

MetalNRG plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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MetalNRG plc

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MetalNRG plc

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

SECRETARY

City Group PLC
1 Ely Place
London, EC1N 6RY

REGISTERED OFFICE

1 Ely Place
London, EC1N 6RY

BROKER

Peterhouse Capital Limited
80 Cheapside
London, EC2V 6EE

BROKER

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

AUDITOR

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

SOLICITORS

Orrick, Herrington & Sutcliffe (UK) LLP
107 Cheapside
London, EC2V 6DN

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

BOARD OF DIRECTORS

The directors and officers of the Company during the financial year ended 31 December 2021 were as follows:

DIRECTORS

Christopher Peter Latilla-Campbell

Non-Executive Chairman

Appointed to the Board on 20 February 2006

Christopher Latilla-Campbell (aged 62) is a member of the Institute of Chartered Accountants in Zimbabwe. He has held a number of directorships including a group listed in Luxembourg and Johannesburg with investments in South African mining, agriculture and manufacturing. He was also part of the Afpenn Group that established the existence of Coalbed Methane in Zimbabwe.

Christopher Latilla-Campbell is also a member of the Management Committee of Golden Valley Mine in Zimbabwe and sits on a number of family boards and Trusts. He was a founding shareholder and Director of MetalNRG plc.

Christopher Latilla-Campbell is a member and Chairman of the Company's Audit Committee and a member of the Company's Remuneration Committee.

Rolf Ad Gerritsen

Chief Executive Officer

Appointed to the Board on 21 February 2018

Rolf Gerritsen (aged 59) is an entrepreneurial executive, with strategic, organisational, commercial and financial skills with a strong delivery record developed over the last 30 years. In recent years, he has had a specific focus on the Natural Resources sector.

Rolf Gerritsen's core strengths include strategy development, strategy implementation and sourcing capital for growth companies, special situations and restructuring. He has a proven ability to develop creative solutions to complex business issues. His international work experience has included Europe, USA, Africa, Australia, the Middle East, the Far East and South America.

Over the last few years, Rolf Gerritsen has worked with the boards of listed and private mining companies developing, designing and implementing growth strategies while ensuring the appropriate capital is sourced to deliver the plan.

Christian Schaffalitzky de Muckadell

EurGeol, FIMMM, PGeo, CEng

Non-Executive Director

Appointed to the Board on 20 August 2013

Christian Schaffalitzky de Muckadell (aged 68) has over 40 years' experience in minerals exploration working for companies and also as founder and principal of the geological consultancy CSA.

Christian Schaffalitzky de Muckadell co-established Ivernia West PLC, where he led the exploration, discovery and development of the Lisheen zinc deposit in Ireland and he is currently active in precious and base metals minerals exploration and development in Russia and the former Soviet Union as Managing Director of Eurasia Mining plc (LON:EUA). He is also chairman of Kibo Mining plc (LON:KIBO).

Christian Schaffalitzky de Muckadell is a member and Chairman of the Company's Remuneration Committee and a member of the Company's Audit Committee.

MetalNRG plc

STRATEGIC REPORT

The Directors present the strategic report for MetalNRG plc (the “Company” or “MetalNRG”, and collectively with its subsidiary companies, the “Group”) for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The Company’s principal activity during the year was that of a natural resources and energy investing company listed on the Main Market for listed securities of the London Stock Exchange.

BUSINESS REVIEW

At the beginning of 2021, the Company held investments in International Mining Company Invest (“IMC”); Uranium in Kyrgyzstan, Goldridge Holdings Limited (“Gold Ridge”); Gold in Arizona and was contemplating an additional investment in a Gold Project in Tanzania via the acquisition of Lake Victoria Gold (“LVG”). Additionally, the Company planned, with the conversