress.

21. Net Placing Proceeds

The total costs and expenses relating to the Placing and Admission which are payable by the Company are estimated to amount to £90,000 (excluding any applicable VAT) and, accordingly, the Net Placing Proceeds which the Company is expected to raise by the Placing are £193,000.

22. Consents

- 22.1 SI Capital and Peterhouse Capital have given and not withdrawn their written consent to the inclusion in this document of their names and reference thereto in the forms and contexts in which they appear.
- 22.2 Edwards Veeder (UK) Limited has given and has not withdrawn its written consent to the inclusion in this document of its name and reference thereto in the forms and contexts in which it appears. Edwards Veeder has given and not withdrawn its written consent to the inclusion of its reports in Section A of *Part XII – Historical Financial Information of the Group* and Section A of *Part XIII – Unaudited Pro Forma Financial Information for the Enlarged Group* of this document and/or extracts therefrom and references thereto and to the inclusion of its name and references to it in the form and context in which they are included and has authorized the contents of those parts of this document which comprise its reports.

Accordingly, Edwards Veeder (UK) Limited accepts responsibility for such reports for the purposes of Rule 5.5.3(R)(2)(f) of the Prospectus Rules.

- 22.3 Saint Barbara LLP has given and not withdrawn its written consent to the inclusion of its report in relation to the Uranium Project in *Part XVIII – Competent Person's Reports* of this document and/or extracts therefrom and references thereto and to the inclusion of its name, that of Mr. Philip Alan Jones and references to them in the form and context in which they are included and has authorised the contents of those parts of this document which comprise its report. Accordingly, Saint Barbara LLP accepts responsibility for such report for the purposes of Rule 5.5.3(R)(2)(f) of the Prospectus Rules.
- 22.4 SRK Exploration Services Limited has given and not withdrawn its written consent to the inclusion of its report in relation to the Gold Ridge Project in *Part XVIII – Competent Person's Reports* of this document and/or extracts therefrom and references thereto and to the inclusion of its name, that of Mr. Gareth O'Donovan and references to them in the form and context in which they are included and has authorised the contents of those parts of this document which comprise its report. Accordingly, SRK Exploration Services Limited accepts responsibility for such report for the purposes of Rule 5.5.3(R)(2)(f) of the Prospectus Rules.

23. CREST

- 23.1 Any shares in the Company may be issued, held, registered, converted, transferred or otherwise dealt with in an uncertificated form in accordance with the Regulations and practices instituted by the operator of the relevant system. Any provisions of the Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:
- (A) the holding of shares in uncertificated form;
 - (B) the transfer of the title of shares by means of relevant system; or
 - (C) any provision of the Regulations.
- 23.2 Subject to the Regulations and facilities and requirements of the relevant system, the Board may, in its absolute discretion, determine the manner in which conversion of certificated shares into uncertificated shares may be made.
- 23.3 The Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

24. Auditors

Edwards Veeder (UK) Limited, a member of the Institute of Chartered Accountants in England and Wales, is the auditor of the Company.

25. General

- 25.1 The information in this document which has been sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Estimates extrapolated from this data involve risks and uncertainties and are subject to change based on various factors, including those discussed in *Part II – Risk Factors* of this document.
- 25.2 Save as set out in this document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

- 25.3 There have been no interruptions in the business of the Company, which may have or have had in the 12 months preceding the publication of this document a significant effect on the financial position of the Company or which are likely to have a material effect on the prospects of the Company for the next 12 months.
- 25.4 Save as disclosed in this document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in the current financial year.
- 25.5 The Placing Price represents a premium of 0.29 pence over the nominal value of 0.01 pence per Placing Share. The premium arising on the Placing amounts to £273,567 in aggregate.
- 25.6 Save as disclosed in this document, there have been no payments by the Company to promoters in the two years prior to the date of this document and no fees have been paid in the 12 months preceding the date of this document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.
- 25.7 This document does not constitute an offer to sell, or the solicitation of an offer to acquire, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in any jurisdiction in which such distribution is unlawful. The Ordinary Shares have not been, and will not be, registered under the US Securities Act or under the applicable securities laws of any state of the US, any province or territory of the Restricted Jurisdictions and may not be sold, directly or indirectly, within the US or the Restricted Jurisdictions or to any citizen, national or resident of the US or the Restricted Jurisdictions.

The Company confirms that each of the Competent Person's Reports in *Part XVIII – Competent Person's Reports* of this document is dated within six months of the date of this document and that no material changes have occurred since the date of each of the Competent Person's Reports the omission of which would make the Competent Person's Reports misleading.

The total expenses incurred (or to be incurred) by the Company in connection with Admission are anticipated to be approximately £90,000.

26. Availability of documents

- 26.1 Copies of the following documents may be inspected at the registered office of the Company at 1 Ely Place, London EC1N 6RY United Kingdom and at Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS, United Kingdom during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until Admission and completion of the Placing:
- (A) the Memorandum and Articles; and
 - (B) the consent letters referred to in "**Consents**" in paragraph 22 of this *Part XVI – Additional Information* of this document;
 - (C) the reports of Edwards Veeder (UK) Limited, which are set out in Section A of *Part XII – Historical Financial Information of the Group* and Section A of *Part XIII – Unaudited Pro Forma Financial Information for the Enlarged Group* of this document; and
 - (D) this document.
- 26.2 In addition, this document will be published in electronic form and be available on the Company's website at www.metalnrg.com subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

Dated 18 July 2019

PART XVIII

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Admission”	the admission of the Enlarged Ordinary Share Capital to Standard Listing and to trading on the Main Market of the London Stock Exchange.
“Articles”	the articles of association of the Company in force from time to time.
“Audit Committee”	a committee of directors of the Company, details of which appear in <i>Part X – The Directors and Senior Managers</i> of this document.
“Board”	the board of Directors, from time to time.
“Broker”	the Company’s corporate broker from time to time, at the date this document being SI Capital.
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in London.
“certificated” or “in certificated form”	in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST).
“CIM”	Canadian Institute of Mining, Metallurgy and Petroleum.
“Cobra”	Cobra Resources plc.
“Companies Act”	the UK Companies Act 2006.
“Company” or “MetalNRG”	MetalNRG plc, a company incorporated with limited liability in England and Wales on 20 February 2006, with company number 05714562.
“Competent Person’s Reports”	the Uranium Project Competent Person’s Report and the Gold Ridge Project Competent Person’s Report, as set out in <i>Part XVIII – Competent Person’s Reports</i> of this document.
“CRA”	Canada Revenue Agency.
“CREST”	the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments.
“Default Shares”	shares held by a Shareholder that has been given notice under section 793 of the Companies Act and has failed to give information of their interest in any shares.
“Deferred Shares”	the deferred shares of nominal value of 0.49 pence each in the issued capital of the Company.
“Directors”	the directors of the Company, from time to time.

“Disclosure Guidance and Transparency Rules” or “DTRs”	the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of the FSMA.
“EEA”	the EU, Iceland, Norway and Liechtenstein.
“Enlarged Group”	the Group following the completion of the Gold Ridge Acquisition, the Uranium Project and Admission.
“Enlarged Issued Share Capital”	the Existing Ordinary Shares and the Placing Shares.
“EU”	the European Union.
“Euroclear”	Euroclear UK & Ireland Limited.
“Existing Issued Share Capital”	the Existing Ordinary Shares in issue as at the date of this document.
“Existing Ordinary Shares”	202,868,980 ordinary shares of nominal value 0.01 pence each in the capital of the Company in issue as at the date of this document.
“FCA”	the UK Financial Conduct Authority.
“FIEA”	the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948).
“Financial Promotions Order”	the Financial Services Markets Act 2000 (Financial Promotion) Order 2005.
“FSMA”	the Financial Services and Markets Act 2000.
“Gold Ridge Acquisition Agreement”	the sale and purchase agreement between the Company and Winston Gold Corp. pursuant to which the Company agreed to purchase all of the issued and outstanding shares of Winston Gold Corp.’s wholly owned subsidiary, Goldridge Holdings Limited.
“Gold Ridge Project Competent Person’s Report”	the report authored by Mr. Gareth O’Donovan of SRK Exploration Services Limited in respect of the Gold Ridge Project as set out in <i>Part XVIII – Competent Person’s Reports</i> of this document.
“Group”	the Company and its subsidiaries and subsidiary undertakings, from time to time.
“HMRC”	HM Revenue & Customs.
“Holder”	a “holder” for the purposes of the Tax Act.
“IASB”	International Accounting Standards Board.
“IFRS”	International Financial Reporting Standards, as adopted in the EU.
“ISA”	individual savings account.
“ISIN”	International Securities Identification Number.
“Joint Bookrunners”	SI Capital and Peterhouse Capital.
“LEI”	legal entity identifier.
“LIBOR”	London Interbank Offered Rate.

“Listing Rules”	the listing rules of the FCA made in accordance with section 73A of FSMA.
“LME”	London Metal Exchange.
“London Stock Exchange”	London Stock Exchange plc.
“Main Market”	the main market for listed securities.
“Market Abuse Regulation”	Regulation 596/2014 of the European Parliament and of the Council which came into force in the UK on 3 July 2016.
“Member States”	the member states of the EEA.
“NEX Growth Market”	NEX Exchange Growth Market.
“Net Placing Proceeds”	the funds received by the Company less any expenses paid or payable in connection with Admission and the Placing.
“New Investing Policy”	the Company’s investing policy, as adopted by special resolution on 11 March 2016, to invest in and/or acquire companies or projects within the natural resources sector, with potential for growth or value creation.
“Non-Resident Holders”	non-resident Holders for the purposes of the Tax Act.
“OECD”	Organisation for Economic Co-Operation and Development.
“Official List”	the Official List of the FCA.
“Ordinary Shares”	ordinary shares of nominal value 0.01 pence each in the issued share capital of the Company.
“Palomino Cobalt Project”	an agreement by the Company to acquire cobalt licences in Western Australia.
“Peterhouse Capital”	Peterhouse Capital Limited.
“Placing”	the conditional placing by the Joint Bookrunners of the Placing Shares with investors on the terms and conditions of the Placing Agreement.
“Placing Agreement”	the agreement dated 17 July 2019 and made between the Company, the Directors and the Joint Bookrunners relating to the Placing, further details of which are set out in paragraph 11 of <i>Part XVI – Additional Information</i> of this document.
“Placing Price”	0.3 pence per Placing Share.
“Placing Shares”	94,333,326 new Ordinary Shares to be allotted and issued in connection with the Placing.
“Placing Warrants”	the 94,333,326 warrants each entitling the holder to acquire one new Ordinary Share at 0.6 pence, in the terms of which are outlined in <i>Part XI – Terms of the Warrants</i> , conditional upon Admission, and subject to the terms of the Placing Warrant Instrument.
“Placing Warrant Instrument”	the instrument constituting the Placing Warrants executed by the Company on 17 July 2019.

“Proposed Amendments”	all specific proposals to amend the Tax Act that have been publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof.
“Prospectus Directive”	Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading.
“Prospectus Directive Regulation” or “PD Regulation”	Commission Regulation (EC) No. 809/2004.
“Prospectus Rules”	the prospectus rules of the FCA made in accordance with section 73A of FSMA.
“QCA”	Quoted Companies Alliance.
“Registrar”	Computershare Investor Services Limited or any other registrar appointed by the Company from time to time.
“Registrar Agreement”	the registrar agreement dated 19 July 2006, between the Company and the Registrar.
“Regulation S”	Regulation S promulgated under the Securities Act.
“Relevant Member State”	each Member State which has implemented the Prospectus Directive.
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).
“Resident Holders”	Holders, who for the purposes of the Tax Act are, or are deemed to be, resident in Canada at all relevant times.
“Restricted Jurisdiction”	US, Australia, Canada, Japan, South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction.
“Reverse Takeover”	a reverse takeover as defined in the Listing Rules.
“RIS”	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange’s website.
“SDRT”	Stamp Duty Reserve Tax.
“Securities Act”	the US Securities Act of 1933.
“SEDOL”	Stock Exchange Daily Official List.
“Senior Manager”	any member of the Company’s senior management team from time to time.
“Share Dealing Code”	the Company’s policy on Directors’, persons discharging managerial responsibilities and applicable employees’ dealings in securities.
“Shareholder”	a person who is registered as a holder of the Ordinary Shares from time to time.
“Share Option Scheme”	the Share Option Scheme summarised in paragraph 10 of <i>Part XVI – Additional Information</i> of this document.

“SI Capital”	SI Capital Limited.
“Standard Listing”	a listing on the standard segment of the Official List under Chapter 14 of the Listing Rules.
“Takeover Code”	the City Code on Takeovers and Mergers.
“Takeover Panel”	the UK Panel on Takeovers and Mergers.
“Tax Act”	Income Tax Act of 1985 (Canada).
“TIDM”	Tradeable Instrument Display Mnemonic.
“UK Corporate Governance Code”	the UK Corporate Governance Code issued by the UK Financial Reporting Council from time to time.
“uncertificated” or “uncertificated form”	in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST.
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland.
“United States” or “US”	the United States of America.
“Uranium Project Competent Person’s Report”	the report authored by Mr. Philip Alan Jones of Saint Barbara LLP in respect of the Uranium Project as set out in <i>Part XVIII – Competent Person’s Reports</i> of this document.
“VAT”	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition.

References to a “**company**” in this document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established. All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender. For the purpose of this document, “**subsidiary**” and “**subsidiary undertaking**” have the meanings given by the Companies Act.

PART XIX

COMPETENT PERSON'S REPORTS

The Company is required to produce a prospectus in connection with Admission and by paragraphs 131 to 133 of the European Securities and Markets Authority (ESMA) update of the Committee of European Securities Regulators (CESR) recommendations in respect of the consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive to include an independent mineral expert report in this document on the licence interests of the Group along with a glossary of the technical terms used in the mineral expert's report.

The Company commissioned Mr. Philip Alan Jones of Saint Barbara LLP to prepare the independent expert report (referred to as the Uranium Project Competent Person's Report), which is set out in full below.

The Company commissioned Mr. Gareth O'Donovan of SRK Exploration Services Limited to prepare the independent expert report (referred to as the Gold Ridge Project Competent Person's Report), which is set out in full below.

Uranium Project Competent Person's Report	T-1
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Gold Ridge Project Competent Person's Report	T-56
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Resource Estimate for the Kamushanovskoye Uranium Deposit, Kyrgyzstan

**Prepared for:
IMC Invest**

**Report E1393-2
15th March 2019**



By

Saint Barbara LLP

**9 John Street London
WC1N 2ES United Kingdom**

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1 Executive Summary and Conclusions

This report was prepared as a competent persons report for the London Stock Exchange main board listing for Metal NRG PLC ("Metal NRG") by Saint Barbara LLP.

The Kamushanovskoye Uranium Project ("Project"), owned by IMC Invest ("IMC"), is located on the Chu River flood plain approximately 50km north-west of Bishkek.



Figure 1-1: Kamushanovskoye Location Map

The Kamushanovskoye Project is a uranium deposit hosted by peats that are accumulating along the Chu River plain. Uranium dissolved in the groundwater, presumably sourced the uranium bearing granitic rocks in the Kyrgyz Ala-Too range, an extension of the Tian Shan mountain range to the east, is accumulating in the peat deposits by being adsorbed onto the organic carbon in the peats.

IMC Invest has systematically explored these peat deposits with hand-augered holes, up to 15m deep, over outcropping peat swamps in the exploration licence identified from Google Earth satellite images. To date, an estimated 2.923 million tonnes of Indicated resources at 0.032%U and 1.31 million tonnes of Inferred resources of peat and silt grading 0.047%U at a 0.0%U lower cut-off have been identified by this drilling with a further Target of 1.6-2.6 million tonnes grading 0.045-0.064%U within the mapped peats not yet tested by drilling. It is important to note that the potential quantity and grade of a Target estimate is conceptual in nature as there has been insufficient exploration to define a uranium resource and it is uncertain if further exploration will eventually result in the determination of a uranium Resource in this material.

The Author believes that these new deposits warrant further drilling to infill the present drilling to improve the reliability of the resources drilled to date, as well, further drilling is warranted in other peat deposits not yet drilled that have been identified on Google Earth satellite images both within the exploration licence and elsewhere on the Chu River plain.

The following table summarises IMC's exploration assets.

Table 1-1 Summary of Assets

Asset Sub Soil Contract	Holder	Interest (%)	Status	Licence Expiry Date	Licence Area (ha)	Comments
Kamushanovskoye 2276	IMC Invest	100	Exploration	31/12/2018	4078	15 year term Mining Lease application planned.

The following table summarises the current resource estimate for the Kamushanovskoye license. StB has reviewed Mineral Resources reported in this document in accordance with the *Australasian Code for Reporting of Mineral Resources and Ore Reserves* (the 'JORC Code' 2012), which is an internationally recognised standard. The Code sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Ore Reserves in Australasia. The Code has been drawn up by the Joint Ore Reserves Committee (JORC) of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Table 1-2 Summary of Resources at Kamushanovskoye - March 2019

	0.00%U ₃ O ₈ lower cut-off			0.024%U ₃ O ₈ lower cut-off		
	t 000's	U ₃ O ₈ %	U ₃ O ₈ Mlb	t 000's	U ₃ O ₈ %	U ₃ O ₈ Mlb
Indicated	15,549	0.011	3.604	1,684	0.055	2.057
Inferred	5,476	0.016	1.939	1,083	0.069	1.643
Total	21,025	0.012	5.543	2,767	0.060	3.700

1. All attributable to IMC Invest Source: StB
2. Inconsistencies are due to rounding
3. Note that the "Total" resource is mathematically correct but not JORC Compliant

Table 1-3 Proposed Project Budget 2018 - 2020 (USD 000's)

EXPLORATION AND EVALUATION	2018 000's USD	2019 000's USD	2020 000's USD	Total 000's USD
Direct labour	140	450	420	1010
therein: Staff	86	240	180	506
therein: Contracted labour	54	210	240	504
Mobilisation & Travelling	18	70	27	115
Supplies/Material/Maintenance	34	60	31	125
Communications/Internet	28	30	24	82
Trenching	17	40	12	69
Topography/GIS/Geodetic	16	20	7	43
Geophysics	12	15	5	32
Geochemistry	17	15	38	70
Drilling	8	570	480	1058
Sampling & Sample preparation	24	140	160	324
Assaying and Lab tests	27	150	159	336
Engineering/Geology	18	140	129	287
Health/Safety/Environmental	16	40	24	80
License Acquisition & Fees	29	35	26	90
Transport, Hiring & Leasing	14	70	68	152
General construction (roads, sites etc.)	3	125	120	248
Reserve certification with state	5	48	26	79
Taxes	24	50	48	122
Depreciation	16	16	16	48
Other	20	30	20	70
TOTAL Exploration and Evaluation	611	2564	2275	5450

StB has reviewed the above proposed exploration programme and budget and considers that it is appropriate.

2 Introduction and Methodology

2.1 Terms of Reference

This report was prepared as a competent persons report for the London Stock Exchange main board listing for Metal NRG PLC ("Metal NRG") by Saint Barbara LLP.

The main asset of IMC is Kamushanovskoye uranium deposit in N Kyrgyzstan (License 2276).

2.2 Methodology

The resource estimate in this report is based on maps and drilling data, i.e. collar, assay and lithological logs, provided digitally by IMC on their Kamushanovskoye Project located on the Chu River flood plain approximately 50km north-west of Bishkek, Kyrgyzstan.

In undertaking this commission, StB and its consultants undertook the following visits:

Mr Jones visited the Kamushanovskoye site many times as an independent consultant between early 2007 and late 2008 and is very familiar with the project having corresponded with IMC management many times since his last site visit in 2008 to discuss exploration and development progress.

The following personnel were interviewed by Mr Jones:

- Sergei Khokhlov, Chief Executive and Director
- Timur Nogaev, Chief Geologist
- Various other IMC exploration staff
- Dr. Ludmilla Evteeva, Information and Research Centre Laboratory, Karabalta

Mr Wells visited the site in October 2011 and held discussions with:

- Sergei Khokhlov, Chief Executive and Director
- Timur Nogaev, Chief Geologist
- Dr. Ludmilla Evteeva, Information and Research Centre Laboratory, Karabalta

In the opinion of Mr Jones and Mr Wells there have been no material changes in the results of their work since their last visit to the mine site.

Mr Jones is a qualified Geologist graduating from the South Australian Institute of Technology, Adelaide, South Australia with a B. App. Sc. (Applied Geology), a Member of the Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Jones has practiced continuously as a geologist since 1975, working as a consultant since 1991 managing and directing the production of Competent and Qualified Person's Reports for a variety of metalliferous deposits and operations, including: gold, iron ore, base metals, rare earth elements and phosphate.

Mr Wells is a Chartered Engineer, a Fellow of the Institute of Materials, Minerals and Mining and an Associate of the Royal School of Mines graduating from the Royal School of Mines, Imperial College, London with a BSc (Eng.) (Hon's) in Mineral technology. Mr Wells has practiced continuously as an engineer since 1976 working as a consultant since 1996 managing and directing the production of Competent and Qualified Person's Reports for a variety of metalliferous deposits and operations, including: chromium, vanadium, copper and rare earth elements.

For convenience and clarity, the drilling programs have been described as two separate programs, i.e. the pre-2011 drilling that was used for the Indicated resource estimates and the post-2011 drilling used for the Inferred resource estimates.

2.3 Sources of all Information

Appendix B contains the analytical and geological information used to estimate the resources in this report.

3 Overview of the Region

3.1 Background on Kyrgyzstan

Kyrgyzstan is a landlocked; mostly mountainous country, dominated by the Tien Shan mountain range. Most of the country is greater than 1,000m above sea level with an average elevation of 2,750 m; many tall peaks, glaciers, and high-altitude lakes.



Figure 3-1: Kyrgyzstan Location Map (Source CIA)

Most of Kyrgyzstan was formally annexed to Russia in 1876 but the Kyrgyz staged a major revolt against the Tsarist Empire in 1916. It became a Soviet republic in 1936 and achieved independence in 1991 when the Soviet Union was dissolved.

The population of approximately 5.5 million is presided over by a government best described as a democratic republic. The current president, Sooronbay Jeenbekov was inaugurated in November 2017 for a six year term.

3.2 Property Descriptions, Location and Access

The Kamushanovskoye project is located on the Chu River flood plain approximately 50km north-west of Bishkek with the northern boundary of the exploration licence being the Kyrgyzstan-Kazakhstan international border, Figure 3-1. The Kamushanovskoye uranium deposit is approximately 48km by road from Bishkek and 95km by road from the Karabalta uranium processing plant.

The Kamushanovskoye project area is readily accessible all year round by vehicle from the capital city Bishkek and the industrial town Karabalta to the south-west by bitumen and all weather gravel roads. Kyrgyzstan is a developing country with limited funds for public infrastructure so some of these roads are in need of maintenance work.



Scale: I _____ I 25km

Figure 3-2: Kamushanovskoye Exploration Licence – (pink outline) Location Map (Google Earth© 2018)

3.3 Geography and Climate

The Chu valley at Kamushanovskoye has an elevation at about 500m and approximately 20m below the surrounding terrain. The deposit area is quite flat with a natural elevation range of just a few metres. Minor earthworks for roads etc. have created highs and lows with an overall range of less than 10m.

Kamushanovskoye is a farming district with the main crops being beet and wheat. The extreme temperature ranges experienced through the year, typical of continental areas of high latitudes, influence greatly the agriculture activities. Table 3-1 below summarises the climate details for the Bishkek region.

Table 3-1 Climate Data for Bishkek (Source - Wikipedia 2012)

Climate data for Bishkek													[hide]
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Record high °C (°F)	16.2 (61.2)	26.3 (79.3)	38.5 (101.3)	44.7 (112.5)	46.6 (115.9)	40.5 (104.9)	42.8 (109.0)	39.6 (103.3)	33.3 (92.0)	24.1 (75.4)	23.0 (73.4)	22.3 (72.1)	42.5 (108.5)
Average high °C (°F)	2.8 (37.0)	3.1 (37.6)	9.5 (49.1)	19.5 (67.1)	23.2 (73.8)	29.5 (85.1)	31.1 (88.0)	30.1 (86.2)	25.1 (77.2)	17.5 (63.5)	12.5 (54.5)	5.2 (41.4)	17.2 (63.0)
Average low °C (°F)	-8.4 (16.9)	-7.7 (18.1)	-4.4 (24.1)	6.4 (43.5)	16.6 (61.9)	19.2 (66.6)	17.7 (63.9)	15.8 (60.4)	11.8 (53.2)	4.5 (40.1)	-7.6 (18.3)	-8.2 (17.2)	4.9 (40.8)
Record low °C (°F)	-31.9 (-25.4)	-34 (-29)	-27.6 (-17.7)	-12.1 (9.0)	4 (39.2)	2.4 (36.3)	7.4 (45.3)	5.1 (41.2)	2.6 (36.7)	-11.2 (11.8)	-22.2 (-8.0)	-29.1 (-20.4)	-29 (-20)
Precipitation mm (inches)	46 (1.8)	51 (2.0)	47 (1.9)	76 (3.0)	84 (3.3)	25 (1.0)	14 (0.6)	12 (0.5)	17 (0.7)	43 (1.7)	44 (1.7)	28 (1.1)	442 (17.4)
% humidity	70	72	72	67	56	46	44	44	46	61	77	71	60.2
Avg. precipitation days	6.2	6.4	5.8	5.8	7.9	4.4	3.2	2.2	2.7	5.8	5.8	5.8	6.2
Mean monthly sunshine hours	130.4	133.0	161.8	190.2	220.4	290.0	321.7	312.2	214.0	192.3	144.0	114.7	2546.0

Since the Project is based on deposits in peat bogs, the extreme range in temperature allows for work at the site to be possible all year round. In summer, much of the peat deposits are easily dug or drilled however access to the boggy areas is sometimes easier in winter when they are frozen solid allowing vehicular access to these areas.

Grid electric power and water is available and the existing roads are capable of supporting the traffic expected with a mining operation of the scale envisaged by IMC. Maintenance and other services required by a mining operation are available from Bishkek and Karabalta.

3.4 Environmental Status

There are no known historical environmental liabilities associated with the Kamushanovskoye license. StB has reviewed the English translation of the "OVOS" (environmental report) for the Kamushanovskoye deposit where average measurements of radioactivity correspond to the same as those typically experienced in the UK at 2.6mSv per annum.

The River Chu was determined as Class II "Pure" under the Kyrgyz water pollution index system. Underground water shows an elevated level of salinity as the result of local agricultural practises.

There are no special protected sites in the area of the Kamushanovskoye licenses and no protected flora or fauna.

3.5 Project Ownership and Interests

International Mining Company Invest Inc. (Nevada, USA) or "IMC" is the 100% owner of the Closed Joint Stock Company (CJSC) IMC Invest (Bishkek, Kyrgyzstan). CJSC IMC Invest (Bishkek, KR) is the 100% owner of project licenses 2276 and StB confirms that it has had sight of these licenses and that the coordinates therein correspond to the geographical locations referred to in this report.

IMC is owned 80% by International Mining Company and 20% by Meks Inc., companies both incorporated in the USA.

IMC advises that the current Director's interest remains at 5% of the shares of IMC.

Mr Jones has no interest in the project beyond acting as geological consultant at various times since 2007 for which consultancy fees were paid at commercial rates when due. No payments were or are due to Mr Jones or StB contingent of any outcome of this report.

StB and its consultants are independent of IMC.

3.6 Mineral Rights and Permits

The Kamushanovskoye exploration licence, ID Number 2276, in its present form was originally approved in 2009 and covers an area of 4078 hectares. The coordinates of the vertices of the licence are listed in Table 3-2 below.

Table 3-2 Kamushanovskoye Exploration Licence (2276) Vertices (UTM 1984 datum)

POINT ID	East GK42	North GK42	East UTM84	North UTM84
1	13,435,000	4,792,400	434,973	4,790,413
2	13,439,500	4,790,700	439,471	4,788,713
3	13,441,600	4,790,600	441,570	4,788,613
4	13,445,000	4,786,600	444,969	4,784,615
5	13,445,000	4,786,000	444,969	4,784,015
6	13,436,600	4,786,000	436,572	4,784,015
7	13,434,500	4,791,500	434,473	4,789,513

This licence, after two previous successful earlier extension applications, is valid until December 31st 2018. Prior to the Exploration Licence expiring the Company plans to

apply for a mining license over the whole of the Exploration Licence for a 15 year term. The first 2-3 years will be dedicated to the project design, technology, permitting and other related works prior to commencement of mining.

IMC have advised StB that all the conditions on the exploration licences, including expenditure, exploration requirements, environmental, safety and all other permits and licences, have been met and the exploration licences are in good standing.

To convert an exploration licence to a mining licence, a Kyrgyz government approved feasibility study is required. To this end the following works were carried out:

2012 -2014 - Extensive laboratory and technological tests on ore (peat) excavating, gravitation concentration, burning (or gasification on the site) and leaching U from ash or char. The uranium extraction was 90-92% but the processes were not economically feasible. Ecological tests and a report were produced. Total spent on this work was \$725,000.

2015-2018 - Laboratory and field trials on Insitu Leaching method (ISL); Russian code Feasibility Study including reserve calculations have been completed and IMC state that all documents required by the state authorities dealing with mineral deposits, the State Committee for Reserves (GKZ), are ready for filing as part of the process to apply for the Mining Licence. The Feasibility Study was filed in December 2018. Total spent on this work is \$486,000.

StB have not reviewed the above work.

On January 22 2019 the State Committee for the Reserves of Minerals of the Kyrgyz Republic met to consider the "Report on the geological exploration works carried out on Northkamushanovskoye license area with estimation and calculation of the uranium reserves at the Kamushanovskoye deposit" as well as "approbation and accounting of the reserves by State balance" (the "GKZ report") submitted by IMC Invest in compliance with the license #2276MP dated 09.06.2006. These reserve estimates are required by the Kyrgyz government as part of the process of granting mining rights and must comply with Russian codes and standards, but it must be noted that these estimates do not comply with the JORC Code (2012). The State Reserve Committee of Kyrgyzstan granted the Company's application to convert the Exploration Licence, which expired on 31 December 2018, to a new mining licence dated 22 January 2019 for 3,371.1 tonnes U reserves (8.731 million lbs U308).

3.7 Geology – Kamushanovskoye

3.7.1 Geological Setting

Uranium is geologically highly soluble in acid ground waters and is readily leached from primary sources usually associated with granitic igneous rocks. Concentrations of secondary uranium occur where the acidity (pH) or oxidation state (Eh) of the groundwater changes allowing the dissolved uranium to precipitate out of solution. Certain organic materials make ideal sites for dissolved uranium to precipitate on.

Accumulations of Quaternary uranium such as at Kamushanovskoye are commonly associated with peat or similar organic material. Peat hosted uranium accumulations are reported from Canada, USA, Scandinavia, UK and elsewhere in the former Soviet Union. Studies of peat hosted uranium accumulations show that much of the uranium is derived from dissolved uranyl-bicarbonate complexes. The dissolved uranium is eventually fixed by adsorbing U^{6+} or reducing U^{6+} to U^{4+} producing uraninite (UO_2).

3.7.2 Regional Geology

The Kamushanovskoye uranium deposit occurs in Quaternary alluvial deposits along the Chu River close to the Kyrgyzstan/Kazakhstan border, Figure 3-3. This Neogene -

Quaternary basin extends 650 km west-northwest as a broad fan from Tokmak in Kyrgyzstan down into Kazakhstan. In Kyrgyzstan the sedimentary basin is bounded on the south by the 3000m to 4800m Kyrgyz Mountain Range and on the north-east by the 1500m to 2000m Kendytas Range. These Neogene and Quaternary alluvials partly bury older topography however there are scattered areas of Lower and Middle Pleistocene sediments outcropping. The alluvials are dissected by the modern drainage pattern that converges on the Chu River along the northern margin of the basin.

Roll-front style uranium deposits are known in Neogene and Quaternary deposits on the western side of the basin and in other adjacent basins.



Figure 3-3: Limits of Indicated resources overlaid on Google Earth© satellite image (model outline in green, exploration license in red)

The Kyrgyz and Kendytas ranges are composed of Riphean to Carboniferous sediments intruded by granitic intrusions and are the main source of the basin sediments, including the uranium mineralisation.

3.7.3 Kamushanovskoye Geology and Mineralisation

The Kamushanovskoye uranium deposit is located within a number of small peat deposits, formed of decomposing reeds and rushes, located in swampy areas that have formed within the Quaternary alluvial silts. These peats are mostly exposed at the surface, however some of the mineralised peats have been found buried below silts by some of the drilling. Ten mineralised peat deposits had been grid drilled to date and Indicated and Inferred resources estimated.

4 Exploration History

The area covered by the Project has been explored since the 1950s, mainly during the Soviet era for various commodities. In the 1960s the peat deposits were identified as potential fuel sources and as part of this investigation it was found that the peats contained anomalous uranium values. Only basic reconnaissance work was done at that time over the deposits because the peat was of poor fuel quality and the Soviets were looking at higher grade uranium deposits elsewhere.

IMC first acquired the exploration licence in 2006 when the exploration licence covered 51,600 hectares. Since then, as required by the Kyrgyzstan authorities, the licence area has been progressively reduced to its present 4,078 hectares. Over this period IMC have extensively and systematically explored the Project area by mapping the outcropping peat deposits and drilling vertical auger holes over the main deposits on a regular grid. Since mid-2011 this drilling was extended beyond the ten main, large peat deposits into the numerous smaller peat deposits within the exploration licence identified with the aid of Google Earth© satellite imagery. The drilling to date at the Project is summarised in Table 4-1.

Table 4-1 Summary of Auger Drilling at Kamushanovskoye

Description	Number of Holes	Total Metres Drilled	Comments
Resource drilling over main (10) Kamushanovskoye peat deposits (2007-2010)	925	2,721m	Varying in depth between 0.4m and 15.0m averaging 2.95m.
Reconnaissance drilling over small peat deposits (2011-2012)	174	520m	Varying in depth between 1.3m and 6.0m averaging 2.99m.
Total	1,099	3,241m	

All the hand-augering was done by IMC staff, including all the drilling for the Inferred resources and exploration Targets covered by this report, while 92 of the holes drilled for the initial Indicated resource drilling over the main deposits were drilled by a local contractor using a mechanical auger.

No previous uranium production is recorded from Kamushanovskoye however limited amounts of peat may have been extracted for other purposes.

4.1 Historical Resource Estimates – Kamushanovskoye

4.1.1 Mineral Resources Discussion

StB has reported current Mineral Resources in this document in accordance with the *Australasian Code for Reporting of Mineral Resources and Ore Reserves* (the 'JORC Code' 2012), which is an internationally recognised standard. The Code sets out minimum standards, recommendations and guidelines for Public Reporting of Exploration Results, Mineral Resources and Ore Reserves in Australasia. The Code has been drawn up by the Joint Ore Reserves Committee (JORC) of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Where resources in this report have not been estimated in accordance with the current JORC Code (2012) they are based on historical data that may comply with the current JORC Code and so therefore are included for historic background information only.

C J Bargmann and Dr S Dominy of Snowden Mining Industry Consultants were commissioned by IMC Invest to make a resource estimate for Kamushanovskoye in July 2007. This Snowden resource estimate covered only part of the currently reported south-eastern deposit.

In their report, Snowden also refer to Soviet exploration between 1958 and 1963 which was initially focussed on the peat as a fuel source but which identified uraniferous peat.

The Soviet peat resource estimate (non JORC compliant) was advised by IMC as 2.4Mt Class A and B with additional potential for C₁ and C₂ of 0.6Mt. The uranium grade of the estimate is uncertain as not all the peat was assayed for uranium.

Table 4-2 Snowden non-JORC Code (2012) compliant Resource estimate at 0.00% U lower cut-off (July 2007)

	Tonnes (1,000)	Grade U ₃ O ₈ %	U ₃ O ₈ pounds
Indicated	755	0.055	910,015
Inferred	1,324	0.038	1,108,353
TOTAL	2,079	0.044	2,018,368

An earlier estimate, not JORC Code (2012) compliant, by the Author of this report was completed in April 2008 and publicly announced on the ASX (Australian Stock Exchange) by Contact Uranium Limited, Table 4-3. This estimate covered almost identical resource blocks as the current Indicated resources for all but the eastern-most blocks.

Table 4-3 Contact Uranium Limited non-JORC Code (2012) compliant Resource Estimate at 0.010% U lower cut-off April 2008

	Tonnes (1,000)	Grade U ₃ O ₈ %	U ₃ O ₈ pounds
Indicated	1,908	0.042	1,780,856
Inferred	1,250	0.031	844,932
TOTAL	3,158	0.038	2,628,388

Micromine Consulting made a resource estimate in 2009 covering very similar areas and using the same data as the current Indicated resource estimate. Micromine's non-JORC Code (2012) compliant resource estimate is presented in Table 4-4.

Table 4-4 Micromine non-JORC Code (2012) compliant Resource Estimate at 0.010% U lower cut-off - October 2009

	Tonnes (1,000)	Grade U ₃ O ₈ %	U ₃ O ₈ pounds
Measured	1,909	0.044	1,853,650
Indicated	1,899	0.028	1,180,305
TOTAL	3,808	0.036	3,033,955

The Snowden tonnage estimate is less than the subsequent resource estimates because it did not cover all the resources included in the later estimates. The grade of the

Snowden resource estimate, at a 0.00%U lower cut-off, is also approximately 20% higher than the subsequent total estimates, at a 0.01% lower cut-off, because the peat deposits modelled by Snowden were the higher grade deposits.

The Micromine resource estimate at a 0.01%U lower cut-off, 3,808,000 tonnes @ 0.036%U for 3,034,000lb U, is more tonnes at a slightly lower grade than the Jones 2008 estimate of 3,158,000 tonnes @ 0.038%U for 2,628,000lb U. This is mainly as a result of the estimation method used. Micromine wire-framed the individual lithological layers logged in the drilling and modelled these zones separately whereas Jones modelled each deposit as a whole, within a single wireframe for each deposit.

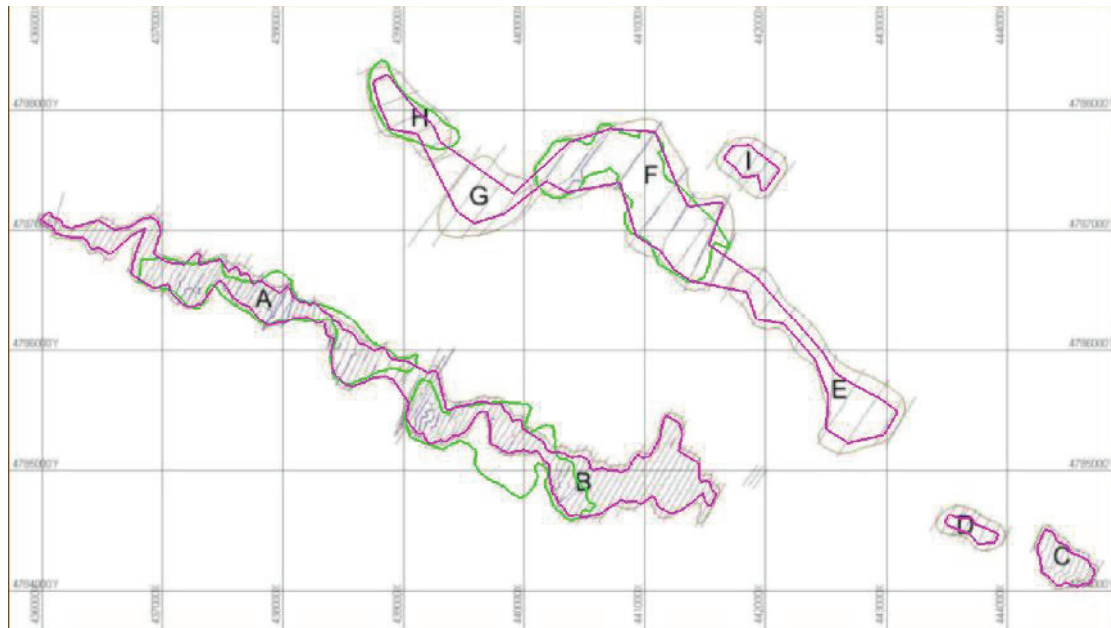


Figure 4-1: Jones 2008 resource outline (green), Micromine Consulting 2009 (grey) and Jones 2011 (pink)

5 Drilling

5.1 Data Sources

The drilling data supplied by IMC for this estimate was contained in various spreadsheets and other digital files Appendix B). A summary follows below.

Table 5-1 Data Files Used

Data	Description
Assays	Compiled from various digital assay sheets received from the laboratories. The assay sample numbers were matched with sample numbers recorded in individual spreadsheets containing drill logs for each hole separately. These spreadsheets were then combined to form a single spreadsheet containing all the sample intervals, sample numbers and assays that was supplied by IMC.
Hole collar coordinates	The holes were originally surveyed using hand-held GPS. At the end of the different phases of drilling prior to 2011 most of the holes were picked up by surveyors. The small, eastern-most peat deposit, Peat5, was only surveyed by GPS and a constant collar elevation used. The collar coordinates were supplied in a single spreadsheet.
Down-hole surveys	All holes are shallow and vertical so not required.
Material types (lithologies)	Compiled from individual spreadsheets containing drill logs for each hole separately. The compiled single spreadsheet was provided by IMC.
Bulk Density	A fixed 1.17 was used for Peat and 1.27 for Silt based on sampling (see previous)
Topography	Hole collar elevations were used to generate a topographic surface over all the peat deposits.

5.2 Drilling

For convenience and clarity, the drilling programs have been described as two separate programs, i.e. the pre-2011 drilling that was used for the Indicated resource estimates and the post-2011 drilling used for the Inferred resource estimates.

5.2.1 Indicated Resource Drilling Program (pre-2011)

A total of 925 holes were used in the Indicated resource estimates for a total of 2,721m with IDs KAM001-KAM781 and ph01 – ph94 varying in depth between 0.4m and 15.0m averaging 2.95m. Note that since the hole identities were allocated prior to drilling and for various reasons some holes were not drilled, many hole numbers were not used and the holes were not drilled consecutively. Of the 925 holes, 92 were drilled using a mechanical drill machine and the remaining 833 holes were drilled manually.



Figure 5-1: Mechanical Auger Drilling



Figure 5-2: Manual Auger Drilling

The auger hole spacing density is variable however in the largest southern deposits and most eastern deposits the holes were drilled on a nominal 50m x 50m grid, Figure 5-3. The northern deposits are drilled at nominal 100m intervals along sections up to 500m apart.

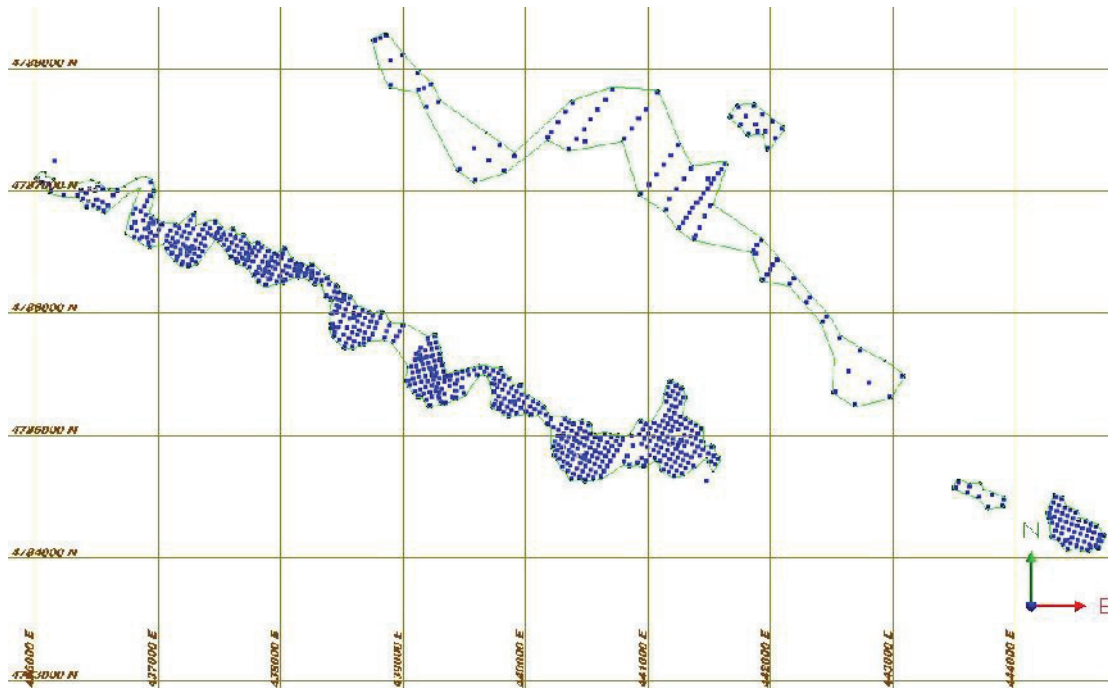


Figure 5-3: Auger Hole Location Plan

Sample recovery was variable due to the drilling methods used and the type of material being drilled, i.e. peat with sticks and plant stalks included through to silts. Recoveries were generally believed to be over 90% however this cannot be verified since there was no practical way to measure sample recovery due to the type of material being sampled, i.e. decomposing twiggy vegetation. Every effort however was taken to maximise recovery and eliminate contamination. The sticky nature of the silts and clays helped to support most of the auger hole walls. As the holes were generally shallow and the hole walls appeared to be self-supporting during drilling it has been assumed that sample recovery is acceptable for this type of resource delineation drilling. Although there is no way of accurately determining if the grade of the samples incur a bias with decreasing sample recoveries the Author does not expect that the sample recoveries achieved, believed to be over 90%, to have significantly affected the grades used in the resource modelling.

A number of sample intervals were not sampled. In the silt horizons, especially at the base of the hole, this was usually intentional since these intervals were considered to be unmineralised and so they were not sampled for analysis. Within the peat zones these missing samples are usually caused by drilling problems, normally excess water problems, and the material is not recovered by the drill.

5.2.1.1. Surveying

All coordinates used in this report are based on the WGS84 - Zone 43 North grid system.

Almost all the holes between KAM170 and KAM781 within Peat1- Peat4 and the eastern deposits were surveyed by qualified surveyors, Isyskatel Plus Company, using combined stadia and GPS equipment (Leica TC705 tachymeter, Leica SR500 GPS unit, software - Leica Survey Office, Leica Ski Pro and Autodesk Land Development Desktop). Of these holes, 25 were picked up originally with a hand-held GPS. The coordinates of these holes using the two survey methods were compared to determine the errors using the GPS. The graph in Figure 5-4 details the differences in the coordinates for each of the 25 holes. The maximum variation in the 25 sets of coordinates was 6.47mN with an average -0.2mE and -1.83mN. This variation is within the normal range expected using a hand-held GPS. Although it would be preferred that all the holes are properly surveyed, considering the auger hole spacing it is considered appropriate to use the

coordinates obtained using the hand-held GPS for the few unsurveyed holes drilled before KAM170 since almost all the variations are within 2m and are all within 10% of the hole spacing.

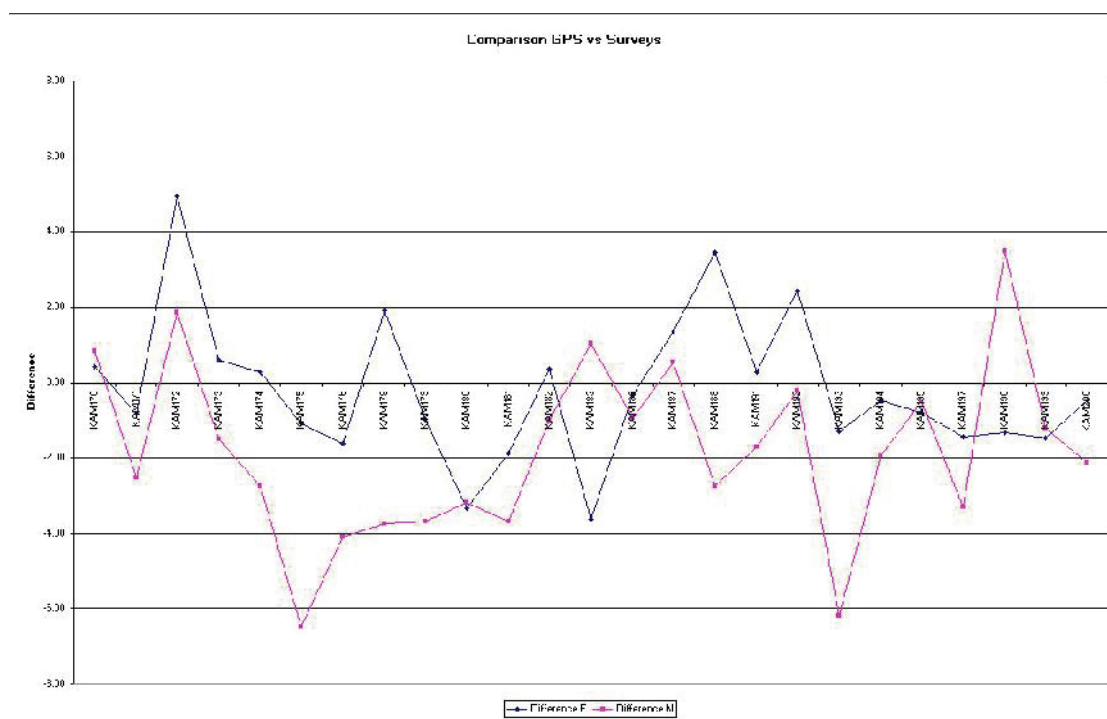


Figure 5-4: Comparison of Coordinates BPS v Surveyors

The holes drilled in Peat5 were not surveyed and so GPS coordinates were used for these holes. As the site is flat, a constant assumed elevation was used for the collars.

5.2.2 Inferred Resource Drilling Program (post-2011)

A total of 174 holes with IDs NKR001-NKR174 were used in the Inferred resource program for a total of 520m varying in depth between 1.3m and 6.0m and averaging 2.99m. All of the holes were drilled using a manual auger by IMC staff, Figure 5-5 and Figure 5-6.

The whole of the sample, between logged boundaries determined by the site geologist, is bagged in appropriately labelled bags ready for despatch to the laboratory for chemical analysis. The sample intervals varied between 0.2m and 1.5m, averaging 0.47m long.

Sample recovery was very good, especially considering that the samples included coarse peat with sticks and plant stalks included. Recoveries were generally believed to be over 90% however this cannot be verified since there was no practical way of measuring sample recovery in this material. Every effort was taken to maximise recovery and eliminate contamination. The sticky nature of the silts and clays helped to support most of the auger hole walls. As the holes were generally shallow and the hole walls appeared to be self-supporting during drilling, the Author believes that sample recovery is acceptable for both reconnaissance and resource drilling with very little if any bias in the samples collected by the drilling.



Figure 5-5: Manual Auger Drilling



Figure 5-6: Sampling End of Manual Auger Designed to Ensure Maximum Sample Recovery and Minimise Contamination

The hole spacing density is variable but designed to test selected peat occurrences mapped using Google Earth© satellite images, Figure 5-7.

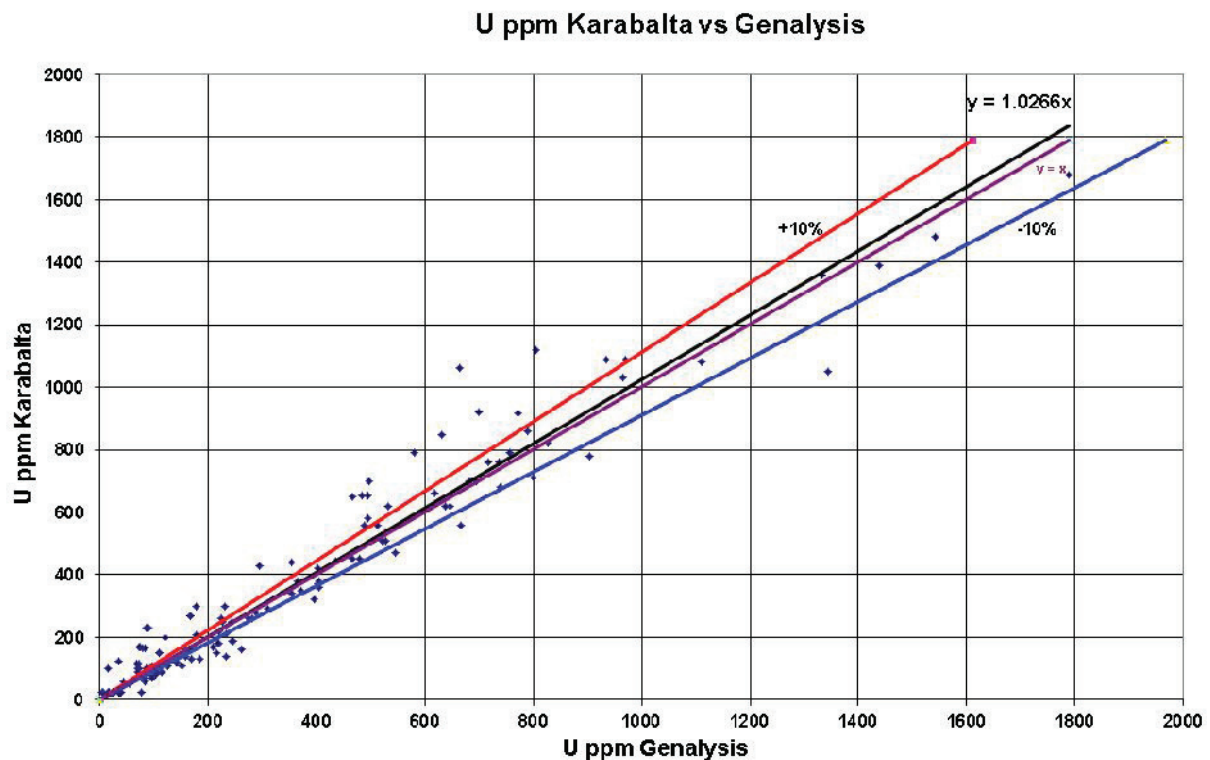


Figure 6-1: Scatter plot of assays for samples analysed at both Karabalta and Genalysis

The Karabalta assays averaged 1% higher than Genalysis with a correlation coefficient of 0.927. This close correlation indicates that there is no appreciable bias between the two laboratories in the samples tested.

A total of 18 pairs of previously prepared pulps from Karabalta and duplicate unprepared samples were analysed by Genalysis in April 2010. A plot of the pulp against raw sample analyses gives a trend formula of $y = 0.9952x - 0.0889$ indicating that there was no significant contamination of the crushing equipment at Karabalta, Figure 6-2.

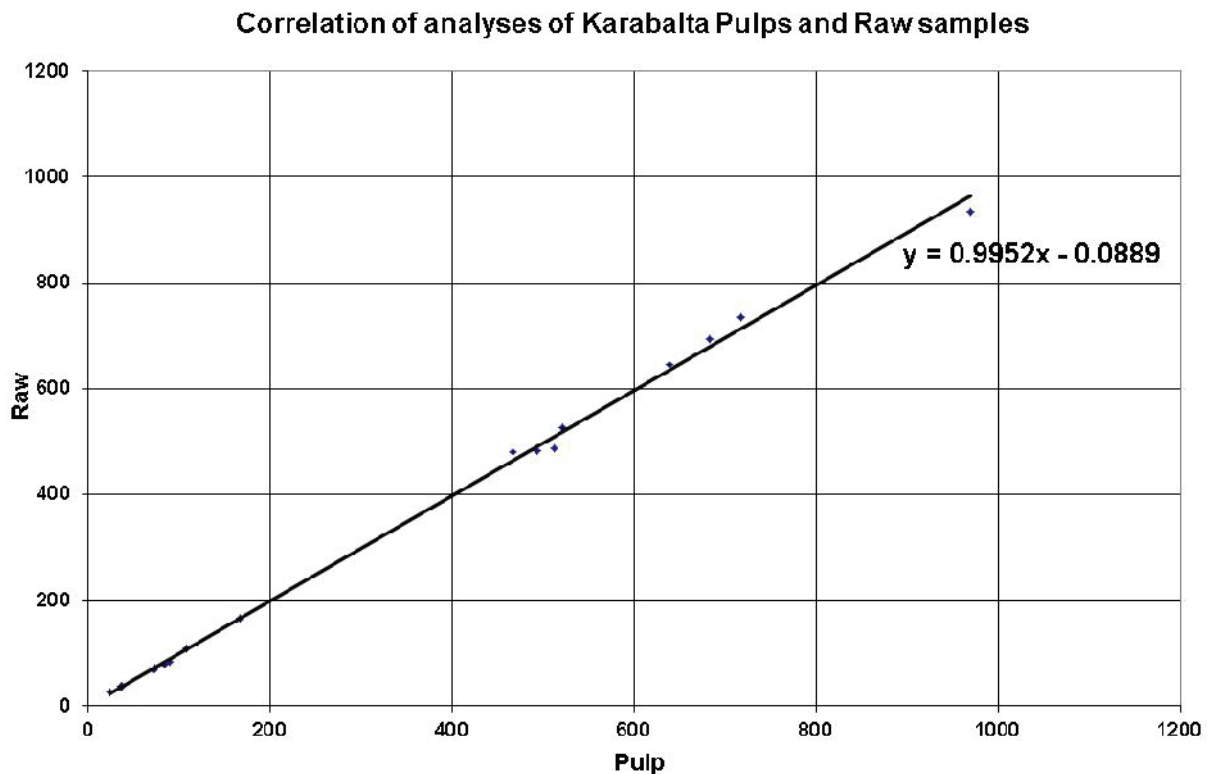


Figure 6-2: Correlation graph between Karabalta pulps and raw sample analyses.

The drilling method as described for most of the Indicated resource drilling program was an open fluted auger that could have potentially given contaminated samples and sample loss could also be a problem. Care was taken during drilling to ensure that sample depths were properly recorded and the hole sides were properly standing after each sample was extracted. At the very end of the drilling program a semi-enclosed hand held auger designed for his type of drilling in peats was fabricated and then used resulting in an improved sample quality as the samples after the auger was extracted from the hole were observed to be less disturbed than with the original auger and the chances of any sidewall contamination were reduced by the enclosure mechanism. It is assumed that the sample quality of the both augers is sufficient to be used in these resource estimates however it is impossible to verify this assumption with the data available.

No repeat assays at an independent laboratory were done for the Inferred resource drilling program.

6.1 Sample Preparation, Analyses and Security

All uranium analyses were done by the Information and Research Centre Laboratory, #1 Michurin Street, South Industrial Zone, Karabalta, Kyrgyz Republic, 724411 which is attached to the Karabalta nuclear processing facility under the supervision of Dr. Ludmilla Evteeva. This laboratory is United Kingdom Accreditation Service (UKAS) certified.

The samples were dried in a drying cabinet at 80°C until fully dry after which the dried sample is crushed to 90% passing a 2mm screen. The crusher is cleaned with compressed air after each sample and by crushing barren rock every 50 samples. The sample is homogenised by mixing, then split using a Jones riffle splitter. A 200g split is retained as a duplicate with another 100g split as the analytical sample. The remainder of the sample is retained in its original bag.

The 100g sample is pulverised to a fine powder then stored in a numbered paper bag that is sent to the laboratory for analysis. The pulveriser is cleaned for 2 minutes by pulverising quartz sand after each sample.

A 10g aliquot of the pulverised sample is analysed for Uranium by X-Ray/fluorescence using a Quant'X instrument manufactured by Thermo Scientific (Austria – USA). Concentrations of uranium (by weight) are measured by comparing the obtained fluorescent radiation value against standard samples of predetermined grade. The analyser is regularly checked using standards or control samples.

The analysis results are produced as digital spreadsheets automatically by the analyser.

The laboratory carried out regular QA/QC procedures including repeat assays, including using other analytical techniques, and inserted standards. Whenever anomalous assays were detected they were checked and resolved before the analysis reports were issued.

The Author believes that the sample preparation and analyses meet all the JORC (2012) standards.

6.2 Data Verification

All sampling and lithological logging data was received as Excel spreadsheets from IMC. These spreadsheets were checked for errors by cross checking the assay intervals against the lithological intervals. A few minor errors were found and corrected.

The original laboratory certificates and geological logs were provided from all the drilling programs against which the assay and lithology spreadsheets were checked. No transcription errors were identified during this checking.

Since the Inferred drilling program was reconnaissance and the resource estimates are only in the Inferred category, the lack of data verification, i.e. StB taking check samples for independent analysis, is not critical but full independent data verification against certified originals will be required for further resource estimation.

7 Uranium-Peat Correlation

A total of 113 samples were analysed for carbon as well as uranium by Genalysis as part of the QA/QC study on chemical analyses described below in April 2008. Figure 7-1 shows a plot of the carbon vs. uranium grades for these samples. There is an obvious relationship between carbon and uranium however the correlation coefficient is only 0.703 indicating a high degree of scatter.

Two properties can be deduced visually from the graph, i.e. no high grade (>600ppm) uranium samples have low carbon (<10%) grades; and quite a few low uranium (<600ppm) grades have high carbon (>10%) grades. This would indicate that the uranium is controlled by the peat content but not all peat is mineralised. Silts with low peat contents are also not likely to be significantly mineralised.

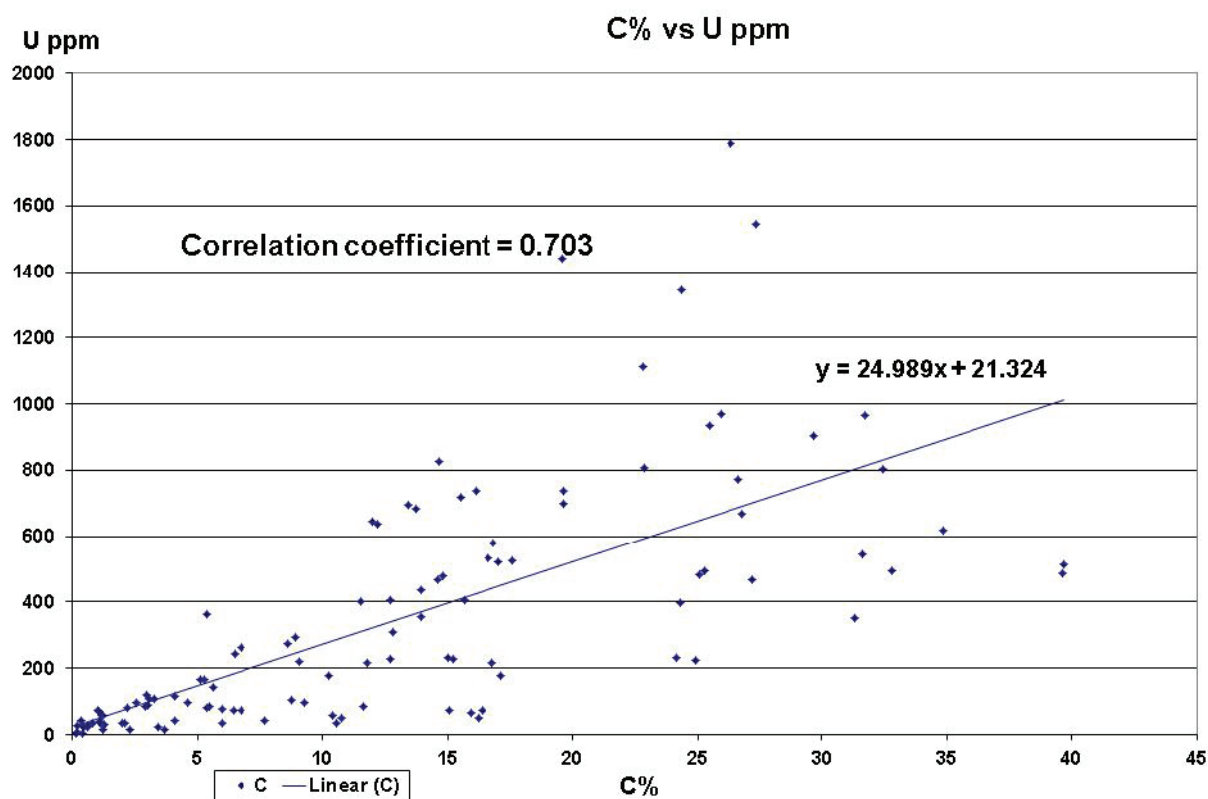


Figure 7-1: Carbon vs Uranium in QA/QC Samples

The lithology logs were also correlated with the grade to determine if there is a correlation between the logged lithologies and grade, Figure 7-2. There is a broad spread of grades for each lithology code however semi-decomposed peat (code 3) and fully decomposed peat (4) are clearly the best mineralised followed by non-decomposed peat (2). The vegetation layer (1), silts (5), sands (6) and gravels (7) are only very weakly mineralised.

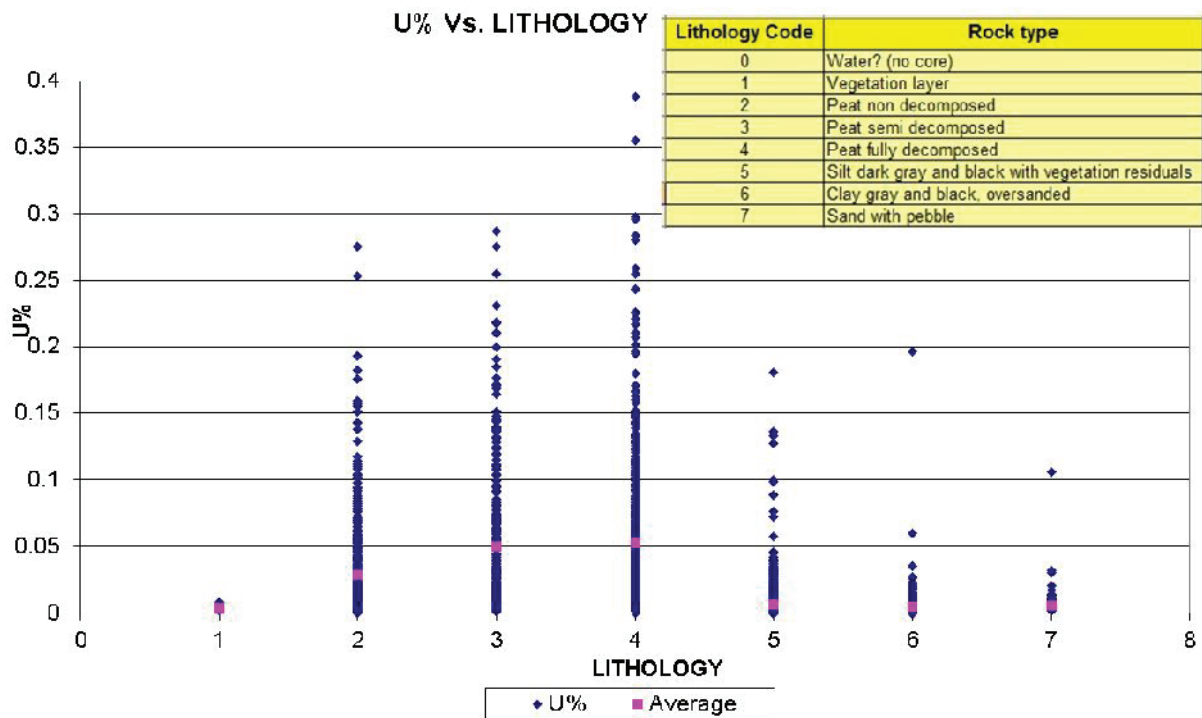


Figure 7-2: Correlation between Logged Lithologies and Grade

Most pre-Quaternary sediment hosted uranium deposits are modified and further concentrated by later solution and re-deposition. These events are usually attributed to a flow of oxidising groundwater dissolving the uranium, which is then re-precipitated at interfaces with organic rich sediment or reducing groundwater. These REDOX interfaces are commonly marked by the boundary between reduced ("RED"), grey coloured, sediments and orange, yellow oxidised ("OX") or bleached sediments. Therefore a possible exploration target that has not been properly tested at Kamushanovskoye are the sands and gravels below and along strike from the uraniferous peat package where flows of soluble uranium may have occurred and been deposited at the REDOX interface.

8 Bulk Density

It is important to stress that the bulk density used in any resource estimate of these peats should be calculated from peat dried at 80°C as this is the temperature the samples are dried to prior to sample preparation and chemical analysis with the assay results quoted in **dry** weight percent or parts per million.

During February 2007 IMC Invest undertook density measurements of seventeen typical peat samples from pit samples collected at Kamushanovskoye. These returned densities of peat dried at approximately 100°C ranging from 0.72 t/m³ to 1.45 t/m³ and averaging 1.06 t/m³. Since these measurements could not be correlated with lithologies or grades these results were of limited value. A further twenty six samples were collected for bulk density measurements in October 2008 that were lithologically logged and assayed, Figure 8-1. The average results for each logged code follow the expected trend with the lowest bulk density in the non-decomposed peat and the highest bulk densities in the silts, however the number of samples is limited and the data points widely scattered about the lithology averages. A dry bulk density of 1.17 was used in the model for Peat (lithology code 3) and 1.27 for silts (lithology code 6) as shown in Figure 8-1.

Since the number of samples used for the density measurements is quite small it is essential that more samples are tested for bulk densities. These samples should cover the full range of variously decomposed peats, to silty peats and silts with these samples correlated with auger logs to determine the correct average bulk density of the uranium mineralisation in each lithology.

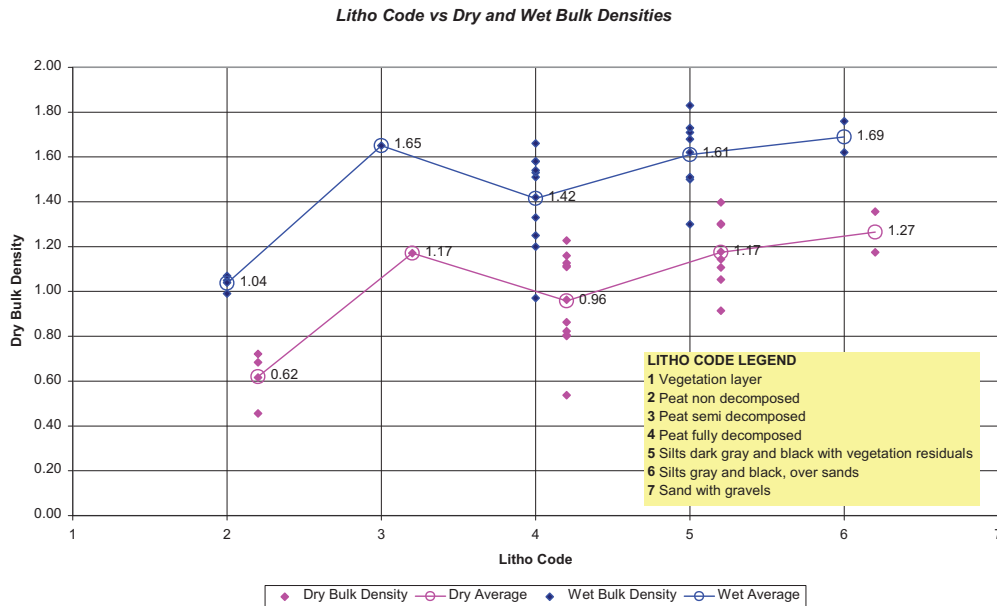


Figure 8-1: October 2008 Sampling Lithology Code vs Bulk Density

9 Mining and Metallurgy

It was originally planned to develop the Kamushanovskoye deposit by mining the peat using open pit mining methods then extracting the uranium from the peat using physical methods (gravity enrichment, incineration, pyrolysis with gasification) to produce a "yellowcake". A preliminary economic evaluation of these options indicated that there would be large capital costs along with high operating costs resulting in a relatively low profit.

In 2015 laboratory and field trials were conducted on in-situ leaching of the uranium to produce yellowcake.

Preliminary hydrogeological studies were performed on two wells that demonstrated that satisfactory percolation rates were obtainable in the uranium-bearing peat.

Laboratory studies on percolation and leaching of uranium carried out with sulfuric acid, carbonate and bicarbonate of sodium and ammonium solutions concluded that Soda Ash (Na_2CO_3) solution is the preferred leachate.

A trial site was chosen in the field at Kamushanovskoye to determine the in-situ filtration and leaching characteristics of ore-bearing peat. The site chosen was selected as being typical for the whole deposit after considering the grade, lithologies, its thickness and the expected filtration properties of the ore-bearing peat. The site chosen was in the largest, southern deposit.

The experimental cell was an isolated 8x15 m rectangle surrounded by a 2.5-2.6m deep x 0.28m wide trench, Figure 9-1. The depth of the trench was determined by the thickness of the peat.



Figure 9-1: Trial In-situ leaching cell construction.

A polyethylene film 100-200 microns thick was laid in the trench to isolate the trench from the neighbouring peat. Perforated 110 mm diameter pipes were then installed in the trench to collect the pregnant solution so it could be pumped out during the trial. Six injection wells were installed within the cell and an extraction well was linked to the perforated pipes in the trenches, Figure 9-2.



Figure 9-2: Trial injection and extraction wells.

The base pH was measured using an ionomer Hanna HI 8314 with a temperature compensator as 7.60.

The injection rate was maintained at a constant $0.8 \text{ m}^3/\text{h}$ with the soda ash concentration in the leaching solution at $30 \text{ kg}/\text{m}^3$.

The pumping continued uninterrupted with the pH measured every three hours. In addition, two times a day, at 9:00 and 21:00, samples of pregnant solution were collected and the residual concentration of soda and the concentration of uranium measured.

The pregnant solution was sent to a sorption column loaded with 21 kg dry weight of anion exchanger AB-17-8. One day after leaching commenced the uranium concentration of the pregnant solution was of $4.13 \text{ mg}/\text{dm}^3$, the concentration of soda ash was $8.5 \text{ mg}/\text{dm}^3$, and the pH 9.5. The concentration of uranium rose steadily and reached $11.81 \text{ mg}/\text{dm}^3$ on day three with the pH at 10.2.

In total, 168 m^3 of pregnant solution at an average uranium content of $13.66 \text{ mg}/\text{dm}^3$ was supplied to the sorption column during the trial from which 1.9 kg of uranium was extracted at an average recovery of 0.19 kg/day. The uranium sorption rate was 58.3 kg/t on the resin which is close to the total dynamic exchange capacity (PDOE) of the Anionite® AB-17-8.

Desorption of uranium was carried out with a two molar solution of ammonium nitrate. A desorption rate of the uranium of 4.6 g/dm³ was obtained recovering 98.1% of the uranium off the resin.

Peroxide precipitation was chosen to obtain the yellowcake as the solubility of ammonium-uranyl tricarbonate is about 13 g/dm³ (6 g/dm³ for uranium), and uranium peroxide is practically insoluble.

The following concentrate analysis of the yellowcake was obtained: uranium 60%, Fe <170 ppm, Cu <60 ppm, Zn <250 ppm with the remaining elements below detection.

As a result of this test work IMC have concluded that the most economically efficient uranium recovery method is in-situ leaching (ISL) using Na₂CO₃ (soda ash) for leaching the uranium to produce yellowcake.

9.1 Other Similar Deposits

D.G. Leighton in 1979 conducted metallurgical tests and carried out a scoping study on recovering uranium from several uranium peat deposits in Canada including North Wow Lake, Prairie Flats, Sinking Pond Flats and Myers Flats for British Newfoundland Exploration Ltd. These studies showed the feasibility of in-situ recovery of uranium from these deposits. The projects did not proceed to commercial production due to the uranium prices at the time.

Studies have also been done by the United States Geological Survey in a number of States on small wetland uranium deposits of modest grade (0.05 - 0.12 percent U). They found that the economic feasibility of developing a particular deposit depends on local hydrology, vegetation cover, land use, nature of fixation, access and the prevailing price of uranium. Heap leaching was employed to extract uranium from organic rich sediments in the Flodelle Creek deposit but Culbert and Leighton (1988) concluded that because the uranium in uraniferous wetlands typically is loosely held, in situ extraction is an attractive alternative method of mining. They recommended alkaline lixivants which are composed of ammonium bicarbonate and ammonium carbonate, strong fertilizers that are environmentally benign and relatively efficient in removing uranium from wetland sediments.

10 Resource Estimation

10.1 Resource Estimation Method – Indicated

The Indicated resource estimates were modelled using MineMap© software.

A boundary was created by joining all the auger hole collars on the edge of the auger patterns, and this boundary was then expanded by 20m horizontally to create a modelling limit. This limit was then used to create a modelling solid by projecting the limit vertically 20m up and down and then wireframing the top, bottom and limiting surfaces. The holes inside this solid were then used to extrapolate grades and lithology codes into the model cells, using parameters as described below in Table 10-1, using an Inverse Distance Cubed (ID3) algorithm, Figure 10-1.

Two grade interpolations were run to model the mineralisation. The cells inside the solid were filled with assays using a first pass 175m x 175m x 0.5m search ellipse. A second grade interpolation was then run using a 75m x 75m x 0.5m search ellipse.

Table 10-1 Modelling Parameters Used KAM1OUT

	Minimum	Maximum
East Range	435,950	444,775
North Range	4,784,000	4,788,350
Z Range	510	560
Rotation	0	
	Metres	Number
Cell dimension X	25	353
Cell dimension Y	25	174
Cell dimension Z	1	50
Weighting Power	3	
	First Pass	Second Pass
	Metres	Metres
X Radius	175	75
Y Radius	175	75
Z Radius	0.5	0.5
	Degrees	
Strike	0	
Dip	0	
Plunge	0	
	Silt	Peat
Bulk Density	1.27	1.17

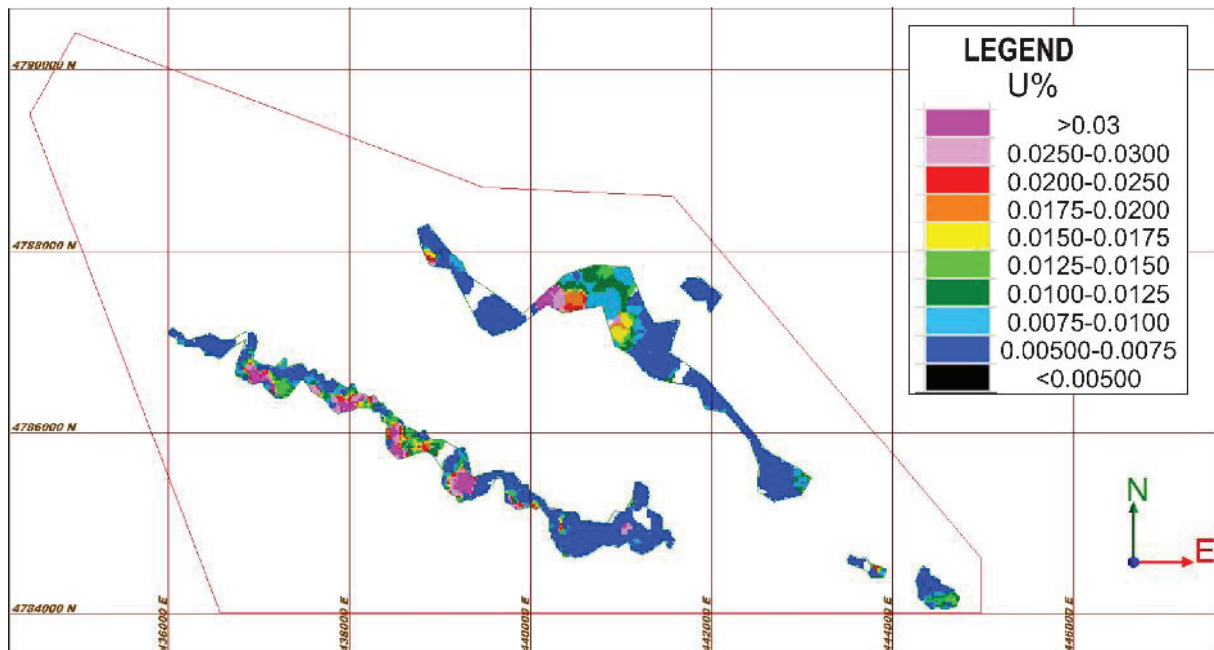


Figure 10-1: Indicated resource model colour coded by U ppm grade.

To model the lithologies, all the peats (lithology codes 2, 3 and 4) were labelled as 1 in a lithology column in the auger hole assay file and all the silts (lithology codes 1, 5, 6 and 7) were labelled as 2 in the lithology column. These lithology codes were then modelled using identical search parameters as the U% grades. These modelled codes were then used to split the modelled U% grades so that where the modelled lithology was 1 it was Peat, 1.0-1.5 Silty Peat, 1.5-2.0 Peaty Silt and 2 Silt.

10.2 Resource Estimation Method – Inferred Resource

These Inferred resource estimates were also modelled using MineMap© software.

The digitised peat outlines were converted to 3D “solids” with vertical walls that extend well above and below the drilling data. These solids did include some minor overlap with the peats already modelled and reported earlier but this overlap was extracted during the resource reporting. These solids were then used to interpolate grades into the model cells using an Inverse Distance Squared (ID2) algorithm within a 200m x 200m x 0.5m search ellipse.

The parameters used in the modelling are outlined in Table 10-2 below.

Table 10-2 Modelling parameters used to model the Inferred Kamushanovskoye uranium deposit.

Model Used	KAM1.mod	
Limits	Min	Max
East	34100	44475
North	4784000	4790375
Elevation	500	570
Cell Dimensions	Metres	Number
X	25	415
Y	25	255
Z	1	70
Search Parameters		
X	200	
Y	200	
Z	0.5	
Orientation		
Dip	0	
Strike	0	
Plunge	0	

To model the lithologies, all the peats (lithology codes 2, 3 and 4) were labelled as 1 in a lithology column in the auger hole assay file and all the silts (lithology codes 1, 5, 6 and 7) were labelled as 2 in the lithology column. These lithology codes were then modelled identically as the U% grades. These modelled codes were then used to split the modelled U% grades so that where the modelled lithology was 1 it was Peat, 1.0-1.5 Silty Peat, 1.5-2.0 Peaty Silt and 2 Silt.

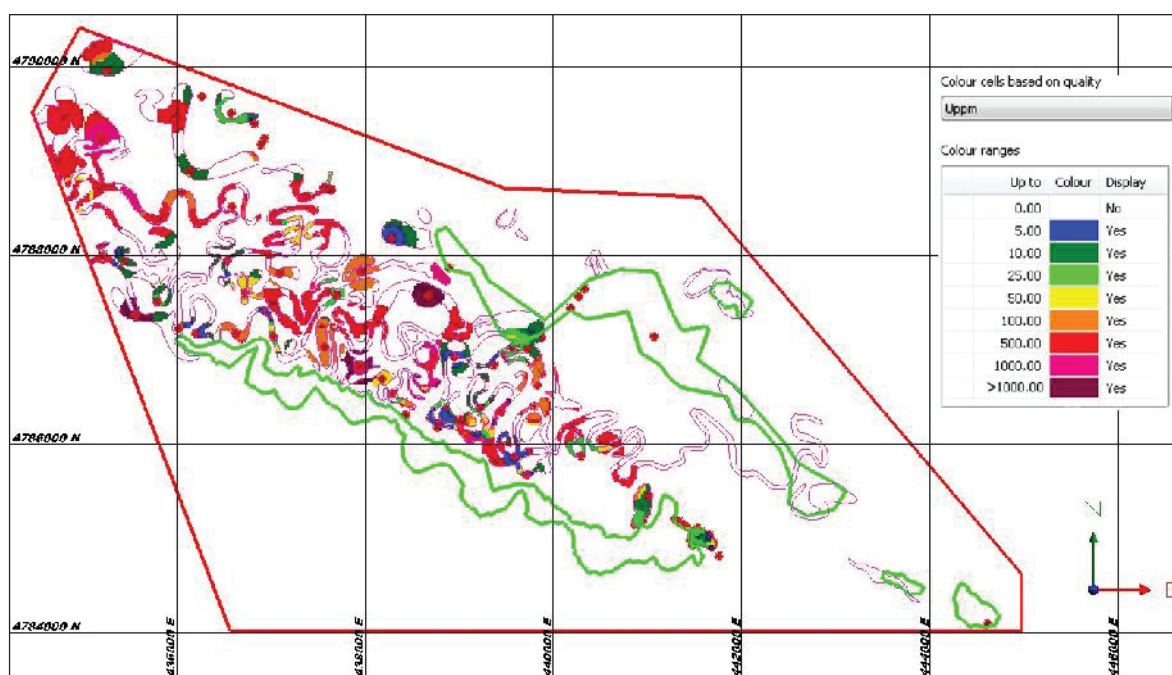


Figure 10-2: Inferred Resource model colour coded by U ppm grade Pink outlines = peat boundaries, Red outline = licence boundary, Green outlines = Indicated resources

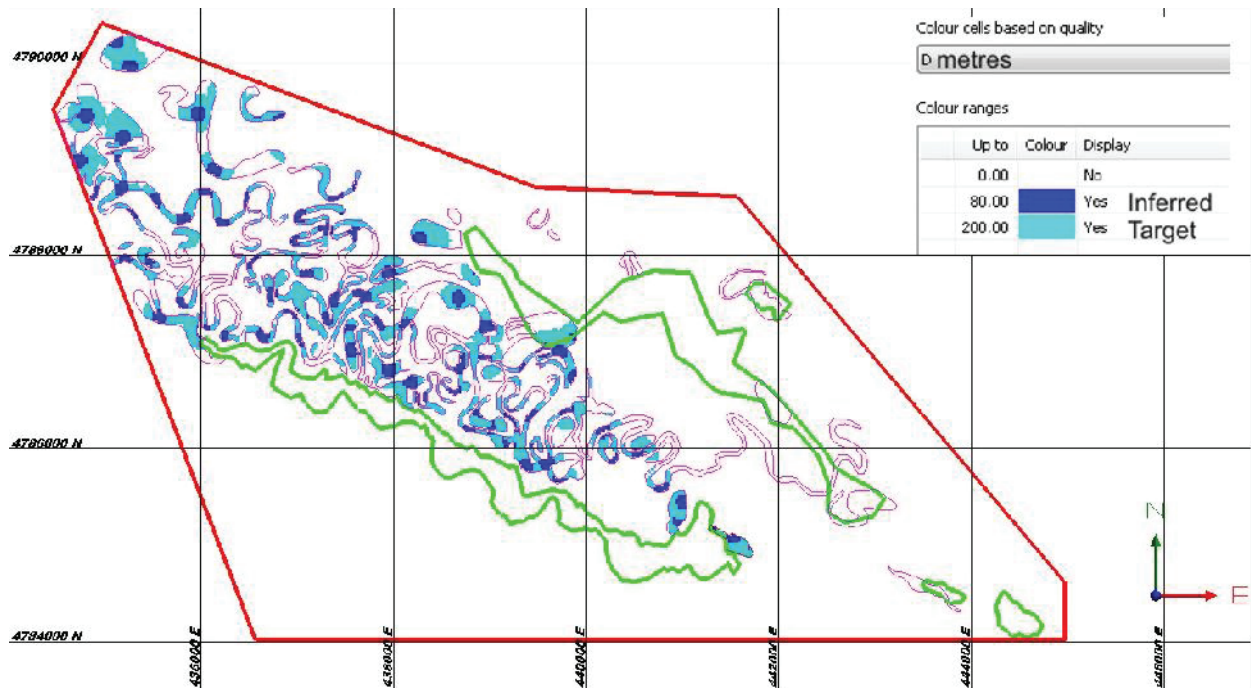


Figure 10-3: Resource model colour coded by distance from nearest auger intercept. Pink outlines = peat boundaries, Red outline = licence boundary, Green outlines = Indicated resources

10.3 Kamushanovskoye Uranium Resource Estimate - Indicated

Table 10-3 below summarises the resources at various lower grade cut-offs calculated from the modelling of all the Peat blocks, Figure 10-2.

Table 10-3 Total Indicated Resource estimates at 0.0%U₃O₈ and 0.024%U₃O₈ lower cut-offs.

	0.000%U ₃ O ₈ lower cut-off			0.024%U ₃ O ₈ lower cut-off		
	Tonnes (1,000)	U ₃ O ₈ %	U ₃ O ₈ pounds	Tonnes (1,000)	U ₃ O ₈ %	U ₃ O ₈ pounds
INDICATED						
Silt	8,706	0.004	685,166	46	0.035	35,930
Peaty Silt	3,920	0.010	858,608	385	0.040	342,645
Silty Peat	1,867	0.031	1,293,519	842	0.057	1,061,250
Peat	1,056	0.033	767,550	412	0.068	617,592
UNKNOWN	82	0.029	52,807	29	0.072	45,953
TOTAL	15,632	0.011	3,657,651	1,713	0.056	2,103,370

	Tonnes (1,000)	U ₃ O ₈ %	U ₃ O ₈ pounds	Tonnes (1,000)	U ₃ O ₈ %	U ₃ O ₈ pounds
INDICATED						
Peat and Silty Peat only	2,923	0.032	2,061,069	1,253	0.061	1,678,842

Considering the continuity of the peats and uranium mineralisation between sections it would be considered reasonable to consider all resource blocks to be Indicated according to the JORC (2012) code for reporting mineral resources.

10.4 Kamushanovskoye Uranium Resource Estimate - Inferred

Considering that all the drilled peats contributed mineralised grade intersections, it is considered reasonable to consider all resource blocks within 80m of an auger hole, within the peat solid wireframe, to be Inferred according to the JORC (2012) code for reporting Mineral Resources.

Table 10-4 below summarises the Inferred Resources at various lower grade cut-offs calculated from the modelling of all the Peat blocks, Figure 10-2.

Table 10-4 Total Inferred Resource Estimate at 0.0%U₃O₈ and 0.024%U₃O₈ lower cut-offs

	0.0% U ₃ O ₈ cut-off			0.024% U ₃ O ₈ cut-off		
	Million Tonnes	U ₃ O ₈ %	U ₃ O ₈ Thousand pounds	Million Tonnes	U ₃ O ₈ %	U ₃ O ₈ Thousand pounds
INFERRED						
Silt & Peaty Silt	4.13	0.005	494	0.26	0.046	266
Peat & Silty Peat	1.31	0.047	1,360	0.79	0.073	1,280
Total Inferred	5.45	0.015	1,854	1.05	0.067	1,546

All the resource model blocks more than 80m but still within 200m of an auger hole has been classified as Target Mineralisation according to the JORC (2012) code for reporting Mineral Resources. It is important to note however that the potential quantity and grade of a Target estimate is conceptual in nature as there has been insufficient exploration to define a uranium Resource and it is uncertain if further exploration will eventually result in the determination of a uranium Resource in this material.

Table 10-5 Target Mineralisation estimates at 0.0%U and 0.02%U lower cut-offs. *Note that Target mineralisation is only conceptual in nature and may not necessarily eventually convert to a resource after further exploration.

TOTAL Exploration Target	Million Tonnes		U₃O₈%
Silt	0.3	TO 0.4	0.028 TO 0.038
Peaty Silt	0.2	TO 0.2	0.039 TO 0.052
Silty Peat	0.2	TO 0.3	0.038 TO 0.051
Peat	1.2	TO 1.7	0.070 TO 0.093

As there are no JORC Code compliant Ore Reserves or Feasibility Study with production rates it is not appropriate to provide an estimated mine life.

11 Exploration Budget

Table 11-1 below summarises IMC's proposed exploration budget for 2018-2020.

Table 11-1 Exploration budget for 2018-2020

EXPLORATION AND EVALUATION	2018 000's USD	2019 000's USD	2020 000's USD	Total 000's USD
Direct labour	140	450	420	1010
therein: Staff	86	240	180	506
therein: Contracted labour	54	210	240	504
Mobilisation & Travelling	18	70	27	115
Supplies/Material/Maintenance	34	60	31	125
Communications/Internet	28	30	24	82
Trenching	17	40	12	69
Topography/GIS/Geodetic	16	20	7	43
Geophysics	12	15	5	32
Geochemistry	17	15	38	70
Drilling	8	570	480	1058
Sampling & Sample preparation	24	140	160	324
Assaying and Lab tests	27	150	159	336
Engineering/Geology	18	140	129	287
Health/Safety/Environmental	16	40	24	80
License Acquisition & Fees	29	35	26	90
Transport, Hiring & Leasing	14	70	68	152
General construction (roads, sites etc.)	3	125	120	248
Reserve certification with state	5	48	26	79
Taxes	24	50	48	122
Depreciation	16	16	16	48
Other	20	30	20	70
TOTAL Exploration and Evaluation	611	2564	2275	5450

StB considers that the IMC budget for the proposed testwork and project development work is reasonable and will achieve the expenditure requirements required by the Kyrgyzstan State Agency for Geology and Mineral Resources. Importantly it will continue to advance the understanding of the Project prior to commencement of mine production.

12 Risks

The following risk analysis has been adopted by the Competent Person in assigning risk factors to various aspects. Risk has been classified from major to minor as follows:

- **Major Risk:** The factor poses an immediate danger of a failure which, if uncorrected, will have a material effect (>15% to 20%) on the Project cash flow and performance and could potentially lead to project failure.
- **Moderate Risk:** The factor, if uncorrected, could have a significant effect (10% to 15%) on the Project cash flow and performance unless mitigated by some corrective action.
- **Minor Risk:** The factor, if uncorrected, will have little or no effect (<10%) on project cash flow and performance.

The likelihood of a risk event occurring within a nominal seven-year timeframe has been considered as:

- **Likely:** Will probably occur
- **Possible:** May occur
- **Unlikely:** Unlikely to occur.

The degree or consequence of a risk and its likelihood are combined into an overall risk assessment, as shown below.

Table 12-1 Risk Assessment Guidelines

Likelihood of risk (within 7 years)	Consequence of risk		
	Minor	Moderate	Major
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

This section identifies the areas that Competent Person regards as the major risks associated with an investment in the Kamushanovskoye Project.

Table 12-2 Summary of Project Risks

Risk issue likelihood consequence	Likelihood	Consequence rating	Risk
Geological Resource tonnes and grades significantly not achieved beyond the limits implied by the JORC resource classifications	Possible	Moderate	Medium
Mining risk Orebody continuity Non-technical Percolation/hydrological	Possible Unlikely Possible	Moderate Moderate Moderate	Medium Low Medium
Legislative changes	Possible	Moderate	Medium
Economic conditions Commodity price Loss of demand Inflation increase Change in interest rate Sovereign risk	Possible Unlikely Possible Possible Possible	Moderate Major Moderate Moderate Moderate	Medium Medium Medium Medium Medium
Environmental Unexpected unauthorised ecological damage Extra costs in environment restoration Contamination of local water system	Unlikely Unlikely Possible	Moderate Minor Minor	Low Low Low
Capital and operating costs Capital costs	Possible	Moderate	Medium
Operational risk Operating costs	Possible	Moderate	Medium

The main risks can be described generally as follows, and are summarised specifically with respect to the Kamushanovskoye Project:

- Resource risk due to changes in geological interpretation, assumed mining and processing parameters and new geological information and or sampling data.
- Commodity prices and exchange rates are constantly changing in response to changes in market demand.
- Risks inherent in exploration and mining include, among other things, successful exploration and identification of Ore Reserves, satisfactory performance of mining operations if a mineable deposit is discovered and competent management.
- Risks associated with obtaining renewal of tenements upon expiry of their current term, including the grant of subsequent titles where applied for over the same ground. The grant or refusal of tenements is subject to ministerial discretion and there is no certainty that the renewal of tenements will be granted.
- The risk of material adverse changes in the government policies or legislation of Kyrgyzstan that may affect the level and practicality of mining activities.
- Environmental management issues with which the Company may be required to comply from time to time. There are very substantive legislative and regulatory regimes with which the Company needs to comply for land access and mining which can lead to significant delays.
- Poor weather conditions over a prolonged period which might adversely affect mining and exploration activities and the timing of earning revenues.

- Unforeseen major failures, breakdowns or repairs required to key items of mining and processing equipment, mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep.

This is not an exhaustive list. Further clarifications of the risks are detailed in Sections 12.1 to 12.5 below.

12.1 Geological Risk

Estimates of Mineral Resources may change when new information becomes available or new modifying factors arise. Interpretations and assumptions on the geology and controls on the mineralisation on which Resource or Reserve estimates based on may be found to be inaccurate after further mapping, drilling and sampling or through future production. Any adjustment could affect the development and mining plans, which could materially and adversely affect the potential revenue from the project and the valuation of the Project. If the Resources are overestimated in either quantity or quality of ore, the profitability of the Project will be adversely affected. If however the quantity or quality is underestimated the profitability of the Project will be enhanced.

Geological risk is unlikely to present a significant threat to the Kamushanovskoye Project as there is sufficient confidence in the estimates, as evidenced by the declared significant amounts of Indicated Mineral Resources. Mineral value fluctuations, grade and mining losses due to percolation/hydrological problems all could potentially impact the Mineral Resource estimate, but the quantum of the change is not anticipated to be significant.

12.2 Mining Risk

Mining risks include the uncertainties associated with projected continuity of an ore deposit, fluctuations in grades and values of the product being mined, and unforeseen operational and technical problems.

Mining may be adversely affected or hampered by a variety of non-technical issues such as limitations on activities due to seasonal changes, industrial disputes, land claims, legal challenges associated with land ownership, environmental matters, mining legislation and many other factors beyond the control of the Company, including many that are partly or wholly unforeseeable.

Changes in the Kyrgyzstan mining law and regulations may affect the feasibility and profitability of any mining operations. However, in the context of the Kamushanovskoye Project, no significant or material changes are foreseeable, and the mining risks have been assessed to be Low-Moderate.

12.3 Economic Conditions

The Company's project is prospective for Uranium. Therefore, it would be reasonable to expect that the Company's market appeal, and in the event it commences mining uranium, its revenue will be affected by the price of uranium. Mineral and metal prices and currency exchange rates may fluctuate widely and are affected by numerous industry factors beyond the Company's control.

General economic conditions may affect inflation and interest rates that in turn may impact upon the Company's operating costs and financing. Other factors that may adversely affect the Company's activities in Kyrgyzstan include changes in government policies, natural disasters, industrial disputes, and social unrest. Some of these risks include:

- In the context of the Kamushanovskoye Project, there is moderate sovereign risk in Kyrgyzstan with no immediate risk apparent.
- Changes in global economic conditions are less easy to predict as they are dependent on global economic demand. This risk has been assessed as medium.

12.4 Taxation

Changes to tax legislation and regulation or their interpretation may affect the value of mine output. This is out of the Company's control, but Kyrgyzstan is generally considered to be a moderately stable taxation environment and no sudden changes are anticipated.

12.5 Unforeseeable Risks

There are likely to be risks that StB is unaware of or do not fully appreciate at any point in time. Over time or with the benefit of hindsight, these sometimes become apparent. Such risks may be related to legislation, regulation, business conditions, land access, conflicts and disputes at a local or international level, data issues and a variety of other unforeseen eventualities.

13 Conclusions and Recommendations

The two drilling programs considered in this report successfully established that potentially commercial uranium resources are found in almost all the peat deposits identified by analysis of GoogleEarth® satellite images within the Kamushanovskoye exploration licence. To date an Indicated resource of 2.923 million tonnes grading 0.032%U and an additional Inferred resource of 1.31 million tonnes of Inferred peat and silty peat resources grading 0.047%U at a 0.00%U lower cut-off have been identified by this drilling with a further Exploration Target of 1.4-2.0 million tonnes grading 0.045-0.064%U within the mapped peats not yet tested by drilling. It is important to note however that the potential quantity and grade of an Exploration Target estimate is conceptual in nature as there has been insufficient exploration to define a uranium Resource and it is uncertain if further exploration will eventually result in the determination of a uranium Resource in this material.

Metallurgical laboratory and field testwork has shown that In-situ Leaching (ISL) using soda ash can recover the uranium in-situ from the peat deposits efficiently and economically to produce marketable yellowcake with minimal environmental impact.

The Author believes that these Inferred and Exploration Target deposits warrant further drilling to infill the present drilling to improve the reliability and extend the resources drilled to date, as well, further drilling is warranted in other peat deposits not yet drilled that have been identified on Google Earth® satellite images both within the exploration licence and elsewhere on the Chu River flood plain.

No similar peat hosted uranium deposits to those found at Kamushanovskoye are known to exist in the region however since peat deposits are very common on the Chu plain it would be considered very likely that such uranium deposits do exist and make an attractive regional exploration target.

StB considers that the IMC budget for 2018-2020 testwork and further exploration work is reasonable and will achieve the minimum annual expenditure requirements required by the Kyrgyzstan State Agency for Geology and Mineral Resources. Importantly it will advance the Project Feasibility Study prior to commencement of mine production.

14 References

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15 JORC Code, 2012 Edition – Table 1 report template

15.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representativity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Almost all the drilling used hand held augers and trenching. No geophysical instruments or other instruments requiring calibration were used. Almost 10% of the holes in the main deposits were drilled using a mechanical drill rig. The drilling was carried out on a regular grid to ensure the sampling was representative and un-biased and trenches cut at selected sites to assist with geological observation and to correlate with auger sampling. All sampling and geological studies were carried out meeting 'industry standards' The quality and sample recoveries of the drilling was constantly monitored by qualified staff to ensure maximum and un-biased recoveries were achieved.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> All the drilling was by hand held auger using a barrel suited to the recovery of peat.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Measuring auger sample recoveries in peat is impractical due to the fibrous nature of the peat so only visual assessment of the recovery was used to determine the suitability of the auger holes as they were drilled. Holes that were determined to be unsatisfactory were re-drilled. All the holes were drilled with an auger designed to maximize sample recovery. There is no known relationship that would cause assay bias in due to

Criteria	JORC Code explanation	Commentary
		preferential sample recoveries.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> All the auger samples were geologically logged by a qualified geologist present during the drilling. Both sample qualities and quantities were logged. All sampled trenches were photographed but auger samples were not.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> The whole auger sample was submitted to the laboratory for assay. The sample was not processed or split in the field. This whole sample was submitted to the laboratory where it was dried, then pulverized, then split to produce a 100g sub-sample prior to assaying. The sample preparation techniques used are appropriate for the deposit type being sampled. The samples were dried and then pulverized prior to sub-sampling using a Jones riffle to avoid unrepresentative sub-sampling. Assay results of numerous field duplicates, repeat assays, twin holes and trenches have confirmed the representativeness of the auger sampling. The auger and laboratory samples are considered to be appropriate for the material being sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> The samples from drilling and trenches were primarily assayed at the independent and internationally accredited Information and Research Centre Laboratory at Karabalta in Kyrgyzstan and analysed for Uranium by X-Ray/fluorescence using a Quant'X instrument manufactured by Thermo Scientific (Austria – USA). The analyses are considered to be of the total uranium content. No geophysical tools were used that required calibration. Reference standards were used for calibration by the laboratory to check for bias. No reference standards, and blanks were included in the field batches submitted for assay however a number of twin holes and trenches confirmed the accuracy of the sampling.
Verification	<ul style="list-style-type: none"> The verification of significant intersections by either independent or 	<ul style="list-style-type: none"> Duplicate and twin samples were collected by previous joint venture

Criteria	JORC Code explanation	Commentary
of sampling and assaying	<ul style="list-style-type: none"> alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>partners Contact Mining and independently assayed confirming the assay results.</p> <ul style="list-style-type: none"> Twin holes and trenching has confirmed the reliability of the sampling and assays. The Author has not collected any samples for independent testing and analysis and has relied on the Contact Mining sampling results. All the assays and drill logs were correlated and entered into spreadsheets by company employees. The Author has checked the data entry procedures and checked a number of data entries against original sources and confirmed the database integrity. No adjustments have been made to the assay results. 5% of all samples have been re-assayed by Genalysis laboratory (Australia) with 94-96% correlation.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Almost all the holes between KAM170 and KAM781 were surveyed by qualified surveyors using combined stadia and GPS equipment. The earlier holes were surveyed by hand held GPS. Although it would be preferred that all the holes are properly surveyed, it is considered appropriate to use the coordinates obtained using the hand-held GPS for the few unsurveyed holes drilled before KAM170 since almost all the variations are within 2m and are all within 10% of the hole spacing. All coordinates used in this report are based on the WGS84 - Zone 43 North grid system. The deposits are all essentially flat so the topography is based on the auger hole collar surveys. This topographic surface is considered sufficiently accurate for the resource modelling.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The auger hole spacing density is variable however in the largest southern deposits and most eastern deposits the holes were drilled on a nominal 50m x 50m grid. The northern deposits are drilled at nominal 100m intervals along sections up to 500m apart. The spacing and distribution of the auger holes is considered to be appropriate for the Mineral Resource estimate and classifications applied. Sample compositing was not carried out.

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The peat hosted mineralisation is horizontal and outcropping. The vertical drilling on a grid should achieve unbiased results.
<i>Sample security</i>	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> The samples as they were collected were supervised at all times by the supervising company geologist until they were delivered to the laboratory for chemical analysis to ensure sample security.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Audits and reviews were completed by previous joint venture partners and Snowdens and no unresolved problems were reported as part of these studies.

15.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Kamushanovskoye 2276 Exploration License covering approximately 4078 hectares is 100% held by IMC Invest. The Exploration License is subject to the Kyrgyz mining law and royalties. This Exploration License is valid until December 31, 2018, providing the approved annual exploration program and budget is met, when a mining lease will have to be approved and mining commenced.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Regional geology surveys by Soviet geologists provided the basis for targeting the peat bogs for Uranium mineralisation that have been explored by IMC.
<i>Geology</i>	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The Kamushanovskoye Project is a uranium deposit hosted by peats that are accumulating along the Chu River plain. Uranium dissolved in the groundwater, presumably sourced the uranium

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>bearing granitic rocks in the Kyrgyz Ala-Too range, an extension of the Tian Shan mountain range to the east, is accumulating in the peat deposits by being adsorbed onto the organic carbon in the peats.</p> <ul style="list-style-type: none"> A listing of all the auger holes including collar coordinated and sample assays are included in the report is provided in this report as Appendix C. No auger hole results have been withheld.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregations should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No data aggregation or metal equivalent calculations were carried out.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Since the mineralized peat is horizontal and the drilling is vertical the quoted widths are equivalent to true widths.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being 	<ul style="list-style-type: none"> All the necessary maps, cross sections and explanatory diagrams are

Criteria	JORC Code explanation	Commentary
	reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	included in the body of this report.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> The Author believes that the report is comprehensive and balanced.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> All the pertinent available exploration data relevant to the understanding of the deposit has been included in the report.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The report recommends infill drilling to further improve the reliability of the resource estimates and further exploration in the region to test for similar uranium deposits in other peat bogs known to exist in the region.

15.3 Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> Much of the data used for the resource estimate had been audited and reviewed by the previous joint venture partner and Snowdens when they had did their previous resource estimate. The Author checked a random portion of the data against original assay certificates and drilling logs and no errors were found.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> Mr Jones visited the Kamushanovskoye site many times as an independent consultant between early 2007 and late 2008 when much of the field work and drilling was carried out and is very familiar with the project having corresponded with IMC management many times since his last site visit in 2008 to discuss exploration and development progress.

Criteria	JORC Code explanation	Commentary
		<p>The following personnel were interviewed by Mr Jones:</p> <ul style="list-style-type: none"> • Sergei Khokhlov, Chief Executive and Director • Timur Nogaev, Chief Geologist • Various other IMC exploration staff • Dr. Ludmilla Evteeva, Information and Research Centre Laboratory, Karabalta <p>In the opinion of Mr Jones there have been no material changes in the results of his work since his last visit to the mine site.</p>
<i>Geological interpretation</i>	<ul style="list-style-type: none"> • <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> • <i>Nature of the data used and of any assumptions made.</i> • <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> • <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> • <i>The factors affecting continuity both of grade and geology.</i> 	<ul style="list-style-type: none"> • The geological interpretation of the deposit, i.e. peat hosted uranium, is straight forward. The limits of the peat bogs and contained uranium mineralisation is well known and easily defined. • The resource modelling is confined by the geology.
<i>Dimensions</i>	<ul style="list-style-type: none"> • <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i> 	<ul style="list-style-type: none"> • The main deposits lie within two parallel strings of peat bogs each line of bogs being approximately 5km long by about 0.4km wide and variable thickness averaging approximately 3 metres.
<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> • <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i> • <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> • <i>The assumptions made regarding recovery of by-products.</i> • <i>Estimation of deleterious elements or other non-grade variables of</i> 	<ul style="list-style-type: none"> • The Indicated resources were modelled with MineMap software using an Inverse Distance Cubed algorithm with a first pass 175m x 175m x 0.5m search ellipse followed by a second pass search ellipse with 75m x 75m x 0.5m search radii. The resource was limited by the mapped limits of the peat and logged silts in the drilling. • A previous estimate by Snowdens correlated well with the current estimate after considering the effects of the additional drilling. • No byproducts were considered. • No deleterious elements were considered. • The dimensions of the model blocks are appropriate to reflect the dimensions of the modelled resource and sample spacing.

Criteria	JORC Code explanation	Commentary
	<p>economic significance (eg sulphur for acid mine drainage characterisation).</p> <ul style="list-style-type: none"> In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<ul style="list-style-type: none"> No selective mining units were assumed. No variable correlations were assumed. No grades were cut as there were no significant grade outliers in the data. The average grade of the model is very similar to the unclustered drilling data. There has not been any mining of the deposit.
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> All grades and tonnes are on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> The lower cutoff grades used to report the resources are based on estimated revenues, mining and processing costs.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> Metallurgical test work carried out on the deposit have confirmed that the uranium in the deposit can be safely and economically recovered using Insitu Leaching.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> Extensive metallurgical tests have been carried out on representative samples of the mineralized peat by an accredited independent laboratory and these tests indicate that the uranium can be economically recovered using simple recovery methods. After extensive metallurgical laboratory tests ISR (in situ leaching by Na₂CO₃ – soda ash) was shown to be the most favourable method of safely and economically recovering the uranium.. Trial production was carried on at 2015 with the first “yellow cake” produced from the Kamushanovskoye U deposit. The estimated cash cost of production using ISR is \$US15/lb U3O8

Criteria	JORC Code explanation	Commentary
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> Any mining will need to comply with Kyrgyzstan environmental laws. Since the deposit is small and will have a low impact on the district it is assumed that environmental approvals should be straightforward. Chu Ecological Laboratory was engaged for the Environmental Report (OVOS in compliance with Kyrgyz law). There were no objections or negative conclusions determined. ISR mining technology by soda will extract U and cause no harm or have any negative impact to the environment. There are no regulations or laws limiting the use of soda ash (Na₂CO₃) And it is not on the list of dangerous substances according Kyrgyz environmental law.
<i>Bulk density</i>	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> The bulk densities used for the different ore types is based on measurements on 26 samples. Due to the limited number of sample density measurements, it is recommended that densities of more samples are measured and properly correlated with the geological logs. The bulk density used for the resource estimate of these peats is of peat dried at 80°C as this is the temperature the samples are dried to prior to sample preparation and chemical analysis. A dry bulk density of 1.17 was used in the model for Peat and 1.27 for silts.
<i>Classification</i>	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> The assigned resource classifications consider the auger hole density, reliability of the sampling and geological interpretation. The Competent Person considers that the classifications properly reflect the reliability of the deposits' resource estimate.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> There have been no external audits or reviews of the Resource estimates.
<i>Discussion of relative accuracy/</i>	<ul style="list-style-type: none"> Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For 	<ul style="list-style-type: none"> The Competent Person considers that the reliability of the reported resource estimates is properly inferred by the resource classifications used.

Criteria	JORC Code explanation	Commentary
confidence	<p>example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</p> <ul style="list-style-type: none"> The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The main uncertainties are the bulk densities used and the quality of the auger samples taken of the peat. The Competent Person considers that these uncertainties are not significant and properly considered when classifying the resource estimates. The reported Resource estimates are global. There has been no previous mining of the deposit so mine production reconciliations are not possible.


16 Qualifications

16.1 Philip Jones

I, Philip Jones, of 4 Buchan Place, Hillarys, W.A. 6025, AUSTRALIA do hereby certify that:

1. I am a Partner and Consultant of Saint Barbara LLP, a Limited Liability Partnership with its office located at 9 John Street, London, WC1N 2ES, England.
2. This certificate applies to the technical report titled "Resource Report on Kamushanovskoye Uranium Project, Republic of Kyrgyzstan" dated 14th August 2012 (the "Technical Report").
3. I am a qualified Geologist, a Member of the Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists.
4. I am a graduate of the South Australian Institute of Technology, Adelaide, South Australia with a B. App. Sc. (Applied Geology).
5. I have practiced my profession continuously since 1975.
6. I have worked as a consultant since 1991 managing and directing the production of Competent and Qualified Person's Reports for a variety of metalliferous deposits and operations, including: gold, iron ore, base metals, rare earth elements and phosphate.
7. I have read the requirements of a "competent person" set out in "AIM Note for Mining and Oil & Gas Companies – June 2009" and certify that by reason of my education and professional association (as defined in the AIM Note) and past relevant work experience, I fulfil the requirements to be a Competent Person for the purposes of the AIM Listing Rules.
8. I, Philip Alan Jones, performed the resource estimates and am responsible for all the sections of the Technical Report that relate to the data used and resource estimation.
9. I, Philip Alan Jones, have visited the Kamushanovskoye deposit various times between 2007 and 2008.
10. As of the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all technical and scientific information that is required to be disclosed to make the Technical Report not misleading.
11. I have prepared this Technical Report as an independent consulting geologist and have no material interest, direct or indirect, in the property discussed in this Technical Report and have not had any prior involvement with this property prior to working with IMC Invest ("IMC") and Contact Resources Limited.
12. I have read AIM Note for Mining and Oil & Gas Companies – June 2009 and this Technical Report has been prepared in compliance with that note.
13. I am independent of IMC, its directors, senior management and advisers.
14. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Signed this 15th day of March 2019.



Appendix A

Glossary

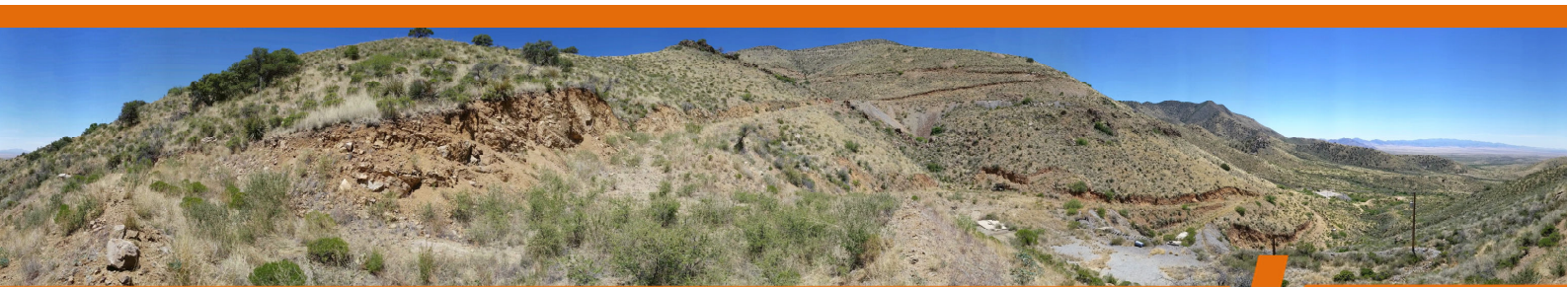
Appendix B

Resource Estimation Data

A COMPETENT PERSONS REPORT ON THE GOLD RIDGE PROJECT, ARIZONA

Report Prepared for

Metal**NRG** 



Report Prepared by

 **srk** exploration

SRK Exploration Services Ltd
ES7788
March 2019

A Competent Persons Report on the Gold Ridge Project, Arizona

Metal NRG PLC.

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SRK ES Project Number ES7788

Effective date: 01 March 2019

Signature date: 01 March 2019

Authored by: Gareth O'Donovan, FGS, FIOM³, C. Eng.

Peer Reviewed by: James Gilbertson, CGeol

Important Notice

This report was prepared as a competent persons report for the London Stock Exchange main board listing for Metal NRG PLC. ("Metal NRG") by SRK Exploration Services Ltd ("SRK ES"). The quality of information, conclusions, and estimates contained herein is dependent upon: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Metal NRG subject to the terms and conditions of its contract with SRK ES and relevant securities legislation. The contract permits Metal NRG to file this report as an Independent Technical Report with the London Stock Exchange. Except for the purposes legislated under provincial securities law, any other uses of this report by any third party is at that party's sole risk. The responsibility for this disclosure remains with Metal NRG. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new Technical Report has been issued.

Executive Summary

The Gold Ridge Project is located in Cochise County in south-eastern Arizona, approximately 160 km east of Tucson. The project lies approximately 100 km north of the US-Mexico border, and approximately 50 km west of the Texas state border (Figure 3-1).

The project comprises three historic mines; the Gold Ridge, the Gold Prince and Dives mines. The mines are located on the lower southern slopes of the Dos Cabezas Mountains.

This technical report summarises the technical information available on the Gold Ridge Project and presents SRK Exploration Services Limited (SRK ES) opinion that the property has merit and warrants additional exploration expenditure.

The project area covers approximately 2,305 acres, comprising 77.82 acres of private property, 343 acres of patented mining claims, 112 company-owned unpatented mining claims and 12 leased unpatented mining claims, sufficient to support any anticipated exploration, development and mining activities centred on the Gold Prince, Dives and Gold Ridge portions of the property.

Mining in the Dos Cabezas district began in the mid 1800's with intermittent work on a wide variety of Gold-quartz veins and contact metamorphic copper deposits until the mid 1900's.

Gold production came principally from the Gold Prince, the Gold Ridge and the Dives mines. Most pre-Phelps Dodge production occurred in the early 1930's and the Dos Cabezas Mining Company drove the present 5-level of the Gold Prince mine in 1949.

The Gold Prince Mine was operated by the small mines division of the Phelps Dodge Company between 1984 and 1986, during which time 14,238 tonnes were shipped with an average grade of 9.74g/t Au. This production was shipped to Phelps Dodge smelters and used for flux. Phelps Dodge completed significant core drilling during this time.

Queenstake Resources U.S.A., Inc. leased the property between October 1986 and September 1992. Queenstake drilled additional core holes, developed additional mine openings and undertook minor production. The final 22 months of this production was conducted by contract miners through an agreement with Queenstake.

Western States Mining Corp. acquired the property in 1993 and operated it into the mid 1990's until it was shut down.

A total of 22,000 ounces of gold is thought to have been extracted over the history of the Gold Prince mine.

The Dos Cabezas area is interpreted to be a large, late Cretaceous-early Tertiary plutonic-volcanic centre intruded into Precambrian, Palaeozoic and Cretaceous metavolcanics and metasedimentary rocks. These rocks were subsequently cut by the Apache Pass Fault Zone; a regional vertical shear zone that is widely believed to control the location of high-grade gold vein systems like that at Gold Ridge.

The Gold Ridge property is known to host gold-base metal sulphide quartz veins within the Apache Pass Fault Zone. These veins consist of coarsely crystalline quartz with pyrite, galena, sphalerite and chalcopryite. Native gold occurs in pyrite as very-fine-grained blebs and fillings in crystal defect sites in pyrite and sphalerite. These sulphides are frequently arranged in bands or coarse aggregates within the quartz and appear to be more common on the hanging wall side of the veins.

The Gold Prince mine also contains gold in disseminated ores in wall rock, in early carbon-calcium carbonate-quartz veins and in the quartz veins. All are hosted by the Cretaceous Bisbee Group shales and quartzites. Wallrock alteration associated with the veins includes silicification and chlorite-sericite-pyrite assemblages.

No compliant Mineral Resource Estimate exists for the Gold Ridge properties.

A historic non compliant estimate produced by Queenstake in 1996 eludes to potential resources in the range of 35,000-40,000 ounces of gold at grades of 11.5 g/t. Further detail on these numbers is available in the NI 43-101 report produced by Charles A. Braun of Braun Consulting Engineers, Lakewood CO in December 2016

There are numerous old mine workings in the area, all small and many of these appear to have their own individual styles of mineralisation and indeed different mineral assemblages within them. This highlights the extensive and long lived nature of the mineralised system associated with the Apache pass fault zone as well as the potential for other, as yet undiscovered, deposits within the project area.

Mining has occurred at Gold Ridge property in at least three locations and intermittently over a time span of more than 100 years. The Gold Prince mine has seen the majority of the recorded production and all of the modern exploration and mining. The Gold Prince mine is a vein-type deposit developed on 5 levels over a strike length of roughly 300 m. This development appears to be within the confines of a broad southeast-plunging ore shoot. The nature of the mineralisation remains similar over the roughly 180 m of vertical development between the surface and the lowest level of the mine. Although the current extent of underground development between levels is not completely known, it is probable that mineable material remains in place, particularly between the 4-level and the 6-level. Mapping and sampling both at surface and underground confirms that the vein is laterally extensive across the width of the property and anomalous to strongly mineralised in several places.

SRK ES considers that the mapping and sampling conducted to date supports the concept that the Gold Ridge project has potential for the discovery of further, mineable gold mineralisation.

SRK ES considers that an initial programme of data compilation is essential to recover and assimilate the substantial number of maps and quantity of digital and paper files into a useable archive.

The compilation work will be the basis for designing a mapping, sampling programme and the design of a drill programme, both underground and surface, for the Gold Prince mine designed to test the lower parts of the vein along projection of ore-grade mineralisation in the mined areas.

Surface mapping and sampling will have longer-term implications and should focus on tracing the vein across the entire property to begin to build an exploration plan and resource target for future phases of work.

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1st, March 2019

1 Introduction

SRK Exploration Limited ("SRK ES") was commissioned by Mr. Rolf Gerritsen of Metal NRG PLC ("Metal NRG" or the "Company"), in July 2018, to produce a Competent Persons Report (CPR) for the Gold Ridge Project (the "Project") in Arizona. This report will be included in the prospectus of the company when they list on the Main Market of the London Stock Exchange ("LSE").

The Gold Ridge Project encompasses three historic mines in Cochise County in south-eastern Arizona, 160 km east of Tucson.

Minimal recent field work has been conducted since 2010, although several NI 43-101 reports have been produced for the properties in the intervening time. Thus, much of the information contained herein is derived from these earlier reports, from SRK ES' desktop study of project related data and from the findings of Mr. Gareth O'Donovan who visited the site on behalf of SRK ES in August 2018. Where appropriate, SRK ES' have included its opinions and conclusions relating to various aspects of the project and its recommendations on how to develop the project further.

This technical report summarises the technical information available on the Gold Ridge Project and presents SRK ES' opinion that the property has merit and warrants additional exploration expenditure. An exploration work programme is recommended comprising diamond core drilling, and geological and mineral resource modelling.

1.1 Scope of Work

The scope of work, as defined in the signed proposal dated 4 July 2018 includes the preparation of a Competent Persons Report involving the assessment of the following aspects of this project:

- Topography, landscape, access
- Regional and local geology
- Exploration history
- Audit of exploration work carried out on the project
- Geological modelling
- Recommendations for additional work

1.2 Basis of the Technical Report

This report is based on information collected by SRK ES during a site visit performed between 17 August and the 21 August 2018 and on additional information provided by Metal NRG. SRK ES has no reason to doubt the reliability of the information provided by Metal NRG. Other information such as regional geology and local exploration activities was obtained from the public domain. This technical report is based on the following sources of information:

- Discussions with Metal NRG personnel
- Inspection of the Gold Ridge Project area
- Review of exploration data compiled by Metal NRG

- Additional information from public domain sources
- Technical Reports prepared by:
 - Charles A. Braun for Winston Gold Mining Corp. 2016
 - Robert Perry for Canfe Ventures Ltd. and Golden FAME (USA) Inc. 2010
 - Mark Osterburg for Golden FAME (USA) Inc. 2009

1.3 Qualifications of SRK ES

The SRK Group comprises of more than 1,400 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK ES to provide its clients with conflict-free and objective recommendations. SRK ES has a proven track record in undertaking independent assessments of mineral resources and mineral reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work with a large number of major international mining companies, the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

This technical report was authored by Gareth O'Donovan and reviewed by James Gilbertson,. By virtue of their education, membership to a recognized professional association and relevant work experience, Mr. O'Donovan and Mr. Gilbertson are Competent Persons as this term is defined by International Reporting Compliancy Standards.

Gareth O'Donovan is an Exploration Geologist with 32 years experience in mining and exploration projects. He specialises in due-diligence, and the design, implementation and management of exploration projects from grassroots to pre-feasibility in all terrains and environments. In recent years he has focussed on project reviews, competent person's reports, audits and valuations of exploration and mining properties world-wide and in a variety of commodities. During 20 years as a consultant Gareth has studied and reviewed over a thousand different exploration projects in a wide range of geological terranes and geographical areas. Gareth joined SRK Consulting (UK) in 1997 and in 2003 founded the independent group, SRK Exploration Services Ltd where he was Managing Director until 2016 and Chairman until 2018. Gareth is a Fellow of the Geological Society of London, a Fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer.

James Gilbertson has over 18 years of experience in target generation, exploration design, management and supervision and Mineral Resource estimation of various commodities globally. James joined SRK in 2005 as a resource geologist in the UK practice and later with SRK Exploration Services (SRK ES) in 2008. Between 2014 and 2016 James operated across South America and established and managed the Mining Department within SRK Consulting (Peru) in Lima. His responsibilities at SRK ES as Managing Director & Corporate Exploration Consultant, include exploration programme designs and reviews, Mineral Resource development programmes and project valuation and optimisation programmes and promoting modern advances and innovation in mineral exploration. James is Fellow of the Geological Society of London, a Chartered Geologist and a Member of Camborne School of Mines

1.4 Site Visit

Gareth O'Donovan of SRK Exploration Services visited the Gold Ridge Project on 18 August 2018 August, accompanied by Mr. David Whiteley of Winston Gold Mining Corp.

The purpose of the site visit was to review the geological setting, mineralisation, exploration work conducted to date and assess the historic underground workings.

SRK ES was given full access to relevant data and personnel to understand procedures used to collect, record, store and analyse historical exploration data.

1.5 Units and Measures

The use of Tons in this report refers to American short tons units, thus 2000lbs., likewise all references to g/t are conversions of ounces per short ton to grams per metric tonne, unless otherwise stated.

1.6 Declaration

SRK ES' opinion contained herein and effective as of 1st March 2019, is based on information collected by SRK ES throughout the course of its investigations, which in turn reflect various technical and economic conditions at the time of writing. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

SRK ES has confirmed that the data reported herein is within the licence boundaries given below. SRK ES has not, however, conducted any legal due diligence on the ownership of the licences themselves.

SRK ES has not undertaken any detailed investigations into the legal status of the project nor any potential environmental issues and liabilities the project may have at this stage.

SRK ES is not aware of any other information that would materially impact on the findings and conclusions of the report.

This report may include technical information that requires subsequent calculations to derive sub-totals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK ES does not consider them to be material.

SRK ES is not an insider, associate or an affiliate of Metal NRG, and neither SRK ES nor any affiliate has acted as advisor to Metal NRG, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK ES are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

2 Reliance on Other Experts

SRK ES's opinion is based on information provided by Metal NRG and their consultants and associates. SRK ES was reliant upon such information and, where possible, has verified the data provided independently and completed a site visit to review physical evidence for the deposit. SRK ES has used information gained from NI 43-101 Technical Reports on the Gold Ridge Project prepared in 2016, 2010 and 2009 by Charles Braun for Winston Gold Mining Corporation, Robert Perry for Canfe Ventures Ltd. and Golden FAME (USA) Inc. and Mark Osterburg for Golden FAME (USA) Inc., respectively.

3 Property Description and Location

3.1 Location

The Gold Ridge Project is located in Cochise County in south-eastern Arizona, approximately 160 km east of Tucson. The project lies approximately 100 km north of the US-Mexico border, and approximately 50 km west of the New Mexico state border (Figure 3-1).

The project comprises three historic mines; the Gold Ridge, the Gold Prince and Dives mines. The mines are located on the lower southern slopes of the Dos Cabezas Mountains. Topography is rugged in places. A well-developed state and county road system and branching local gravel-covered roads provide reliable year-round access to the property.

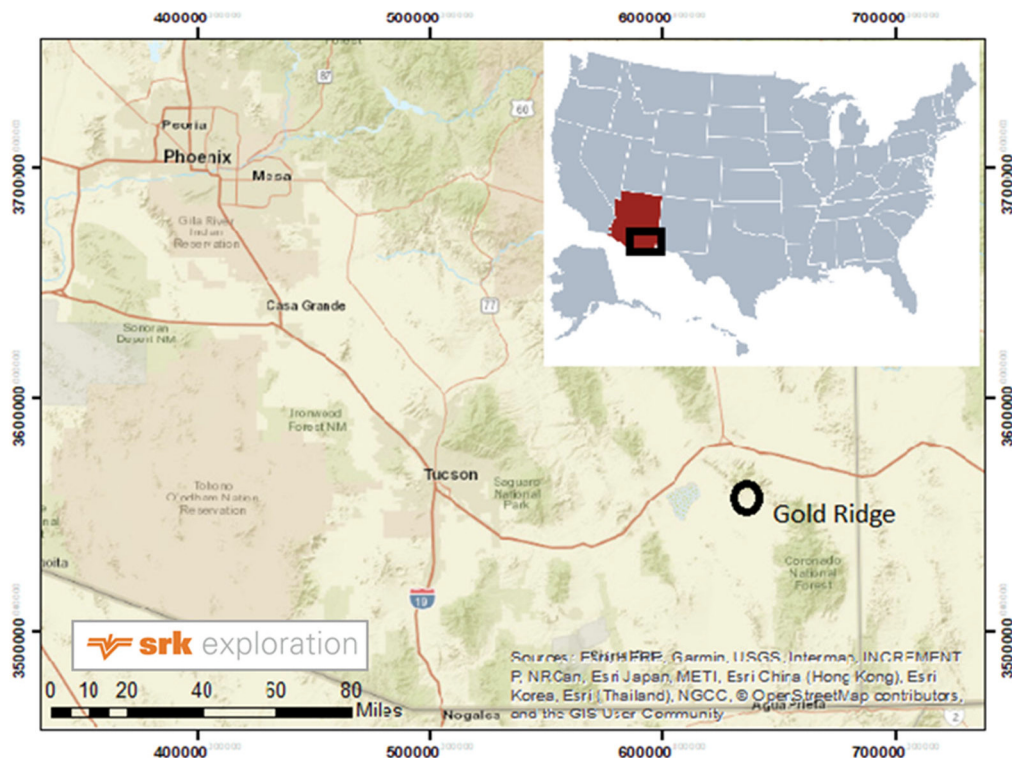


Figure 3-1: Location of the Gold Ridge Project within the United States

3.2 Mineral Tenure

The project area covers approximately 2,305 acres, comprising 77.82 acres of private property, 343 acres of patented mining claims, 112 company-owned unpatented mining claims and 12 leased unpatented mining claims (Barry claims), sufficient to support any anticipated exploration, development and mining activities centred on the Gold Prince, Dives and Gold Ridge portions of the property.

In the United States, the importance of staking claims goes back to the California and Nevada gold rushes of the 1800s and the Mining Act of 1872. While there have been a lot of changes in how mining claims are staked since then, the central principle holds: the owner of a mining claim in the United States owns the minerals below the surface.

The critical distinction is between patented and unpatented mining claims is as follows. A patented claim is a historical claim to a mineral deposit that may have been staked as far back as the 1800s. The biggest advantage to a patented claim owner is he owns the land and minerals underneath it. Patented claims are owned in perpetuity.

In the 1990s, the US government put a moratorium on patented claims so that now any new mining claims are unpatented. An unpatented mining claim is a claim on Bureau of Land Management (BLM) or Forest Service lands, which means the claim owner only has a right to the minerals, not the surface land itself, which is still subject to all the permitting rules required by those government agencies, including environmental baseline studies. Unpatented claims can be held indefinitely provided the annual fees are paid before the due date.

Environmental, permitting and reclamation requirements were not deemed to present any unusual or insurmountable issues to explore or develop the property.

A plan of the Gold Ridge claims is presented in Figure 3-2 and a list of the patented and unpatented claims is included in Appendix A.

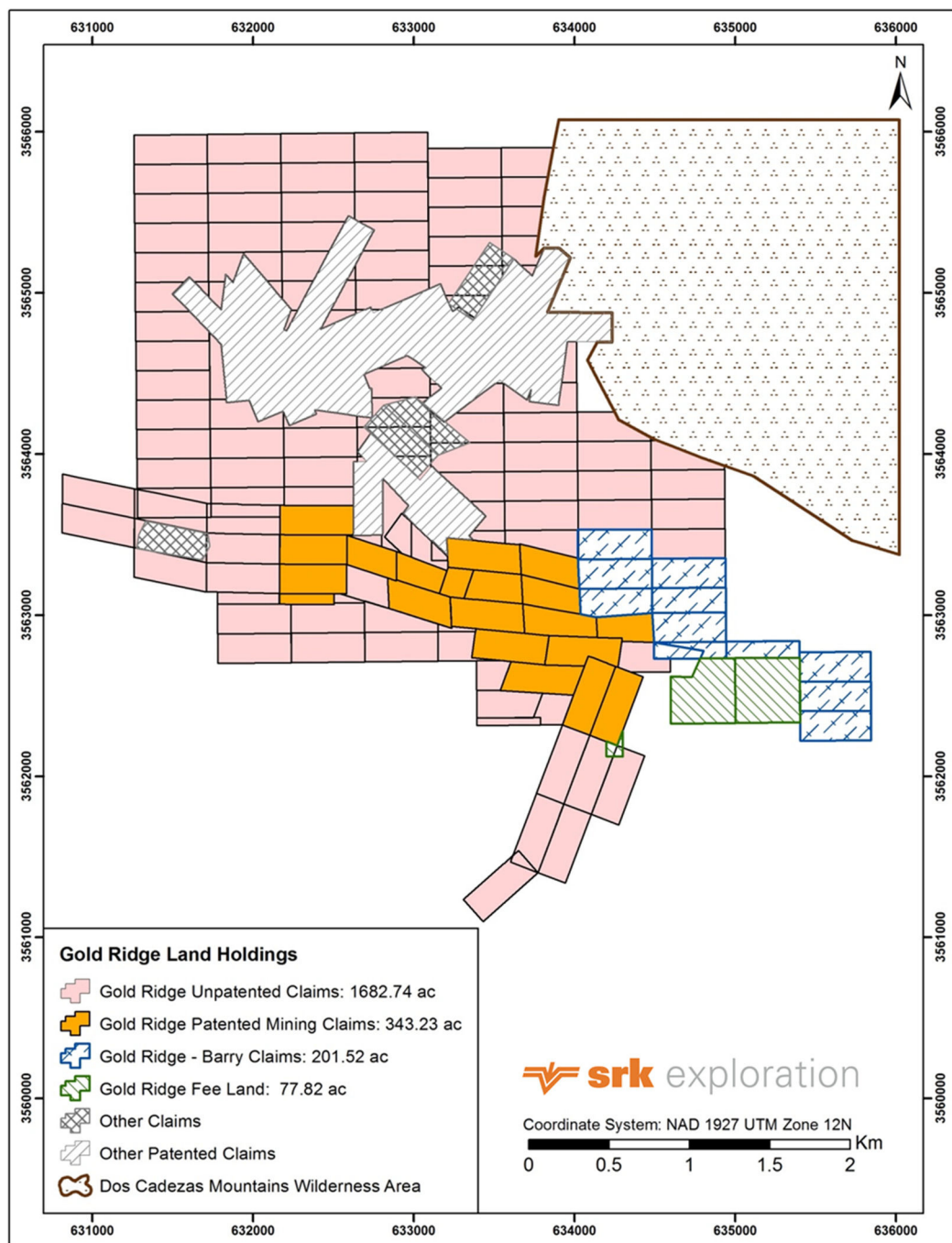


Figure 3-2: Gold Ridge claim map (Braun, 2016).

3.3 Environmental Considerations

According to Braun 2016, the three mines which comprise the Gold Ridge project are located on private patented land and subsequent development, operations, and reclamation operations will likely involve the use of adjacent land held by unpatented mining claims.

A site visit was conducted in August 2009 for Copper One Inc. by Karen Schwab of Kimberlite Water Quality Permitting and Compliance Services, L.L.C. (Kimberlite) visited the site on August 12, 2009 to evaluate potential environmental issues and collect samples. An extract from the Executive Summary from her report is included below which also references the findings of previous environmental studies on the project. No activity has occurred at the site since the publication of the report that would alter the site's environmental conditions.

"This Limited Environmental Assessment evaluated and focused on the water quality, water permitting, and mining regulations relevant to the development and operation of the Site. The Gold Ridge Property is located on private patented land; all development, operations, and reclamation operations at the Site will be funded and operated by a privately-owned company. No federal funding, plans or programs will be used. A Phase I Environmental Site Assessment was conducted of the Site in 1993 and concluded that there were no environmental threats to the environment from the Gold Ridge Property.

At least two waste rock stockpiles exist on the Site. Based on the results from leachability tests conducted on waste rock samples in 1996, Arizona Department of Environmental Quality (ADEQ) issued a written statement concluding that the waste rock was determined to be inert, as defined in Arizona Revised Statute (A.R.S.) §49-201.20. Water samples collected from the Gold Prince and Dives mines during a site visit conducted on August 12, 2009, indicate groundwater in the underground workings meet all numeric aquifer water quality standards. In addition, the groundwater meets the most stringent surface water quality standards for the designated uses of the nearby ephemeral washes.

Due to the non-acid generating potential of the mineral deposit and country rock, and the resultant good quality groundwater, permitting requirements for development and operation at this Site will be minimal. The activity of dewatering the underground workings during development can be covered under a general Aquifer Protection Permit (APP; General Permit A.101) from ADEQ. Water management options for groundwater pumped from the underground workings include: (1) direct discharge to a nearby wash under an Arizona Pollutant Discharge Elimination System (AZPDES) general permit from ADEQ, (2) discharge into an impoundment used solely for livestock watering, and (3) on-site use, such as dust control and equipment cooling. No groundwater rights or groundwater withdrawal permits will be required from the Arizona Department of Water Resources (ADWR) for pumping groundwater out of the underground workings. In addition, no record keeping or reporting of annual pumpage volume will be required. Although not required, Copper One may register the adit as a "well" with ADWR. No permit is required for exploration drilling in the underground workings.

A mine reclamation plan and financial assurance mechanism will be required by the Arizona Mine Inspector's Office if the planned activities at the Gold Ridge Properties will result in surface disturbance of greater than five acres, including disturbance or modification of any existing waste rock stockpiles or roads. In order to document current site conditions and existing surface disturbance, an aerial fly-over should be conducted and a map generated prior to beginning any exploratory or mining operations at the Site."

3.3.1 SRK Comments

Whilst a new environmental base line study will need to be conducted prior to any new field operations the previous study would indicate that a major environmental liability would be unlikely.

3.4 Mineral Rights in Arizona

According to Braun 2016, and Perry 2010, the following permits and applications may be required for a future mining operation at Gold Ridge:

- Reclamation plan with a bond posted against its completion
- An identification number with both the Federal Mine Safety and Health Administration (MSHA) and the Arizona State Mine Inspectors office as soon as the project advances beyond the exploration phase.
- An MSHA approved ventilation plan and a ground support plan.
- A mine rescue team on call.
- Arizona Department of Water Resources permits for exploration holes and wells.
- County highway use restrictions and maintenance requirements.
- NPDES Multi-Sector General Permit for Industrial Activities for storm water runoff issued by the Arizona Department of Environmental Quality.
- An Air Quality Permit for crushing and screening.
- An Aquifer Protection Permit.

Some of these permits/approvals may not be required if the scope and scale of a mining operation remains below certain thresholds. For example, an Air Quality Permit may not be required if emissions are below certain threshold values or if the operator uses a contracted, mobile crushing and screening company who would themselves take responsibility for permitting and ensuring that Air Quality Permits are attached to the mobile equipment. The mine rescue team requirement could be met by if the company were to contract within a “mine safety” cooperative as long as the MSHA rules that a “small and remote” classification would be appropriate for an operation at Gold Ridge.

3.5 SRK ES Comments

Besides the environmental and permitting considerations listed above SRK ES is not aware of any significant factors or risks that could affect access, title, or the right or ability to perform work on the property.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Accessibility, Climate and Physiography

The project is accessible via a well-developed state and county road system which provides reliable year-round access to the project area. State Highway 186 traverses the village of Dos Cabezas and, near the southern end of the town, the private South Hertado Ranch road forks off to the southeast. Taking this road for about 4 km takes one to the portal of the Gold Prince mine. The road is normally passable with a 2-wheel drive vehicle.

The nearest town with supplies and accommodations is Wilcox, located about 28 km northwest of the project via paved highway. Tucson, Arizona is a further 130 km west from Wilcox.

The topography in the project area is rugged in places and vegetation is typical of the high desert, consisting of sparse low brush, grasses and cacti with some small trees in the washes and occasional pines on the higher slopes. The climate of the region is very dry, sometimes experiencing occasional rain and rarely light snow which allows the possibility of year-round exploration, development and mining activity.

4.2 Local Resources and Infrastructure

When the project was historically operating, ore extracted from the mine was crushed on site and smelting was performed off-site. There is adequate surface area within the Metal NRG controlled licence to operate the project in this manner. Historically, sufficient volumes of water used for mining activities have been sourced from underground workings.

If future development calls for a large construction footprint for a mill, tailings disposal or leach pad, engineering studies will be required to determine if the Company's current holdings are sufficient. If not, large tracts of topographically suitable land exist adjacent to Metal NRG's holdings where rights might be acquired.

Until the mid-1990's electric power was available on site. The poles and much of the wire are still in place but will require rehabilitation. According to the previous operators, Winston Gold Mining Corp. mining personnel are available between the population centres of Tucson and Wilcox.

5 History

5.1 Introduction

Mining in the Dos Cabezas district began in the mid 1800's with intermittent work on a wide variety of Gold-quartz veins and contact metamorphic copper deposits until the mid 1900's. The exact ownership and history is complicated by changes of names on several of the mines, however Section 5.1.1 lists summary details of the activities at the Gold Ridge mines.

Gold production came principally from the Gold Prince, the Gold Ridge and the Dives mines. Most pre-Phelps Dodge production occurred in the early 1930's and the Dos Cabezas Mining Company drove the present 5-level of the Gold Prince mine in 1949.

The Gold Prince Mine was operated by the small mines division of the Phelps Dodge Company between 1984 and 1986, during which time 14,238 tons were shipped with an average grade of 9.74g/t Au. This production was shipped to Phelps Dodge smelters and used for flux. Phelps Dodge completed significant core drilling during this time.

Queenstake Resources U.S.A., Inc. leased the property between October 1986 and September 1992. Queenstake drilled additional core holes, developed additional mine openings and undertook minor

production. The final 22 months of this production was conducted through agreement with Queenstake by contract miners.

Western States Mining Corp. acquired the property in 1993 and operated it into the mid 1990's until it was shut down.

The historical exploration work on the property was obviously sufficient to identify economic mineralisation along the Gold Ridge vein system in at least three places; the Gold Prince, Gold Ridge and Dives Mines, where economic production has occurred.

5.1.1 Gold Ridge Production

High-grade gold mineralisation occurs in gold-sulphide-quartz veins at the Gold Ridge project. The veins are part of a three-mile long vein swarm that includes both barren and mineralised veins. Table 4 summarises historical activity and past production from the Gold Prince Mine. Production tons and grade from the Gold Ridge and Dives mines are not known.

Year	Organisation	Primary Activity
1877	Unknown	Dives discovered, located as the Bear Cave claim
1878 – 1880's	T.C. Bain	Gold Prince mine discovered (known as Murphy mine)
1878		Gold Ridge mine discovered (known as Juniper mine)
1881-1882		62 g/t ore produced from Gold Ridge mine
1890's	Casey Brothers	Operated Gold Ridge mine
1911-1914		About 1,000 oz Au produced from Dives
1914	T.W. Smith	Relocated claims on Gold Ridge mine
1916	Dos Cabezas Gold Ridge Mining Co.	
1919	Dives Mining Company	10 stamp amalgamation-concentration mill on Dives
1918-1921	Gold Prince Mining Company	25 tpd mill, 3,000 feet of workings
1922	Twin Peaks Mining Company	Owned Dives mine, but did little work
1922	J.H. Huntsman	Purchased Gold Ridge mine @ sheriff's sale for \$45,000
1930's	Consolidated Gold Mines Company, Ltd.	Dives 1800' (500 level) constructed 50 tpd float mill (later 150 tpd)
1931-1933	Dos Cabezas Mining Company	Additional development & production (some leases)
1933	Tidmarsh Engineering Co. (Tucson)	Owned Gold Prince mine
1936-1939	Sutton, Steele and Steele (Dallas, TX)	Owned Gold Prince mine
1939	Alice & Nancy Huntsman	Owners of Gold Ridge mine
1940	Outwest Mining Company	Owned Gold Prince mine

1949-1950	Dos Cabezas Mining Co. (John E. Mowinkle)	Property acquired & Gold Prince operated
1984-1986	Phelps Dodge Corp.	Produced silica-flux to Hidalgo smelter under lease from Mowinkle
1986-1993	Queenstake Resources	Produced silica-flux to Hidalgo smelter under lease from Mowinkle
1991-1992	Vorin Partners	Produced silica-flux to Hidalgo smelter under sub-lease
1993-1994	Western States Minerals Corp.	Option & purchase of property
1993-1996	Western States Minerals Corp.	Produced silica-flux to Hidalgo smelter
2005-2007	Western States Minerals Corp. and New West Gold Inc.	New West Gold leased the property from Western States
2009	Fronteer Development (USA) Inc.	Western States sold the property to Fronteer Development Inc. (former New West Gold USA)
2009	Continent Resources Inc	Continent signed purchase agreement to acquire from Fronteer Development Inc.
2009-2010	Golden Fame (USA) Inc	Golden Fame (USA) Inc. acquires property and drills 11 core holes from the surface
2014	Gold Ridge Holdings Limited	Gold Ridge Holdings Limited purchased property from Golden Fame
2016	Winston Gold Mining Corp.	Winston purchased property from Gold Ridge Holdings Limited
2018	Metal NRG	Metal NRG purchased the property from Winston GMC

Table 5-1: Summary of historical activity at the Gold Ridge Project

Year	Ore Tonnes	Grade g/t Au (tonnes)	Ounces Produced	Operating Company
Pre - 1932	?	?	?	
1932 - 1933	3785	19.88	2,419	
1949 - 1950	2541	13.71	1,120	
1984 - 1986	12920	10.73	4,456	Phelps Dodge
1988	451	11.66	169	Queenstake Resources
1989	4638	8.70	1,298	Queenstake Resources
1990	2201	14.79	1,047	Queenstake Resources
1991	3029	16.50	1,607	Queenstake Resources
1992	2007	10.71	691	Contract Mining for Queenstake Resources
1993	1199	5.63	217	WSMC
1994	11215	15.65	5,642	WSMC
1995	9549	7.92	2,430	WSMC
1996	4479	6.44	927	WSMC
TOTALS	58015	11.81	22,023	

Table 5-2: Gold Prince Mine past production summary

6 Geological Setting and Mineralisation

The following geological sections have been sourced from Braun 2016.

6.1 Regional Geology

The Dos Cabezas area is interpreted to be a large, late Cretaceous-early Tertiary plutonic-volcanic centre intruded into Precambrian, Palaeozoic and Cretaceous metavolcanics and metasedimentary rocks. These rocks were subsequently cut by the Apache Pass Fault Zone, a regional vertical shear zone that is widely believed to control the location of high-grade gold vein systems like that at Gold Ridge.

The Gold Ridge project lies within the Dos Cabezas Quadrangle, underlain by metamorphic and plutonic rocks of Precambrian age. Palaeozoic and Mesozoic sedimentary and volcanic rocks occur in two north-westerly trending belts through the quadrangle, along the trace of the Apache Pass Fault Zone. Dacitic volcanic rocks of Cretaceous or Palaeocene age also occupy considerable areas and are important in relation to mineral deposits in the area (Figure 6-1).

The Apache Pass Fault, traced along a west-north-westerly trend for more than 32 km, is the dominant structural feature of the Gold Ridge project area. The fault is interpreted to have had a long history of recurrent movement and is believed to be an important control for the localisation of the mineralisation bearing veins of the district. Numerous late north- to north-westerly-trending faults cross the main shear zone and offset mineralised veins from a few feet to several hundred feet. The Apache Pass Fault Zone is characterised by a marked magnetic low along its length.

The Precambrian rocks of the larger Dos Cabezas area include metasedimentary and metavolcanics rocks of the Pinal Schist, metamorphosed rhyolite and amphibolites which intrude the Pinal Schist. Later granitic plutons intrude all of the older rocks and have been dated at 1,450 million years.

Pinal Schist rocks include phyllitic siltstone or some greywacke, foliated parallel to bedding and interbedded with coarser-grained clastic rocks and quartzite. Quartzites are light-coloured and moderately thick-bedded. The Precambrian metavolcanic rocks occur as a few intercalated lenses northeast of the Apache Pass Fault Zone. They are grey, massive to weakly porphyritic rocks and contain locally extensive lithic volcanic inclusions and are thought to be derived from andesite-dacite lava flows or tuffs. The 1450-ma intrusions are of intermediate to felsic composition, typically coarse-grained and, in places, display porphyroblastic and rapakivi textures.

Palaeozoic rocks lie unconformably upon the Precambrian rocks in two distinct west-north-westerly trending belts. The southerly-most of the two belts is generally undisturbed and contains thick sedimentary sequences. The northerly belt, containing the Gold Prince, Gold Ridge and Dives mines, hosts thin sedimentary sequences along the Apache Pass Fault Zone. Of particular note are carbonate rocks of the Permian Horquilla Limestone which host contact metamorphic copper deposits, cropping to the north of the gold-bearing veins.

Mesozoic sedimentary rocks lie unconformably over the Palaeozoic rocks and include the Lower Cretaceous Bisbee Formation consisting of shale, sandstone, siltstone, interbedded limestone and basal Glance conglomerate. Facies variations within rocks of the Bisbee group are common. Upper Cretaceous shales, greywackes, sandstone and conglomerate lying above the Bisbee group host the gold-bearing veins in the Dos Cabezas Mining District.

The Dos Cabezas volcanic pile of late Cretaceous or early Palaeocene age is made up largely of dacitic breccias but also includes some rhyolite breccias, rhyolitic welded tuffs as well as rhyolitic and andesitic intrusive bodies. Rhyolitic breccia is particularly abundant near Dos Cabezas Peaks and near Cooper Peak and may represent local volcanic centres. Several smaller pipes of mixed rhyolitic and dacitic breccias are interpreted as volcanic cones developed as the main magma

mass moved upwards. Blocks of Precambrian intrusive as well as Palaeozoic rocks are found in some of these breccias.

A Palaeocene granodiorite stock intrudes the Laramide Dos Cabezas volcanic pile and older rocks and is generally considered a likely source for the copper and gold mineralisation of the District.

Plugs and dykes of aphanitic to slightly porphyritic rhyolite of Miocene and Oligocene age are the youngest igneous rocks in the Dos Cabezas. They occur within the Apache Pass Fault Zone and are exposed on the surface and in underground workings on the Gold Ridge project.

Quaternary alluvial deposits, with placer deposits, cover the canyon floors and extend out into the main basin. The placers were worked in the earlier years of mining in the district.

6.2 Local Geology

Gold-bearing, irregular, quartz-sulphide veins occur within a sheared and faulted zone in the Cretaceous Bisbee Group sediments. The productive veins in the Gold Prince Mine parallel the main shear zone and are localised along a complex set of related west-northwest, south dipping quartz veins and shears. The fault zone juxtaposes Precambrian rapakivi granodiorite adjacent to over-turned to vertically-dipping and sheared Cretaceous Bisbee Group sediments and overlying late Palaeozoic limestone. Dioritic intrusive rocks are usually present at the Bisbee Group-rapakivi granite contact.

The high-grade gold-bearing vein system at the Gold Prince mine is part of a three-mile vein swarm that includes both barren and mineralised veins. West of the Gold Prince mine, the Gold Ridge mine appears to have been offset approximately 120 m to the north along an ill-defined cross-fault.

Bisbee Group sediments are, in general, weakly metamorphosed. Graphitic phyllite, laminated grey quartzite and phyllite and arkose are intruded by andesite dikes. Exotic breccias, probably tectonic and not hydrothermal in origin are occasionally encountered. Lithology varies in thickness from inches to tens of feet and small to moderate bedding offsets are seen along vertically-dipping, bedding plane faults. Empirically, quartz-sulphide veins seem developed best in areas with an arkosic footwall and a graphitic phyllite hanging wall.

Gold mineralised zones in intrusive andesite and exotic breccias have sporadic but anomalous gold values. Exotic breccias usually cross-cut bedding but are sometimes parallel to bedding. Andesite dikes are typically sericitised and silicified and may have some relationship to mineralisation found in breccias in the gold veins and gold vein structures.

6.2.1 Structure

Hembree (1989) describes a steeply dipping shear zone, from 150 to 300 m wide, thought to represent a zone of differential shear stress between two main strands of the Apache Pass Fault zone. This feature is exposed on surface and in underground workings and has been followed for 2.5 km between the Gold Prince and the Dives mines. The gold/silver-base metal sulphide bearing veins of the District occupy this northwest trending shear zone. This zone is locally offset, sometimes for as much as several hundred metres, by several north to north-westerly trending faults which cross it.

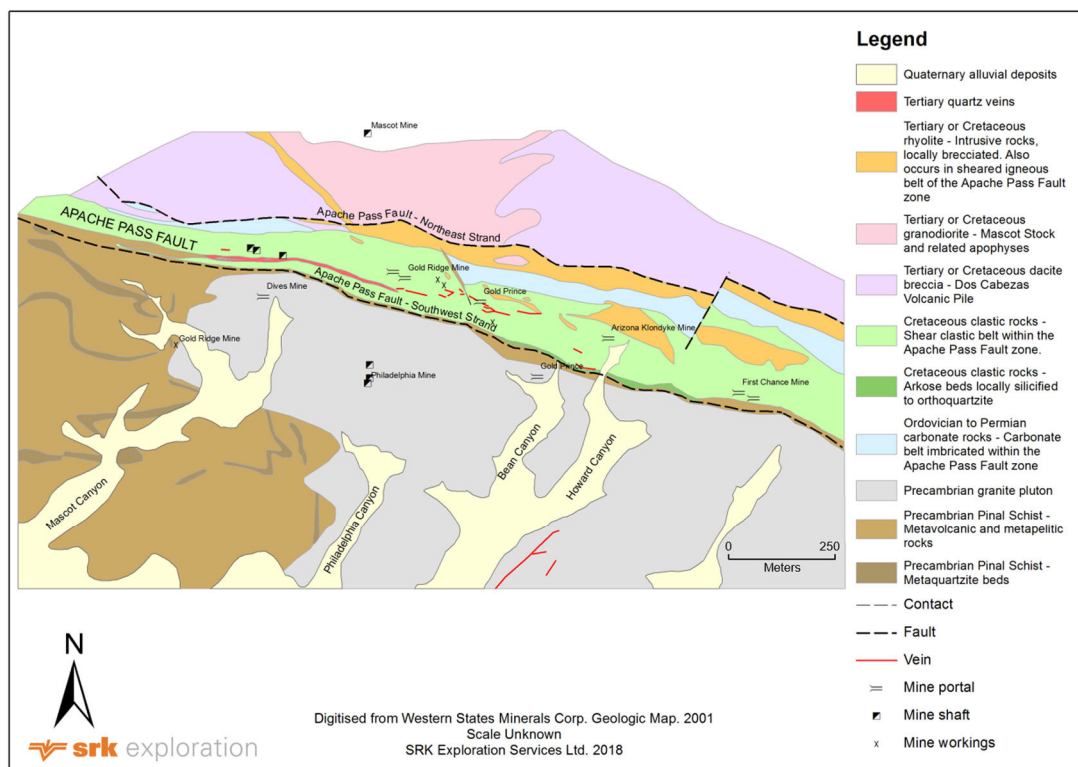


Figure 6-1: Geological map of the Gold Ridge project area



Photograph 6-1: Surface outcrop of quartz veins associated with the Apache pass fault system, above Gold Prince mine.

6.3 Mineralisation

Two principal styles of mineralisation are found in the Dos Cabezas Mining District. Gold-base metal sulphide quartz veins occur within the Apache Pass Fault Zone and contact metamorphic, skarn deposits of chalcopyrite, pyrite and magnetite in carbonate rocks are found immediately adjacent to Laramide stocks. To date, the Gold Ridge property is known to host gold-base metal sulphide quartz veins within the Apache Pass Fault Zone.

Gold and silver bearing quartz-sulphide veins consist of coarsely crystalline quartz with pyrite, galena, sphalerite and chalcopyrite. Native gold occurs in pyrite as very-fine-grained blebs and fillings in crystal defect sites in pyrite and sphalerite. Native gold is also found preferentially in friable and cupriferous pyrite relative to massive euhedral pyrite in the quartz veins.



Photograph 6-2: Mineralised material seen underground on level 6, Gold Prince Mine

These sulphides are frequently arranged in bands or coarse aggregates within the quartz and appear to be more common on the hanging wall side of the veins. Oxidation may extend to depths of 90 metres from the surface. Gold grade ranges from zero to 310g/t Au have been recorded (Pawlowski 1985). The gold/silver ratio is roughly 1:1. Lenticular ore shoots, 30 – 120 metres in length and are found in various locations throughout the width of the shear zone. They persist from the surface to the lowermost workings.

The Gold Prince mine also contains gold in disseminated ores in wall rock, in early carbon-calcium carbonate-quartz veins and in the quartz veins. All are hosted by the Cretaceous Bisbee Group shales and quartzites. Wallrock alteration associated with the veins includes silicification and chlorite-sericite-pyrite assemblages. Alteration intensity is greater in the more competent units.

7 Exploration

The Gold Ridge project area comprises three historical underground mines with an estimated 1,785 m of underground development. The three mines include, from northwest to southeast the Dives, Gold Ridge and Gold Prince mines. The Gold Prince mine has five developed levels (Figure 7-1) with 4 significant cross-cut access drifts numerous development and production openings.

Historical data in various formats, for underground rock chip and channel sample geochemistry, stope production records, drift and surface geological mapping, surface soil and rock chip geochemistry and surface and underground drilling records are available based on the work of several companies who previously operated the property.

Much of these data has not been fully evaluated and in many cases it is unlikely that the records are sufficient to support its inclusion in future formal resource calculations. However, SRK ES considers that the data was generated by competent professionals and is thus valuable for internal studies and to inform and guide future exploration.

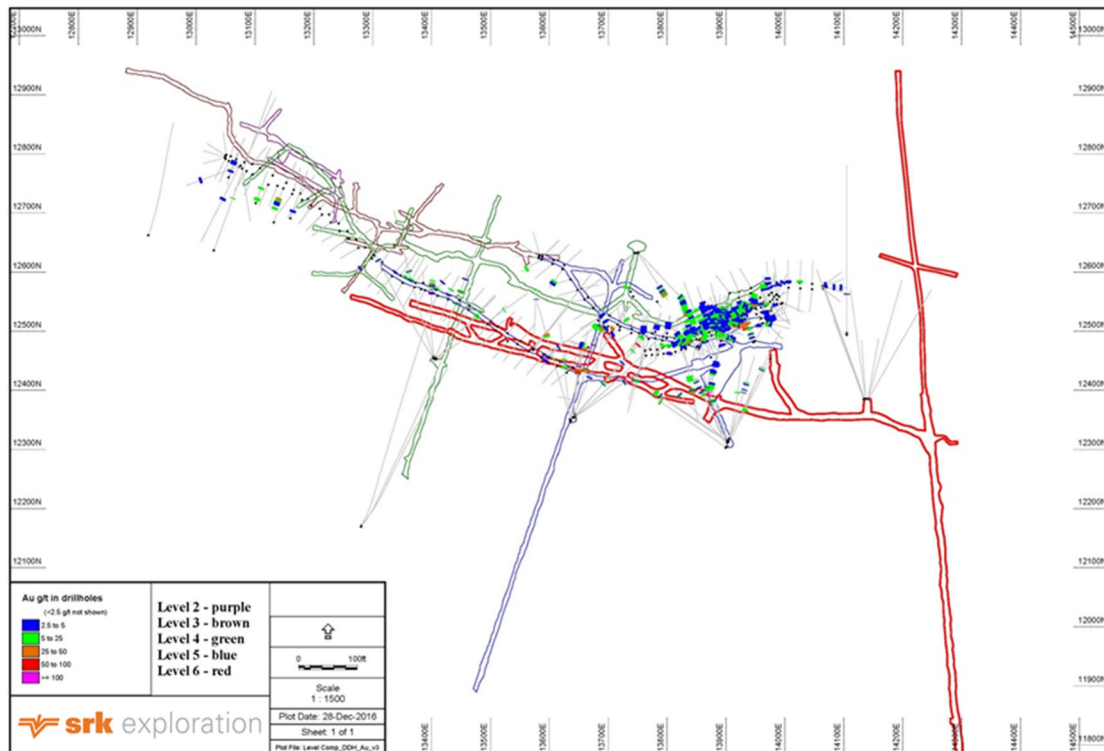


Figure 7-1: Composite plan map of the 5 levels of the Gold Prince mine (mine grid coordinates).

Golden Fame collected 14 surface and underground samples to confirm the general grades and styles of mineralisation described by historical records. Golden Fame also contracted Mine Mappers LLC to access some of the underground workings of the Gold Prince mine to compare the extent of the workings to the existing maps of the several levels of the mine. Mine Mappers found that, due to the method of mining employed, tall open stopes exist above many parts of the mine rendering access unsafe without extensive work to mitigate the hazard of rock fall. However, even though access for much of the stoped area was not available, some inspection was possible, and it was concluded that the later mine maps had not been updated to show the last period of stope mining. As the final stages of mining were limited in their extent, the error in the plans is likely to be minor. They did find that, where still visible in the back floor and pillars, the vein is 0.6-3 m

wide with variable sulphide content, and very high grade in some of the areas where historic mining had occurred.

Because significant portions of the mine are not safe to access, Golden Fame decided to drill several core holes from the surface across the plane of the vein as described below. Several of the core holes in the upper reaches of the vein intersected open stopes in the plane of the vein confirming that stope mining had occurred in the Gold Prince that was not shown on maps of the workings.

Investigation along the surface trace of the Gold Ridge vein system confirmed that the vein outcrops across much of the Company's land holdings and represents a geologic target for surface sampling, geochemical studies and drilling that has potential to discover additional shoots of high-grade material similar to that mined at the Gold Prince, Gold Ridge and Dives mines.

7.1 Historical Surface Geochemistry

Historically, 281 soil samples were collected from a grid oriented across the Apache Pass fault zone, covering the Gold Ridge project. An additional 254 rock chip geochemical samples were collected from the area. Both geochemical sets contain 35-element ICP results plus fire assay Au and Ag results, Winston acquired and digitally captured these data and they are the basis for Table 7-1. Unsurprisingly these data highlight high grade anomalies over the three known deposits.

1,592 rock chip and channel samples were also collected from the underground drifts. Records of these underground samples are not as complete as for the surface sampling described above but perhaps some of the data may be recoverable with further investigation of the paper archives.

7.2 Golden Fame Sampling

Golden Fame contracted Mine Mappers LLC who spent a total of 15 days at the site in 2009 and early 2010 examining surface outcrops, collecting check geochemical samples, assessing the quality of the geological database and examining the vein occurrences on the accessible underground workings of the Gold Prince mine.

Mine Mappers collected geochemical check samples from both surface and underground locations. They selected sample sites to represent the full range of assay values including high-grade, low grade and unmineralised materials. Samples were collected by hand using rock hammers and chisels. Samples were of approximately 2-5 kg and were transported directly to Skyline Analytical Laboratories in Tucson. The samples were in the custody of Mine Mappers, L.L.C. geologist Mark Osterberg until handed over to Skyline Analytical Laboratories for analysis. Results are tabulated in Table 7-1 and confirm the presence of significant high-grade vein mineralisation.

The outcrop portion of the geological map was also checked and confirmed by comparing the trace of a prominent quartz vein on the ground with its mapped depiction.

Both geochemical and geological databases are deemed to be of good quality and the geological database meets professional standards.

Sample	East	North	Au (g/t)	Ag (g/t) Gravimetric	Ag (g/t) (AA)	Description
R102809-01	633521	3563186	0.58	<3	1.4	1 m wide chip channel. White quartz vein. Schist wall rock.
R102809-02	633498	3563169	2.43	3	6.6	Dump. Quartz vein material.
R102809-03	N/A	N/A	N/A	N/A	N/A	Sample not submitted to laboratory.
R102809-04	633730	3563128	1.20	<3	1.3	1 m wide chip channel sample. Sheared quartz vein.
R102809-05	634049	3562989	2.88	<3	1.7	0.3 m wide chip channel sample. Quartz vein.
R102809-06	634123	3562607	16.60	14	12.2	Dump. Quartz vein material.
R102809-07	634478	3562701	0.21	4	0.5	3 m wide chip channel. White quartz vein. Schist wall rock.
R102809-08	634185	3562594	21.77	40	45.3	Dump. Quartz vein material.
R102809-09	633672	3563027	0.03	<3	0.2	3-m wide chip channel. Schist sample without quartz vein.
R102809-10	634032	3563066	6.86	21	23.9	Dump. Quartz vein material.
U11052009-1	634018	3563195	0.07	NA	NA	6-Level: 3 m wide quartz vein
U11052009-2	633985	3563200	0.10	NA	NA	6-Level: 2.5 m wide quartz vein
U11052009-3	633935	3563228	0.65	NA	NA	6 Level: 3 m wide quartz vein
U11052009-4	633847	3563231	150.96	NA	NA	6 Level: 3 m wide white quartz vein, 6 level main stope pillar

Table 7-1: Verification sampling results.

7.3 SRK ES Comments

Whilst the majority of the non-drilling exploration has been to some extent validated by the Golden Fame work, very little has been conducted beyond the limits of the known areas of mineralisation. Systematic investigation of the Apache pass fault zone and its mineralised potential has not been conducted, or no record of such work is available. Historical prospectors were reasonably thorough in their approach and it is safe to say that had there been surface exposure of other mineralised zones then these would have been exploited in the past. However, mineralised shear zones of this nature are often discontinuous both along strike and down-dip, thus there is still potential for mineralisation to occur along strike of the three mines but at depth and not outcropping at surface. The discovery of such zones will require systematic investigation of the zone using modern exploration methods and analytical techniques coupled with extensive surface drilling.

8 Drilling

A total of 447 historical drill holes are recorded, with data from 435 of these recorded in the Gold Prince database. Of these holes only the latest 11 drilled in 2009-2010 by Golden Fame can be considered compliant with modern standards of drilling logging and assaying, however earlier data can still be used for the purpose of geological interpretation and exploration planning.

The distribution of the majority of the historical drill holes drilled underground on levels 5 and 6 is shown on Figure 8-1.

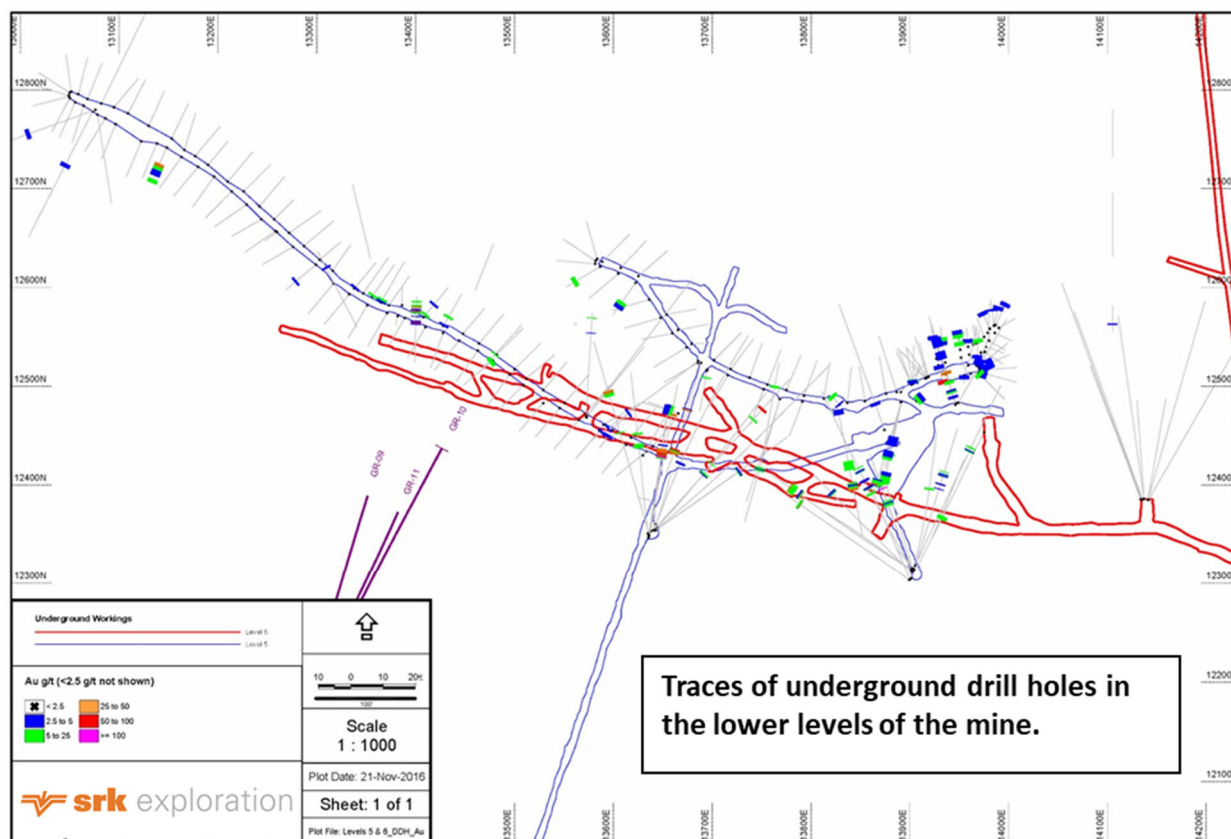


Figure 8-1: Drill hole traces from underground drill stations in the Gold Prince mine, Levels 5 and 6.

A summary of drilling completed at Gold Prince outlining the type of holes drilled and for which company is presented in Table 8-1 and Figure 8-1.

Type	Number	Purpose	Year	Company
Core	44	Exploration and Development	1984-86	Phelps Dodge
Core	29	Exploration and Development	1986-93	Queenstake
Long-hole	50	Development	1986-93	Queenstake
Long-hole	41	Development	1984-86	Phelps Dodge
Long-hole	260	Development	1993-96	Western States
RC	12	Exploration	1993-96	Western States
Core	11	Surface Exploration	2009-10	Golden Fame USA Inc.
Total	447			

Table 8-1: Summary of drilling completed at Gold Prince

All of the drilling prior to the Golden Fame work was conducted before the advent of NI 43-101 standards and QAQC procedures, thus recoveries and sampling issues are not available and results from this drilling can only be used for internal studies and as a guide for future exploration. Golden Fame drilled eleven (11) surface core holes. The purpose and the results of the Golden Fame drilling are detailed separately in section 10.2 below. The Golden Fame work was done in compliance with modern standards of sample security and QAQC procedures. The core from this drilling is available and stored in a steel container on site.

8.1 Golden Fame drilling program-2009 and 2010.

Golden Fame drilled a total of 11 surface HQ diamond drill holes in December 2009 and January 2010 (Figure 8-2 and Table 8-2). Drill holes GR09-01 through GR09-08 were drilled to intersect near-surface projections of the exposed veins and to test ore blocks identified by Queenstake and Western State Minerals Corporation. Vein intercepts with Au assays greater than 3 g per metric ton were encountered in holes GR09-01, GR09-04, GR09-05 and GR09-06 (Table 8-3). GR09-08 contained a near surface intercept of 0.073 opt Au but the log does not record a coinciding vein intercept. GR09-09, GR09-10 and GR09-11 were deeper angle holes oriented to intercept the main vein below the 6 level. Hole GR09-10 was lost in a stope above the 6 level. Holes GR09-09 and GR09-11 did not intersect the projected quartz vein target below the 6 level.

Throughout Golden Fame's programme, core recovery was essentially 100% except where the drill encountered voids, which are interpreted to be historically mined out parts of the vein.

The veins in the Gold Prince mine generally dip steeply to the southwest at dips of 45 to nearly 90 degrees below the southwest dipping slopes of the overlying mountain side, allowing the shallower surface drilling to intersect the vein at favourable high angles. Deeper surface drilling becomes less useful since the vein typically steepens with depth while the mountain slope flattens requiring ever deeper holes to intersect the vein at progressively shallower (closer to parallel) angles.

Drillhole	Elevation (m)	Easting	Northing	Azimuth	Dip	Total Depth (m)	True Thickness as % of Intercepted width
GR-01	1971	633678	3563322	20	45	19.5	66
GR-02	1971	633678	3563322	20	70	6.5	29
GR-03	1976	633637	3563292	20	50	91.4	58
GR-04	1966	633692	3563309	20	45	24.4	66
GR-05	1966	633692	3563309	20	70	19.5	29
GR-06	1966	633671	3563284	20	45	122.5	66
GR-07	1963	633702	3563299	20	45	6.8	66
GR-08	1967	633710	3563302	20	45	36.6	66
GR-09	1899	633749	3563144	30	60	214.3	18
GR-10	1899	633749	3563144	40	45	127.6	50
GR-11	1899	633749	3563144	40	58	249.9	20

Table 8-2: Summary of drilling completed by Golden Fame in 2009 and 2010

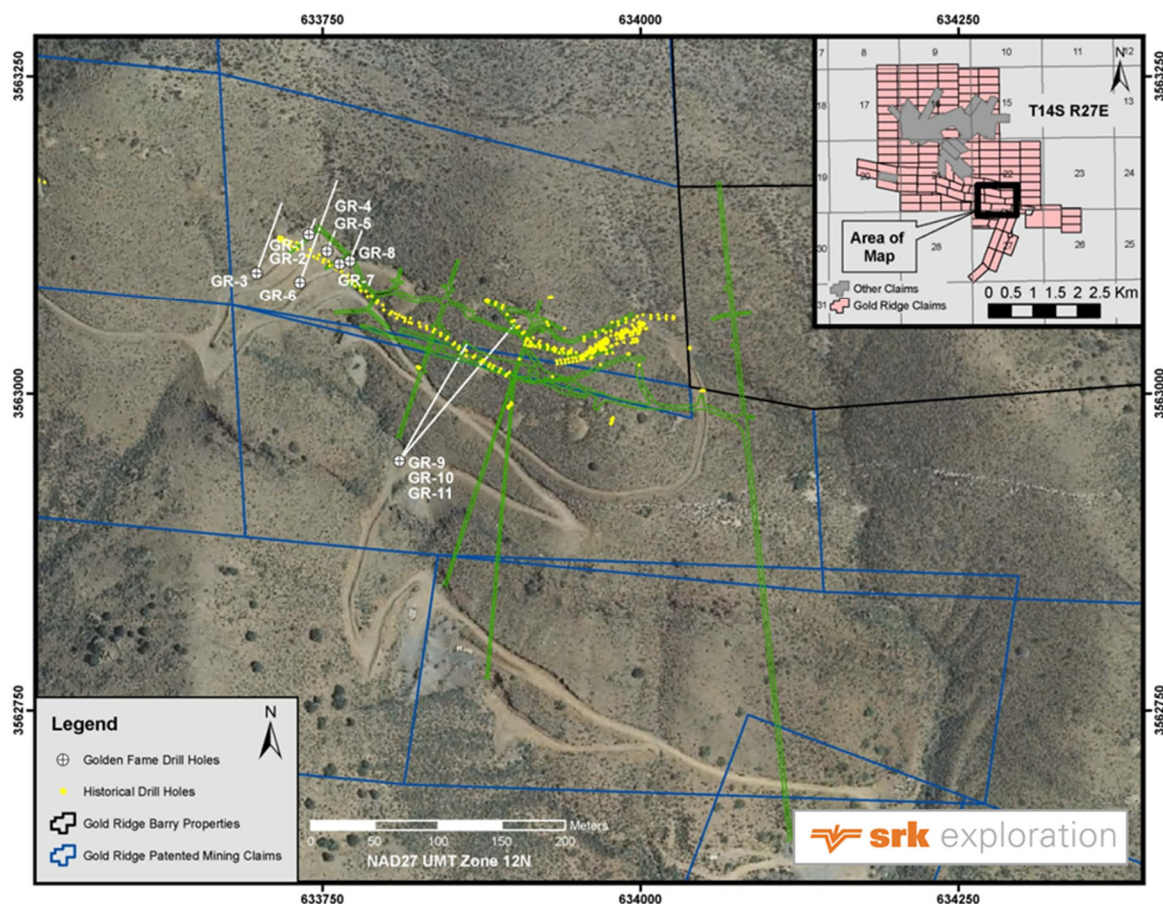


Figure 8-2: Plan map of the Golden Fame drill holes from December 2009 and January 2010. Surface projection of the underground workings in the Gold Prince mine are shown in green

Drillhole	From (m)	To (m)	Thickness (m)	True Thickness (m)	Au (g/t)
GR09-01	4.1	5.4	1.25	0.82	3.29
GR09-01	11.4	12.9	1.43	0.94	2.95
GR09-04	1.8	3.7	1.83	1.2	5.49
GR09-04	10.7	12.2	1.52	1	6.86
GR09-05	7.8	8.4	0.55	0.16	20.43
GR09-06	40.2	40.6	0.34	0.22	22.94

Table 8-3: Significant Intercepts (>3g/t) from the Golden Fame drilling programme 2009-2010

Most of the higher-grade assays in this program came from 3-1.2 m thick quartz veins. These veins are either unmined areas of the historically productive veins or narrower parallel veins adjacent to the main veins. Noticeably the grades recorded from this drilling are significantly lower than would be expected from the overall perception of the average grade of the deposit based on the production figures in table 5-2.

8.2 SRK ES Comments

Overall the drill hole database is a useful tool for guiding future work. Potentially, verification drilling may allow some of the existing data to be used for future resource calculations.

In Arizona, surface drilling deeper than 33 m requires detailed permitting thus proper planning and thought needs to go in to the process as drilling cannot be an instantly dynamic process. Underground drilling is a much simpler planning process, but access will be restricted due to underground safety issues. Whilst underground drilling would be useful to delineate the potential mining blocks in the areas adjacent to historically mined areas, it would be somewhat restricted for wider scale exploration without new development.

The results of the deeper holes drilled by Golden Fame were disappointing, thus highlighting both the structurally complex nature of the mineralisation and its variable continuity in all directions. Several hypotheses exist as to why the deeper holes failed to intersect the mineralisation at the predicted location, whether this be faulting, changes of dip or plunge. It is however still highly likely that the mineralisation continues at depth, but suffice it to say that similar situations will likely be encountered with future drilling.

9 Sample Preparation, Analyses and Security

During the drilling program, Golden Fame collected the core from the drill and stored it in a locked and secure portable building and sawed it in half and sampled on a maximum standard interval of 1.5 m under controlled secure conditions. In areas of interest, such as sulphide bearing quartz veins, shorter samples were taken to more accurately characterise the specific mineralisation encountered. In some apparently unmineralised intervals of wall-rock, the samples were collected every 1.5 m, but only every-other interval was sent to the lab with the other bags stored on the site in a locked metal shipping container. These samples remain on site and do not appear to have been tampered with.



Photograph 9-1: Core and un-assayed core samples from the 2009-2010 drilling campaign stored on site at Gold Prince.

The bagged samples to be sent for assay were stored in the locked container until they were delivered to the laboratory in Tucson. All core and samples were kept secure from the time of drilling through delivery to the lab.

At the lab, samples were dried, crushed, split and pulverised then assayed for gold using the standard fire assay-atomic absorption method. Samples assaying at or above 3,000 ppb gold were re-assayed by classic fusion/gravimetric methods. A subset of the samples was also analysed by multi-element ICP to look for trends in trace metal geochemistry that might be useful in interpreting the nature of the mineralisation.

Skyline Laboratories introduced standards and blanks into the sample stream submitted to the lab. Golden Fame included at least one blank or standard per 20 samples submitted but typically the rate of standard insertion was more frequent approaching one standard or blank every 15 samples submitted in some areas. Additionally, Skyline had their own internal QA/QC programme to ensure that assays are accurate. Skyline's analysis of the standard and blank samples showed that their work was accurate.

Skyline is an independent laboratory which had no affiliation to Golden Fame or Winston. Skyline Laboratory is fully accredited by the American Association for Laboratory Accreditation to the International Standard of ISO/IEC 17025:2005.

SRK ES believes that the quality of the drill core and the systematic sampling and secure chain of custody to the laboratory support the assumption that the assays returned from the Golden Fame drilling campaign can be considered to be compliant as well as accurate and representative.

10 DATA VERIFICATION

SRK ES visited most of the underground workings on the 6-level of the Gold Prince mine and confirmed the general correspondence to historical maps.

Where stoping is extensive, it was not possible, without a concerted underground survey and mapping effort, to confirm that the historical maps are accurate and reflect the distribution and extent of stoping.

The drill logs and Assay Certificates for Golden Fame's drilling has been reviewed and verified against the digital drilling database that Metal NRG has provided and there is full correspondence between the two.

It was not possible to quantitatively verify the historical (pre-Golden Fame) assay data. Notwithstanding this, 100's of surface and underground maps and sections exist in the paper archive and many of these are recorded digitally, and these appear to representative of the work carried out by previous owners; Phelps Dodge, Queenstake and Western States Mining.

10.1 SRK ES Comments

It is SRK ES's opinion that both the historical and most recent geological work was conducted in a professional manner and that the historical geological data is a fair and reasonable reflection of the work conducted and accurate within normal standards of such activity. Thus, with the exception of the historical assay data we consider the data useable for interpretational purposes.

11 MINERAL PROCESSING AND METALLURGICAL TESTING

In 1987 Queenstake Resources submitted a bulk sample of Gold Prince vein material to Bateman Metallurgical Laboratories of Sparks, Nevada for combined gravity and flotation concentration testing.

Whilst results from this test work are available no details on the location and nature of the sample exist, therefore there is an assumption that this sample was representative of the material being exploited on the 5 level at that time.

The initial test work applied a 100% passing 65-mesh grind followed by gravity concentration and flotation of the gravity tails. The gravity concentrate contained 35.125 g/t Au that represented 62.6% of the gold in 14.4% of the original feed weight. The flotation concentrate assayed 785.15 g/t Au and contained 33.4% of the gold in 4.7% of the gravity tail weight. An agitated cyanidation process that recovered 77.3% of the contained gold in 96 hours then treated the bulk flotation concentrate, but the reagent consumption was high, which suggest some preg-robbing characteristics. Overall Bateman achieved a recovery of 88.4% from the first test.

Bateman conducted a second gravity-flotation test with a head feed of 80% passing 100 mesh. This test recovered 97.8% of the gold and 100% of the silver in the ore. The gravity concentrate contained 108.13 g/t Au and 110 g/t Ag, which represented 63.3% of the gold in 4.62% of the feed weight. The gravity concentration tails responded well to flotation, with 40.06 g/t Au and 101.87 g/t Ag in the flotation product. These results represent a recovery by gravity and flotation of 94.6% of the gold and 99.8% of the silver in 7.4% of the feed weight.

Western States Minerals Corporation also contracted Hazen Research Inc. of Golden, Colorado to conduct metallurgical testing of the Gold Prince mine ores in 1995 and 1996.

The first froth flotation test in 1995 recovered over 95% of the gold in a concentrate represented in about 8% of the feed ore.

The second froth flotation test of the Gold Prince composite yielded the following conclusions:

- Rougher flotation at a product of 80% passing 202 microns consistently recovered more than 97% of the gold values to a concentrate representing 12 to 14 weight% of the feed.
- Rougher flotation, followed by regrinding of the concentrate prior to a cleaner-stage of flotation, recovered 97.3% of the gold in the sample to a concentrate representing 5.7 weight% of the feed at grade of 112.8 g/t Au. Additional cleaning to increase the gold grade of the concentrate would be expected to significantly reduce the gold recovery, and the process is not economically practical.
- Naturally occurring carbon in the ore is recovered to the rougher flotation concentrate and exhibits a preg-robbing effect during cyanidation that can be overcome somewhat by pre-floating the carbon from the ore and almost entirely by adding activated carbon.
- Bulk sulphide/gold flotation, followed by regrinding and Carbon in Leach cyanidation of the froth flotation concentrate, recovered 90.5% of the total gold in the Gold Prince composite sample. Subsequent carbon stripping, followed by electrowinning of the gold values, would probably be a suitable method for producing a direct-sale gold product at the Dos Cabezas Project.

Gold grain sizes range from one to 165 microns, with the majority of gold grains from 1 to 12 microns. Most of the gold identified to date occurs in the form of electrum (a naturally occurring alloy of gold and silver). Gold found in the underground veins tends to occur in pyrite. Pyrite is the primary sulphide mineral with subordinate amounts of galena and sphalerite, and minor amounts of chalcopyrite. Trace amounts of pyrrhotite, covellite and arsenopyrite have been identified.

11.1 SRK ES Comments

Whilst these early studies are informative and would appear to indicate a processable ore with good recoveries, it is imperative that new controlled and compliant studies are conducted on a range of mineralised materials to establish the type processing needed to maximise recoveries and the costs therein of establishing small scale processing facilities or the possibility of toll treating the material elsewhere.

12 Mineral Resource Estimates

No compliant Mineral Resource Estimate exists for the Gold Ridge properties.

A historic estimate produced by Queenstake in 1996 alludes to potential resources in the range of 35,000-40,000 ounces of gold at grades of 11.5 g/t Au. Details on his non compliant estimate are available in the NI 43-101 report produced by Charles A. Braun of Braun Consulting Engineers, Lakewood CO in December 2016

12.1 SRK ES Comment

It is safe to assume that Queenstake were professional operators and that their estimates were based upon reasonable data and assumptions, however these estimates were produced before the current modern standards in Quality Assurance and Quality Control and the lack of a complete dataset to review means that these estimates are impossible to verify.

Given the current understanding of the gold mineralisation in the area SRK ES would anticipate an exploration target of between 20,000-30,000 ounces per mineralised zone and that several zones would be reasonable in the area in question thus a potential of 100,000 ounces total gold content would be a reasonable estimate (minus historic production).

13 Mining Methods

There are no formal plans or descriptions of any methodologies for future mining at the property.

13.1 SRK ES Comment

Historical mining appears to have been conducted by a form of shrinkage stoping. Ground conditions in the hanging and footwalls of the mineralised zone appear reasonably stable and many of the stopes remain open today, thus it can be assumed that a similar mining method would be suitable in the future and would be conducive to a low-cost start-up of a low tonnage operation.



Photograph 13-1: Image of old stope, open and in reasonable condition

14 Recovery Methods

To date it would appear that all material removed from the Gold Ridge mines was treated off site, thus little information on historical processing methodologies for recovery exist. However potential recovery methods have been assessed by Queenstake Resources in 1987 and again by Western States Minerals Corporation in 1995/6; Section 11.

15 Project Infrastructure

The most important infrastructure at the project are the existing underground workings. These consist of at least three accessible adits connecting from the surface to the vein(s) as well as extensive underground drifting. Access via dirt road is excellent and passable year around. There is an inactive powerline once used to provide power to the project and surface crushing facilities. This powerline can be rehabilitated to modern specifications suitable to the scale of a planned operation.

The local town of Wilcox has supplies of food, lodging and basic services. Tucson is the nearest major supply centre.

16 Environmental Studies, Permitting and Social or Community Impact

There is no information relating to any current environmental studies or any initiated permitting efforts or social or community impact studies.

16.1 SRK ES Comment

The Wilcox area has an extensive history of mining and there are numerous old mines in the region. It is of course essential that consultation with local stake holders is conducted early in the process but at this stage it would appear that there is little impediment to mining from the local community. Government bodies are pro mining in the state of Arizona, however there are extensive guidelines on how and where this work is conducted, again early consultation with the various authorities is essential.

17 Adjacent Properties

The Dos Cabezas Mountains contain many small mines and prospects, mostly related to the large late Cretaceous-early Tertiary plutonic-volcanic centre. In general, these occurrences are either skarns and other contact deposits immediately adjacent to the intrusions or vein deposits similar to those at the Gold Ridge project. Production statistics are not recorded for most of these occurrences, the most notable mine for which production records do exist is the Mascot mine to the north of the Gold Ridge properties, where historic production of copper from the veins and contact skarn replacements in carbonate rocks reached approximately 61,500 tonnes. However, the mineralisation found at Mascot is not the same style as that seen at the Gold Ridge Mines.

17.1 SRK ES Comment

There are numerous old mine workings in the area all small and many of these appear to have totally distinct styles of mineralisation and indeed different minerals within them. This highlights the extensive and long lived nature of the mineralised system associated with the Apache Pass fault zone as well as the potential for other as yet undiscovered deposits within the project area.

18 Conclusions and Recommendations

18.1 Conclusions

Mining has occurred at Gold Ridge property in at least three locations and intermittently over a time span of more than 100 years. The Gold Prince mine has seen the majority of the recorded production and all of the modern exploration and mining. The Gold Prince mine is a vein-type deposit developed on 5 levels over a strike length of roughly 300 m. This development appears to be within the confines of a broad southeast-plunging ore shoot. The nature of the mineralisation remains similar over the roughly 180 m of vertical development between the surface and the lowest level of the mine. Although maps of existing underground development may not document the current extent of underground development between levels, it is probable that mineable material remains in place, particularly between the 4-level and the 6-level.

Mapping and sampling both at surface and underground confirms that the vein is laterally extensive across the width of the property and anomalous to strongly gold-bearing in several places.

SRK ES considers that the mapping and sampling conducted to date supports the concept that the Gold Ridge project has potential for the discovery of further, mineable gold mineralisation.

18.2 Recommendations

SRK ES considers that an initial programme of data validation and compilation is essential to recover and assimilate the substantial number of maps and quantity of digital and paper files into a useable archive.

The compilation should include the following:

- Update the geological, drilling, sampling, and 3D digital databases to confirm that all surface and underground sample data is complete and consistent with paper maps in the archive.
- Recover all available assays certificates, drill logs, and sample description and add to the database.
- Rehabilitate the 3D model of the underground workings and integrate the long section stope outline maps
- Update the drill hole database to contain all location, lithology, alteration, mineralisation and structural characteristics from original paper drilling records to include in the Company's 3D model.
- The geochemical database should be rigorously examined for multi-element correlations that might yield pathfinder elemental characteristics for distinguishing endowed and barren veins.

The compilation work will be the basis for prioritising surface and underground mapping and sampling. Underground geological mapping can be focused on safely accessible underground workings, paying particular attention to developing a more complete understanding of faulting in the mine and its influence on the mineralised zones.

It may ultimately be possible to create a predictive structural model for the Gold Ridge project, if time and funds permit.

Using the updated information, the Company can design a drill programme, both underground and surface, for the Gold Prince mine designed to test the lower parts of the vein along projection of ore-grade mineralisation in the mined areas.

Surface mapping and sampling will have longer-term implications and should focus on tracing the vein across the entire property to begin to build an exploration plan for future phases of work. Property-wide exploration will involve further surface drilling.

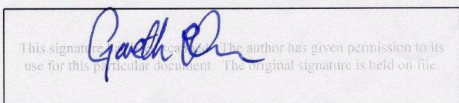
It may also be worthwhile confirming the status of several unpatented claims owned by competitors within, or near, the main landholdings as these may be worth acquiring in the future.

Table 21-1 below outlines a broad scale budget for the initial project, SRK ES considers the budget appropriate and sufficient to achieve the initial project goals of establishing the existence of a compliant resource at Gold Ridge.

Set up and project overheads year 1	Local base set up, vehicle, admin and infrastructure	\$ 105,000
Licence Fees and Advance Royalties per year	County property taxes (patented mining claims) US Bureau Land Management unpatented claims and leases	\$ 56,024
Phase 1	MSHA Permitting Data Compilation. Historic and New Datasets. Track repairs and HSE, environmental baseline, geological interpretation and modelling and sampling	\$ 126,000
Phase 2	Underground safety rehabilitation, mapping and sampling	\$ 300,000
Phase 3	Underground and surface drilling and sampling	\$ 625,000
Regional Programme	Potential regional consolidation and expansion.	\$ 100,000
Contingency	15%	\$ 196,804
	Total anticipated budget to Resource Estimation phase	\$ 1,508,828

Table 18-1: Recommended budget for geological studies and underground drill program

For and on Behalf of SRK Exploration Services



This signature has been verified by SRK Exploration Services. The original signature is held on file.

Gareth O'Donovan
Associate Corporate Exploration Consultant



This signature has been verified by SRK Exploration Services. The original signature is held on file.

James Gilbertson
Managing Director

19 References

- Hembree, D. 1989. Overview of the Dos Cabezas Project, Cochise County, Arizona, USA. Unpublished company report, Queenstake Resources, (USA) Inc.
- Pawlowski, M. R., 1985. The Gold Prince Mine Summary of Geological Exploration, Development and Gold Production. Unpublished company report, Phelps Dodge Exploration.
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- Western States Minerals Corporation. Dos Cabezas Project, Gold Prince Mine, Executive Summary, 2000. Unpublished report,
- Zelton, J. E., 1986. Mineral Resources of a part of the Dos Cabezas Wilderness Study Area (AZ-040-065), Cochise County, Arizona. Mineral Lands Assessment Open File Report MLA 2-86. United States Bureau of Mines.
- Osterberg, Mark 2009, Technical Report, Gold Ridge Project, Golden Fame Inc

20 Appendix A

Gold Ridge Unpatented Claim Holdings

Claim Name	Location Date	BLM Serial Number	Claim Type
BEARCAT	01/09/1986	260044	Unpatented Lode
CASEY NO. 1	01/09/1986	260041	Unpatented Lode
CASEY NO. 2	01/09/1986	260042	Unpatented Lode
CASEY NO. 3	01/09/1986	260043	Unpatented Lode
CHRYSLER	21/12/1987	279081	Unpatented Lode
DC 1	21/04/2005	365714	Unpatented Lode
DC 10	21/04/2005	365723	Unpatented Lode
DC 100	22/04/2005	365792	Unpatented Lode
DC 11	21/04/2005	365724	Unpatented Lode
DC 12	21/04/2005	365725	Unpatented Lode
DC 13	21/04/2005	365726	Unpatented Lode
DC 14	21/04/2005	365727	Unpatented Lode
DC 15	21/04/2005	365728	Unpatented Lode
DC 16	21/04/2005	365729	Unpatented Lode
DC 17	21/04/2005	365730	Unpatented Lode
DC 18	21/04/2005	365731	Unpatented Lode
DC 19	21/04/2005	365732	Unpatented Lode
DC 2	21/04/2005	365715	Unpatented Lode
DC 20	21/04/2005	365733	Unpatented Lode
DC 21	20/04/2005	365734	Unpatented Lode
DC 22	20/04/2005	365735	Unpatented Lode
DC 23	21/04/2005	365736	Unpatented Lode
DC 24	21/04/2005	365737	Unpatented Lode
DC 25	21/04/2005	365738	Unpatented Lode
DC 26	21/04/2005	365739	Unpatented Lode
DC 27	21/04/2005	365740	Unpatented Lode
DC 28	20/04/2005	365741	Unpatented Lode
DC 3	21/04/2005	365716	Unpatented Lode
DC 30	19/04/2005	365742	Unpatented Lode
DC 31	19/04/2005	365743	Unpatented Lode
DC 32	02/03/2005	365744	Unpatented Lode
DC 33	02/03/2005	365745	Unpatented Lode
DC 34	19/04/2005	365746	Unpatented Lode
DC 35	19/04/2005	365747	Unpatented Lode
DC 36	19/04/2005	365748	Unpatented Lode
DC 37	19/04/2005	365749	Unpatented Lode
DC 39	25/02/2005	365750	Unpatented Lode
DC 4	21/04/2005	365717	Unpatented Lode
DC 40	02/03/2005	365751	Unpatented Lode
DC 41	02/03/2005	365752	Unpatented Lode
DC 42	02/03/2005	365753	Unpatented Lode

DC 43	02/03/2005	365754	Unpatented Lode
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DC 45	16/04/2005	365756	Unpatented Lode
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DC 97	25/02/2005	365789	Unpatented Lode
DC 98	25/02/2005	365790	Unpatented Lode
DC 99	25/02/2005	365791	Unpatented Lode
MERRILY NO. 10	27/06/1988	286819	Unpatented Lode
MERRILY NO. 11	27/06/1988	286820	Unpatented Lode
MERRILY NO. 12	27/06/1988	286821	Unpatented Lode

MERRILY NO. 13	27/06/1988	286822	Unpatented Lode
MERRILY NO. 14	27/06/1988	286823	Unpatented Lode
MERRILY NO. 15	27/06/1988	286824	Unpatented Lode
MERRILY NO. 3	23/03/1988	282649	Unpatented Lode
MERRILY NO. 4	23/03/1988	282650	Unpatented Lode
MERRILY NO. 5	23/03/1988	282651	Unpatented Lode
MERRILY NO. 6	23/03/1988	282652	Unpatented Lode
MERRILY NO. 7	23/03/1988	282653	Unpatented Lode
MERRILY NO. 8	23/03/1988	282654	Unpatented Lode
MERRILY NO. 9	27/06/1988	286818	Unpatented Lode
MOUNTAIN DEW NO. 1	01/09/1986	260035	Unpatented Lode
MOUNTAIN DEW NO. 2	01/09/1986	260036	Unpatented Lode
MOUNTAIN DEW NO. 3	01/09/1986	260037	Unpatented Lode
MOUNTAIN DEW NO. 4	19/11/2002	357474	Unpatented Lode
MOUNTAIN DEW NO. 5	19/11/2002	357473	Unpatented Lode
NWR #1	19/11/2002	357467	Unpatented Placer
NWR #2	19/11/2002	357468	Unpatented Placer
NWR #3	19/11/2002	357469	Unpatented Placer
NWR #4	19/11/2002	357470	Unpatented Placer
NWR #5	19/11/2002	357471	Unpatented Placer
NWR #6	19/11/2002	357472	Unpatented Placer
SUSPENSION NO. 4	01/09/1986	260045	Unpatented Lode
TRAM NO. 1	01/09/1986	260038	Unpatented Lode
TRAM NO. 2	01/09/1986	260039	Unpatented Lode
TRAM NO. 3	01/09/1986	260040	Unpatented Lode
Arizona No. 1	22/02/1979	41270	Leased Unpatented Lode
Arizona No. 2	22/02/1979	41271	Leased Unpatented Lode
Arizona No. 3	22/02/1978	41272	Leased Unpatented Lode
Klondike No. 1	22/02/1979	41266	Leased Unpatented Lode
Klondike No. 2	22/02/1979	41267	Leased Unpatented Lode
Klondike No. 3	22/02/1979	41268	Leased Unpatented Lode
Klondike No. 4	22/02/1979	41269	Leased Unpatented Lode
Klondike No. 5	27/10/1987	276501	Leased Unpatented Lode
One More Chance No. 1	27/10/1987	276497	Leased Unpatented Lode
One More Chance No. 2	27/10/1987	276498	Leased Unpatented Lode
One More Chance No. 3	27/10/1987	276499	Leased Unpatented Lode
One More Chance No. 4	27/10/1987	276500	Leased Unpatented Lode

Gold Ridge Patented Claim Holdings

Patent_ID	Min_Survey #	Pat_Number	County_Book/Page
JUNO NO.1	4380	1165301	155/573
STUDEBAKER	4380	1165301	155/573
PACKARD	4380	1165301	155/573
EAST JUNO	4380	1165301	155/573
JUNO	4380	1165301	155/573
GOLD RIDGE NO. 1	4380	1165301	155/573
FORD	4380	1165301	155/573
DODGE	4380	1165301	155/573
STAR	4380	1165301	155/573
STUTZ	4380	1165301	155/573
BUICK	4380	1165301	155/573
PIERCE ARROW	4380	1165301	155/573
CHEVROLET	4380	1165301	155/573
EWELL SPRING	1554	NA	20/71
GOLD RIDGE	4380	1165301	155/573
SUSPENSION NO. 2	4380	1165301	155/573
SUSPENSION NO. 1	4380	1165301	155/573
GRACIE	4380	1165301	155/573
THELMA	4380	1165301	155/573
SUSPENSION NO. 3	4380	1165301	155/573

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MetalNRG plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2019

MetalNRG plc

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MetalNRG plc

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Christian Schaffalitzky (Non-Executive Director)
Gervaise Heddle (Non-Executive Director)

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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		<u>897,870</u>	<u>175,433</u>
Current assets			
Trade and other receivables	10	190,650	2,396
Cash and cash equivalents	11	24,168	209,673
Total current assets		<u>214,818</u>	<u>212,069</u>
Current liabilities			
Trade and other payables	12	(178,473)	(14,014)
Total current liabilities		<u>(178,473)</u>	<u>(14,014)</u>
Net assets		<u>934,215</u>	<u>373,488</u>
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		<u>934,215</u>	<u>373,488</u>

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		<u>867,369</u>	<u>175,433</u>
Current assets			
Trade and other receivables	10	190,545	2,396
Cash and cash equivalents	11	23,846	209,673
Total current assets		<u>214,391</u>	<u>212,069</u>
Current liabilities			
Trade and other payables	12	(139,535)	(14,014)
Total current liabilities		<u>(139,535)</u>	<u>(14,014)</u>
Net assets		<u>942,225</u>	<u>373,488</u>
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		<u>942,225</u>	<u>373,488</u>

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		<u>(243,490)</u>	<u>(130,546)</u>
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	<u>(147,822)</u>	<u>(175,433)</u>
Net cash used in investing activities		<u>(705,028)</u>	<u>(175,433)</u>
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		<u>763,013</u>	<u>387,126</u>
Net increase in cash and cash equivalents		(185,505)	81,147
Cash and cash equivalents at beginning of period		<u>209,673</u>	<u>128,526</u>
Cash and cash equivalents at end of year	11	<u><u>24,168</u></u>	<u><u>209,673</u></u>

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

MetalNRG plc

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 IFRIC 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	Impact on initial application	Effective date
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.

MetalNRG plc

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.

MetalNRG plc

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 has 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	7,860	5,940

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	-
	<hr/> 82,500	<hr/> 20,000
Social security costs	-	-
Key management personnel remuneration	<hr/> 82,500	<hr/> 20,000
Average number of employees	<hr/> <hr/> 1	<hr/> <hr/> -

4. INCOME TAXES

a) Analysis of charge in the period

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

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	<hr/> (238,108)	<hr/> (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	<hr/> 45,241	<hr/> 29,814
	<hr/> <hr/> -	<hr/> <hr/> -

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

	The Group 2019 £	The Group 2018 £	The Company 2019 £	The Company 2018 £
Current				
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
	<u>190,650</u>	<u>2,396</u>	<u>190,545</u>	<u>2,396</u>

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

11. CASH AND CASH EQUIVALENTS

	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
	<u>24,168</u>	<u>209,673</u>	<u>23,846</u>	<u>209,673</u>

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
	<u>178,473</u>	<u>14,014</u>	<u>139,535</u>	<u>14,014</u>

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	<u>5,180,062,003</u>	<u>750,000</u>	<u>5,180,062,003</u>	<u>750,000</u>

	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	<u>251,200,983</u>	<u>257,114</u>	<u>187,158,407</u>	<u>250,709</u>

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	<u>64,042,576</u>	<u>806,495</u>

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

MetalNRG PLC
Financial Statements
28 February 2018

EDWARDS VEEDER (UK) LIMITED

Chartered accountant & statutory auditor

4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

MetalNRG PLC
Financial Statements
Year ended 28 February 2018

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MetalNRG PLC

Officers and Professional Advisers

The board of directors	R. Gerritsen (Chief Executive Officer) C.P. Latilla-Campbell (non-executive Chairman) C. Schaffalitzky de Muckadell (non-executive) P. Johnson (non-executive) G.R.J. Heddle (non-executive)
Company secretary	City Group PLC
Registered office	6 Middle Street London EC1A 7JA
Auditor	Edwards Veeder (UK) Limited Chartered accountant & statutory auditor 4 Broadgate Broadway Business Park Chadderton Oldham OL9 9XA
Bankers	Lloyds Bank plc 39 Threadneedle Street London EC2R 8PT
Solicitors	Cooley (UK) LLP Dashwood 69 Old Broad Street London EC2M 1QS
Corporate Advisers	Peterhouse Corporate Finance Limited New Liverpool House 15 Eldon Street London EC2M 7LD
Brokers	SI Capital Limited 46 Bridge Street Godalming GU7 1HL

MetalNRG PLC

Strategic Report

Year ended 28 February 2018

Business review

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

The Company made two specific investments in 2018 and has continued to investigate a number of potential investments and strategic developments for the business.

Of the various projects considered during the course of the financial year ended 28 February 2018 the Company entered an agreement to acquire an interest in Western Australia "the "Palomino Cobalt Project". This project on acquisition consisted of licence applications submitted and pending to be submitted applications in respect of ground prospective for cobalt and gold based on publicly available information historic exploration data and proximity demonstrated by announcements released by other companies operating in the vicinity. The total acquisition cost was approximately £55,000 with 83% of that acquisition cost payable in new MetalNRG shares priced at 1.5p per share. See below for post 28 February 2018 developments in relation to this project.

A second investment was announced during the year, a transaction securing an 18.18% holding in US Cobalt Pty Ltd ('US Cobalt'). US Cobalt is the operator of Columbia Pass, a potentially high-grade cobalt exploration and development opportunity in the Las Vegas area of Nevada, United States. The Company invested AUD\$200,000 (approximately £118,000) in cash from existing resources to acquire 2,000,000 shares in US Cobalt amounting to an immediate 18.18% holding. In conjunction with the initial investment in US Cobalt, the Company paid a fee of AUD\$50,000 (approximately £29,507) payable in 1,967,133 MetalNRG shares at 1.5p per share, to secure a 3-month option (the 'Option') to acquire the remainder of the issued share capital of US Cobalt. The Company subsequently decided not to exercise the Option. On 22 March 2018, it was announced that Tyranna Resources Limited ('Tyranna'), an ASX listed resources and exploration company, had made an offer to acquire US Cobalt and had entered into an agreement with the Company to acquire its shareholding in US Cobalt. Subject to completion of this agreement the Company will be able to sell its shares in Tyranna and deliver a profit to shareholders. See details below.

The directors remain committed to evaluating commercially viable projects and ultimately taking forward one or several projects that they believe will deliver value for shareholders.

Post year end events

As announced on 23 February 2018, the Company is pursuing a new strategic development plan, specifically to invest in privately owned companies, which have an interest in seeking an IPO on the London markets, which the Company can assist with.

The Company will receive fees payable in shares in the listed entities upon successfully completing their IPOs. In January 2018, the Company facilitated the creation of Cobra Resources Limited and helped coordinate its IPO process which is expected to be completed by the end of July 2018. The Company's fees, payable in 4,166,666 Cobra Resources shares, is expected upon completion of the IPO.

MetalNRG PLC

Strategic Report

Year ended 28 February 2018

To ensure sufficient managerial resources were available to the Board and to assist in the Company's new strategic development plan, on 23 February 2018, Paul Johnson stepped down as the Chief Executive Officer and the Company appointed Rolf Gerritsen as the Company's new Chief Executive Officer. Paul Johnson remains on the Board as a Non-Executive Director and is focused on new project opportunities and assisting the new Chief Executive Officer with the development of new listed vehicles. The Company's intention through the above developments is to become a London focused mining investment and development house, providing a mechanism for quality resource project owners to see proactive advancement, financing and listing/quotation for their resource opportunities.

On 6 March 2018, the Company announced that the Application for the Company, to have the right to acquire 100%, of exploration licence E46/1167, the Palomino Project, was granted by the Western Australia Department of Mines, Industry Regulation and Safety.

Licence E46/1167 represents an area covering ten graticular blocks or circa 31.9 square kilometres of ground. The area covered by the Palomino Cobalt Project is prospective for cobalt, with significant evidence of cobalt mineralisation from surface-based exploration work and notably stream sediment sampling. The Company had the right to acquire 100% of the Palomino Cobalt project, subject to the payment of 2,000,000 MetalNRG shares to the vendors at 1.5p per share (for £30,000 of additional consideration) and these shares have now been issued.

On 6 April 2018, the Company announced that due diligence on US Cobalt, the owner of the Goodsprings Cobalt and Base Metals Project, located in the State of Nevada, USA, had been successfully completed by Tyranna and that the parties (MetalNRG, Tyranna and US Cobalt) will work together to satisfy all conditions precedent which includes the drafting of the sale and purchase agreement. As a result of the transaction the Company will receive 21,719,457 shares in Tyranna at a current value of A\$0.017 (A\$369,230 or £206,459), for the Company's entire shareholding in US Cobalt. The Company has agreed to a 6 months trading hold on 25% of the shareholding in Tyranna on completion of the sale and purchase agreement.

Principal risks and uncertainties

The current principal risks and uncertainties facing the Company are general and economic risks, specifically currency exchange and liquidity risk together with the individual project or corporate investment risks and the potential for any investment to succeed or fail dependent on the underlying related commodity pricing or the outcome of exploration and/or project development activities. Currency exchange risk is managed by holding funds in US dollars and monitoring closely exchange fluctuations which could affect those funds. Liquidity risk is managed by the control of expenditure, the diversification of investments and the access to various sources of future business funding. Investments are made after careful board consideration and with due regard to technical assessment of underlying projects including where necessary the use of independent technical consultants.

This report was approved by the board of directors on 3 July 2018 and signed on behalf of the board by:

R. Gerritsen (Chief Executive Officer)
Director

P. Johnson (non-executive)
Director

City Group PLC
Company Secretary

Registered office:
6 Middle Street
London
EC1A 7JA

MetalNRG PLC

Directors' Report

Year ended 28 February 2018

The directors present their report and the financial statements of the Company for the year ended 28 February 2018.

The directors and their interests in the shares of the Company

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 2018	At 28 Feb 2017
C. P. Latilla-Campbell*	29,540,442	19,540,442
C. Schaffalitzky de Muckadell	2,100,000	100,000
P. Johnson	14,913,634	9,513,634
G.R.J. Heddle (Appointed 20 March 2017)	9,513,634	—
R.Gerritsen (Appointed 21 February 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
Buchanan Trading Inc*	24,750,000	15%
A.Neal	10,196,000	6%
RAB Special Situations (Master) Fund Ltd	6,500,000	4%

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

Loss for the year and dividends

The loss for the year amounted to £156,917(2017: £37,983). The directors have not recommended a dividend.

Directors remuneration

No directors' remuneration was paid in the year.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 14 to the financial statements.

MetalNRG PLC

Directors' Report *(continued)*

Year ended 28 February 2018

Disclosure of information in the strategic report

In accordance with section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the information required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the company's strategic report.

Directors' responsibilities statement

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

MetalNRG PLC

Directors' Report *(continued)*

Year ended 28 February 2018

This report was approved by the board of directors on 3 July 2018 and signed on behalf of the board by:

R. Gerritsen (Chief Executive Officer)
Director

P. Johnson (non-executive)
Director

City Group PLC
Company Secretary

Registered office:
6 Middle Street
London
EC1A 7JA

MetalNRG PLC

Independent Auditor's Report to the Members of MetalNRG PLC

Year ended 28 February 2018

Opinion

We have audited the financial statements of MetalNRG PLC (the 'company') for the year ended 28 February 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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, 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.

MetalNRG PLC

Independent Auditor's Report to the Members of MetalNRG PLC *(continued)*

Year ended 28 February 2018

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.

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.

MetalNRG PLC

Independent Auditor's Report to the Members of MetalNRG PLC *(continued)*

Year ended 28 February 2018

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.
- 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.

MetalNRG PLC

Independent Auditor's Report to the Members of MetalNRG PLC *(continued)*

Year ended 28 February 2018

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.

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

3 July 2018

MetalNRG PLC
Statement of Comprehensive Income
Year ended 28 February 2018

	Note	2018 £	2017 £
Administrative expenses		<u>157,037</u>	<u>37,983</u>
Operating loss	4	(157,037)	(37,983)
Other interest receivable and similar income	6	<u>120</u>	<u>–</u>
Loss before taxation		(156,917)	(37,983)
Tax on loss	7	<u>–</u>	<u>–</u>
Loss for the financial year and total comprehensive income		<u>(156,917)</u>	<u>(37,983)</u>
Loss per share			
Basic loss per share (pence per share)	8	(0.11)	(0.06)
Diluted loss per share (pence per share)	8	<u>(0.09)</u>	<u>(0.05)</u>

All the activities of the Company are from continuing operations.

The notes on pages 15 to 22 form part of these financial statements.

MetalNRG PLC
Statement of Financial Position
28 February 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	9	175,433	–
Current assets			
Debtors	10	2,396	23,181
Cash at bank and in hand		209,673	128,526
		<u>212,069</u>	<u>151,707</u>
Creditors: amounts falling due within one year	11	<u>14,014</u>	<u>8,308</u>
Net current assets		198,055	143,399
Total assets less current liabilities		373,488	143,399
Net assets		373,488	143,399
Capital and reserves			
Called up share capital	12	250,709	243,563
Share premium account	13	1,095,221	715,361
Profit and loss account	13	(972,442)	(815,525)
Shareholders funds		373,488	143,399

These financial statements were approved by the board of directors and authorised for issue on 3 July 2018, and are signed on behalf of the board by:

R. Gerritsen (Chief Executive Officer)
Director

P. Johnson (non-executive)
Director

Company registration number: 05714562

The notes on pages 15 to 22 form part of these financial statements.

MetalNRG PLC
Statement of Changes in Equity
Year ended 28 February 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 March 2016	241,660	667,260	(777,542)	131,378
Loss for the year	—	—	(37,983)	(37,983)
Total comprehensive income for the year	—	—	(37,983)	(37,983)
Issue of shares	1,903	48,101	—	50,004
Total investments by and distributions to owners	1,903	48,101	—	50,004
At 28 February 2017	243,563	715,361	(815,525)	143,399
Loss for the year	—	—	(156,917)	(156,917)
Total comprehensive income for the year	—	—	(156,917)	(156,917)
Issue of shares	7,146	379,860	—	387,006
Total investments by and distributions to owners	7,146	379,860	—	387,006
At 28 February 2018	<u>250,709</u>	<u>1,095,221</u>	<u>(972,442)</u>	<u>373,488</u>

The notes on pages 15 to 22 form part of these financial statements.

MetalNRG PLC
Statement of Cash Flows
Year ended 28 February 2018

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(156,917)	(37,983)
<i>Adjustments for:</i>		
Other interest receivable and similar income	(120)	–
Accrued income	–	(113)
<i>Changes in:</i>		
Trade and other debtors	20,785	(4,431)
Trade and other creditors	5,706	(2,078)
Cash generated from operations	(130,546)	(44,605)
Interest received	120	–
Net cash used in operating activities	<u>(130,426)</u>	<u>(44,605)</u>
Cash flows from investing activities		
Purchases of other investments	(175,433)	–
Net cash used in investing activities	<u>(175,433)</u>	<u>–</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	387,006	50,004
Net cash from financing activities	<u>387,006</u>	<u>50,004</u>
Net increase in cash and cash equivalents	81,147	5,399
Cash and cash equivalents at beginning of year	128,526	123,127
Cash and cash equivalents at end of year	<u>209,673</u>	<u>128,526</u>

The notes on pages 15 to 22 form part of these financial statements.

MetalNRG PLC
Notes to the Financial Statements
Year ended 28 February 2018

1. General information

MetalNRG PLC is a public company limited by shares which is incorporated in England.

The registered office is 6 Middle Street, London EC1A 7JA.

The registered number is 05714562.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the 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 financial statements are prepared in sterling, which is the functional currency of the entity.

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 financial statements requires management 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, will rarely equal 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

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

MetaINRG PLC

Notes to the Financial Statements *(continued)*

Year ended 28 February 2018

3. Accounting policies *(continued)*

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.

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.

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.

4. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2018	2017
	£	£
Impairment of debtors	17,570	—
Foreign exchange differences	<u>13,114</u>	<u>(16,147)</u>

MetalNRG PLC

Notes to the Financial Statements *(continued)*

Year ended 28 February 2018

5. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>5,940</u>	<u>6,480</u>

6. Other interest receivable and similar income

	2018	2017
	£	£
Interest on cash and cash equivalents	<u>120</u>	<u>—</u>

7. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018	2017
	£	£
Loss on ordinary activities before taxation	<u>(156,917)</u>	<u>(37,983)</u>
Loss on ordinary activities by rate of tax	<u>(29,814)</u>	<u>(7,597)</u>
Unused tax losses	<u>29,814</u>	<u>7,597</u>
Tax on loss	<u>—</u>	<u>—</u>

8. Loss per share

Basic loss per share

	2018	2017
	(0.11)	(0.06)
Basic loss per share from continuing operations (pence per share)	<u>(0.11)</u>	<u>(0.06)</u>

The loss and weighted average number of shares used in the calculation of basic loss per share are as follows:

	2018	2017
	£	£
Loss used in the calculation of basic loss per share from continuing operations	<u>(156,917)</u>	<u>(37,983)</u>

	2018	2017
	No.	No.
Weighted average number of ordinary shares in issue	<u>(138,826,404)</u>	<u>(67,359,271)</u>

MetalNRG PLC

Notes to the Financial Statements *(continued)*

Year ended 28 February 2018

8. Loss per share *(continued)*

Diluted loss per share

	2018	2017
Diluted loss per share from continuing operations (pence per share)	<u>(0.09)</u>	<u>(0.05)</u>

The loss and weighted average number of shares used in the calculation of the diluted loss per share are as follows:

	2018	2017
	£	£
Loss used in the calculation of diluted loss per share from continuing operations	<u>(156,917)</u>	<u>(37,983)</u>

	2018	2017
	No.	No.
Weighted average number of ordinary shares in issue used in the calculation of basic loss per share	(138,826,404)	(67,359,271)
Share options granted	(13,000,000)	(10,000,000)
Warrants issued	<u>(29,500,000)</u>	<u>—</u>
Weighted average number of ordinary shares in issue used in the calculation of diluted loss per share	<u>(181,326,404)</u>	<u>(77,359,271)</u>

Since the year-end, 23,750,000 new ordinary shares have been issued (2,500,000 as a result of investments, 2,500,000 as a result of a subscription, 15,750,000 as a result of the exercise of existing warrants and 3,000,000 as a result of the exercise of existing options). In addition, 18,250,000 new warrants have been issued and 8,000,000 new options have been granted. At the date of this report, the total number of ordinary shares of £0.0001 each in issue was 162,576,404, the total number of outstanding warrants was 32,000,000 and the total number of outstanding options was 18,000,000.

In calculating the basic and diluted loss per share, only ordinary shares, options and warrants are included. Deferred shares are excluded on the basis that they have no dividend or voting rights

MetalNRG PLC

Notes to the Financial Statements *(continued)*

Year ended 28 February 2018

9. Investments

	Other investments other than loans £
Cost	
At 1 March 2017	–
Additions	175,433
At 28 February 2018	175,433
Impairment	
At 1 March 2017 and 28 February 2018	–
Carrying amount	
At 28 February 2018	175,433
At 28 February 2017	–

10. Debtors

	2018 £	2017 £
Prepayments and accrued income	2,295	1,749
Other debtors	101	21,432
	2,396	23,181

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	6,945	1,239
Accruals and deferred income	7,069	7,069
	14,014	8,308

12. Called up share capital

Authorised share capital

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.0001 each	5,131,730,000	513,173	5,131,730,000	513,173
Deferred Ordinary shares of £0.0049 each	48,332,003	236,827	48,332,003	236,827
	5,180,062,003	750,000	5,180,062,003	750,000

MetalNRG PLC

Notes to the Financial Statements *(continued)*

Year ended 28 February 2018

12. Called up share capital *(continued)*

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.0001 each	138,826,404	13,883	67,359,271	6,736
Deferred Ordinary shares of £0.0049 each	48,332,003	236,827	48,332,003	236,827
	<u>187,158,407</u>	<u>250,709</u>	<u>115,691,274</u>	<u>243,563</u>

Share movements

	No.	£
Ordinary shares of £0.0001 each		
At 1 March 2017	67,359,271	6,736
Issue of shares	71,467,133	7,147
At 28 February 2018	<u>138,826,404</u>	<u>13,883</u>

The number of shares outstanding at the year end date for all other classes of shares is consistent with the prior year.

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

500,000 exercisable share options held by directors on ordinary shares of £0.0001 each at an exercise price of £0.005 per share. These expire on 7 November 2019.

9,500,000 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.

3,000,000 exercisable share options held by directors on ordinary shares of £0.0001 each at an exercise price of £ 0.005 per share. These expire on 15 March 2020.

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

3,750,000 exercisable share warrants held by directors on ordinary shares of £0.0001 each at an exercise price of £ 0.001 per share. These expire on 30 September 2018.

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.

MetalNRG PLC

Notes to the Financial Statements *(continued)*

Year ended 28 February 2018

13. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

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

14. Events after the end of the reporting period

As announced on 23 February 2018, the Company is pursuing a new strategic development plan, specifically to invest in privately owned companies, which have an interest in seeking an IPO on the London markets, which the Company can assist with.

The Company will receive fees payable in shares in the listed entities upon successfully completing their IPOs. In January 2018, the Company facilitated the creation of Cobra Resources Limited and helped coordinate its IPO process which is expected to be completed by the end of July 2018. The Company's fees, payable in 4,166,666 Cobra Resources shares, is expected upon completion of the IPO.

To ensure sufficient managerial resources were available to the Board and to assist in the Company's new strategic development plan, on 23 February 2018, Paul Johnson stepped down as the Chief Executive Officer and the Company appointed Rolf Gerritsen as the Company's new Chief Executive Officer. Paul Johnson remains on the Board as a Non-Executive Director and is focused on new project opportunities and assisting the new Chief Executive Officer with the development of new listed vehicles. The Company's intention through the above developments is to become a London focused mining investment and development house, providing a mechanism for quality resource project owners to see proactive advancement, financing and listing/quotation for their resource opportunities.

On 6 March 2018, the Company announced that the Application for the Company, to have the right to acquire 100%, of exploration licence E46/1167, the Palomino Project, was granted by the Western Australia Department of Mines, Industry Regulation and Safety.

Licence E46/1167 represents an area covering ten graticular blocks or circa 31.9 square kilometres of ground. The area covered by the Palomino Cobalt Project is prospective for cobalt, with significant evidence of cobalt mineralisation from surface-based exploration work and notably stream sediment sampling. The Company had the right to acquire 100% of the Palomino Cobalt project, subject to the payment of 2,000,000 MetalNRG shares to the vendors at 1.5p per share (for £30,000 of additional consideration) and these shares have now been issued.

On 6 April 2018, the Company announced that due diligence on US Cobalt, the owner of the Goodsprings Cobalt and Base Metals Project, located in the State of Nevada, USA, had been successfully completed by Tyranna and that the parties (MetalNRG, Tyranna and US Cobalt) will work together to satisfy all conditions precedent which includes the drafting of the sale and purchase agreement. As a result of the transaction the Company will receive 21,719,457 shares in Tyranna at a current value of A\$0.017 (A\$369,230 or £206,459), for the Company's entire shareholding in US Cobalt. The Company has agreed to a 6 months trading hold on 25% of the shareholding in Tyranna on completion of the sale and purchase agreement.

MetalNRG PLC

Notes to the Financial Statements *(continued)*

Year ended 28 February 2018

15. 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 £3,750 (2017: £3,000) represent proportional recharges in respect of the time spent on Company business by the LFIC company accountant. At the year end trade creditors included an amount of £250 (2017: £250) outstanding to LFIC.

MetalNRG PLC
Financial Statements
28 February 2017

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The board of directors	C.P. Latilla-Campbell
	C. Schaffalitzky de Muckadell
	P. Johnson
	G.R.J. Heddle
Company secretary	City Group Plc
Registered office	6 Middle Street
	London
	EC1A 7JA
Auditor	Edwards Veeder (UK) Limited

	Chartered accountant & statutory auditor
	4 Broadgate
	Broadway Business Park
	Chadderton
	Oldham
	OL9 9XA

Bankers	Lloyds TSB Bank plc
	39 Threadneedle Street
	London
	EC2R 8PT

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

Business review

The principal activity of the company during the year was that of an investment holding company.

The results for the year are a reflection of the minimal cost of keeping your company administered whilst continuing searching for suitable opportunities. The actual costs were £45,730 (2016:36,862) adjusted for currency gains £16,147 (2016: £13,277). Your directors have maintained most funds in US dollars as that is the currency they anticipate any deal is likely to be conducted in.

During the year the Company continued to restructure the business and alongside this restructuring investigate potential investments in line with the Company's stated investing policy.

Paul Johnson, then CEO of Metal Tiger plc, became a Non-Executive Director of MetalNRG in March 2016 to assist with business development alongside Chairman Christopher Latilla Campbell and Non-Executive Director Christian Schaffalitzky. The board continues to waive their fees until a suitable investment opportunity is identified.

At the General Meeting in March 2016 shareholders approved a capital reorganisation and the implementation of a new Investing Policy. This Investing Policy includes the following:

'to invest in and/or acquire companies and/or projects within the natural resources and/or energy sector with potential for growth and value creation, over the medium to long term. The Company will also consider opportunities in other related sectors if the Board considers there is an opportunity to generate an attractive return for Shareholders. This will include natural resource technologies and fintech opportunities offering leverage to resource identification, processing, recording, storage and trading businesses'

Post year end events

Since 28 February 2017, the following post year end events have taken place.

- On March 6 2017 Paul Johnson became CEO of MetalNRG plc and on March 20 2017 Gervaise Heddle, CEO of Greatland Gold plc became a Non-Executive Director;

- Also on March 20 2017 the Company undertook a strategic financing raising £342,500 in which director contributions were £50,000;

- On March 31 2017 the Company appointed SI Capital as its corporate broker and on June 21 2017 Peterhouse Corporate Finance Limited as its NEX Exchange Corporate Adviser. The change of advisers was undertaken to ensure the Company has the correct advisory network necessary during the planned aggressive growth of the business;

- The work of the Company to identify suitable opportunities has accelerated in 2017 and it is anticipated that various market updates will be issued in the near term with further information. Of particular note the Company is actively involved with commercial discussions surrounding various cobalt copper/zinc and resource based fintech related opportunities.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are general and economic risks, specifically currency exchange and liquidity risk. Currency exchange risk is managed by holding funds in US dollars, and monitoring closely exchange fluctuations which could affect those funds. Liquidity risk is managed by the control of expenditure, but is ultimately dependent on the success of any future viable investment projects.

This report was approved by the board of directors on 29 June 2017 and signed on behalf of the board by:

C. Schaffalitzky de Muckadell	City Group Plc
Director	Company Secretary

Registered office:
6 Middle Street
London
EC1A 7JA

The directors present their report and the financial statements of the company for the year ended 28 February 2017.

The directors and their interests in the shares of the company

The directors who served the company during the year were as follows:

	Ordinary shares	
	of £0.0001 each	of £0.005 each
	28 February 2017	29 February 2016
C.P. Latilla-Campbell	5,290,442	5,290,442
C. Schaffalitzky de Muckadell	100,000	100,000
P. Johnson (appointed 11 March 2016)	9,513,634	
J.C.W. De Thierry (resigned 22 March 2016)		2,300,000

Dividends

The loss for the year amounted to £37,893 (2016: £23,585). The directors have not recommended a dividend.

Substantial interests

At the date of the 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:

	No of Ordinary shares of	
	£0.0001 each	%age
Somers Investments Limited	21,250,000	15.64
Credit Suisse Client Nominees (UK) Limited	7,500,000	5.52

Somers Investments Limited is controlled by a discretionary trust, of which C.P. Latilla-Campbell is a potential beneficiary.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the information required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the company's Strategic Report.

Directors' responsibilities statement

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This report was approved by the board of directors on 29 June 2017 and signed on behalf of the board by:

C. Schaffalitzky de Muckadell	City Group Plc
Director	Company Secretary

Registered office:
6 Middle Street
London
EC1A 7JA

We have audited the financial statements of MetalNRG PLC for the year ended 28 February 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The

Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

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

29 June 2017

		2017	2016
	Note	£	£

Administrative expenses		37,983	23,585
Operating loss	3	(37,983)	(23,585)

Loss before taxation		(37,983)	(23,585)
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Tax on loss	5	–	–
Loss for the financial year and total comprehensive income		(37,983)	(23,585)

Earnings per share

Basic earnings/(loss) per share (pence per share)	6	(0.06p)	(0.05p)
Diluted earnings/(loss) per share (pence per share)	6	(0.05p)	(0.05p)

All the activities of the company are from continuing operations.

		2017	2016
	Note	£	£

Current assets

Debtors	7	23,181	18,750
Cash at bank and in hand		128,526	123,127
		151,707	141,877

Creditors: amounts falling due within one year	8	8,308	10,499
Net current assets		143,399	131,378
Total assets less current liabilities		143,399	131,378
Net assets		143,399	131,378

Capital and reserves

Called up share capital	9	243,563	241,660
Share premium account	10	715,361	667,260
Profit and loss account	10	(815,525)	(777,542)
Members funds		143,399	131,378

These financial statements were approved by the board of directors and authorised for issue on 29 June 2017, and are signed on behalf of the board by:

C. Schaffalitzky de Muckadell	
Director	

Company registration number: 05714562

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 March 2015	241,660	667,260	(753,957)	154,963
Loss for the year			(23,585)	(23,585)
Total comprehensive income for the year	–	–	(23,585)	(23,585)
At 29 February 2016	241,660	667,260	(777,542)	131,378
Loss for the year			(37,983)	(37,983)
Total comprehensive income for the year	–	–	(37,983)	(37,983)
Issue of shares	1,903	48,101	–	50,004
Total investments by and distributions to owners	1,903	48,101	–	50,004
At 28 February 2017	243,563	715,361	(815,525)	143,399

	2017 £	2016 £
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Cash flows from operating activities

Loss for the financial year	(37,983)	(23,585)
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Adjustments for:

Accrued income	(113)	(588)
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Changes in:

Trade and other debtors	(4,431)	(1,707)
Trade and other creditors	(2,078)	1,879
Cash generated from operations	(44,605)	(24,001)
Net cash used in operating activities	(44,605)	(24,001)

Cash flows from financing activities

Proceeds from issue of ordinary shares	50,004	–
Net cash from financing activities	50,004	–

Net increase/(decrease) in cash and cash equivalents	5,399	(24,001)
Cash and cash equivalents at beginning of year	123,127	147,128
Cash and cash equivalents at end of year	128,526	123,127

Basis of preparation

The financial statements have been prepared on the 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 financial statements are prepared in sterling, which is the functional currency of the entity.

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 financial statements requires management 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, will rarely equal 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.

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.

1. General information

MetalNRG plc is a public company limited by shares which is incorporated in England.

The registered office is 6 Middle Street, London EC1A 7JA.

The registered number is 05714562.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

3. Operating profit

Operating profit or loss is stated after crediting:

	2017	2016
	£	£
Foreign exchange gains	16,147	13,277

4. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	5,900	5,400
Fees payable in respect of previous year audit	580	—

5. Tax on loss

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017	2016
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	£	£
Loss on ordinary activities before taxation	(37,983)	(23,585)
Loss on ordinary activities by rate of tax	(7,597)	(4,717)
Unused tax losses	7,597	4,717
Tax on loss	–	–

6. Earnings per share

Basic earnings per share

	2017	2016
Basic earnings/(loss) per share from continuing operations (pence per share)	(0.06p)	(0.05p)

The earnings and weighted average number of shares used in the calculation of basic earnings per share are as follows:

	2017	2016
	£	£
Earnings used in the calculation of basic earnings per share from continuing operations	(37,983)	(23,585)

	2017	2016
	No.	No.
Weighted average number of ordinary shares in issue	(67,359,271)	(48,332,003)

Diluted earnings per share

	2017	2016
Diluted earnings/(loss) per share from continuing operations (pence per share)	(0.05p)	(0.05p)

The earnings and weighted average number of shares used in the calculation of the diluted earnings per share are as follows:

	2017	2016
	£	£
Earnings used in the calculation of diluted earnings per share from continuing operations	(37,983)	(23,585)

	2017	2016
	No.	No.
Weighted average number of ordinary shares in issue used in the calculation of basic earnings per share	(67,359,271)	(48,332,003)
Share options granted	(10,000,000)	(4,000,000)
Weighted average number of ordinary shares in issue used in the calculation of diluted earnings per share	(77,359,271)	(52,332,003)

Since the year end there have been a placing of 59,000,000 ordinary shares. In addition to this Directors exercised options on 9,500,000 shares.

This brings the total ordinary 0.01p shares in issue at the date of this report to 135,859,271.

Under the terms of the options this early exercise triggered a further issue of options of 9,500,000. A further 3,000,000 share options were issued in March 2017 bringing the total number of options now in issue to 13,000,000.

In calculating Earnings per Share, only ordinary shares and options are included. Deferred shares are excluded on the basis they have no dividend or voting rights.

7. Debtors

	2017	2016
	£	£
Prepayments and accrued income	1,749	1,230
Other debtors	21,432	17,520
	23,181	18,750

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,239	3,317
Accruals and deferred income	7,069	7,182
	8,308	10,499

9. Called up share capital

Authorised share capital

	2017		2016	
	No.	£	No.	£
Ordinary 0.5p shares shares of £0.005 each	—	—	150,000,000	750,000
Ordinary 0.01p shares shares of £0.0001 each	150,000,000	15,000	—	—
Deferred Ordinary shares of £0.0049 each	150,000,000	735,000	—	—
	300,000,000	750,000	150,000,000	750,000

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of 0. 5p each	—	—	48,332,003	241,660
Ordinary shares of 0. 01p each	67,359,271	6,736	—	—
Deferred Ordinary shares of 0. 49p each	48,332,003	236,827	—	—
	115,691,274	243,563	48,332,003	241,660

Share movements

	No.	£
Ordinary 0.5p shares		
At 1 March 2016	48,332,003	241,660
Shares cancelled	(48,332,003)	(241,660)
At 28 February 2017	—	—

	No.	£
Ordinary 0.01p shares		
At 1 March 2016	—	—
Issue of shares	67,359,271	6,736
At 28 February 2017	67,359,271	6,736

	No.	£
Deferred Ordinary		
At 1 March 2016	—	—
Issue of shares	48,332,003	236,827

At 28 February 2017	48,332,003	236,827
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At the year end there were 10,000,000 exercisable share options held by directors on ordinary 0.01p shares at an exercise price of 0.5p. These options can be exercised up to 19 November 2019. For each share option exercised before 19 November 2017 a further option of a share is triggered at £0.75. For each share option exercised between 20 November 2017 and 20 November 2018 a further option of half a share is triggered at £0.75. These further options also expire on 19 November 2019.

At 29 February 2016 there were 4,000,000 exercisable share options held by directors on ordinary £0.005 shares at £0.02

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 have no other rights to participate in the assets of the company.

10. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

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

11. Events after the end of the reporting period

Since 28 February 2017, the following post year end events have taken place.

- On March 6 2017 Paul Johnson became CEO of MetalNRG plc and on March 20 2017 Gervaise Heddle, CEO of Greatland Gold plc became a Non-Executive Director;
- Also on March 20 2017 the Company undertook a strategic financing raising £342,500 in which director contributions were £50,000;
- On March 31 2017 the Company appointed SI Capital as its corporate broker and on June 21 2017 Peterhouse Corporate Finance Limited as its NEX Exchange Corporate Adviser. The change of advisers was undertaken to ensure the Company has the correct advisory network necessary during the planned aggressive growth of the business;
- The work of the Company to identify suitable opportunities has accelerated in 2017 and it is anticipated that various market updates will be issued in the near term with further information. Of particular note the Company is actively involved with commercial discussions surrounding various cobalt copper/zinc and resource based fintech related opportunities.

12. Related party transactions

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

C.P. Latilla-Campbell is a director and shareholder of this company and also a director and sole shareholder of London Finance & Investment Corporation Limited (LFIC). Accountancy charges incurred by this company amounting to £3,000 (2016: £3,500) represent proportional recharges in respect of the time spent on company business by the LFIC company accountant. At the year end trade creditors included an amount of £250 (2016: £nil) outstanding to LFIC.

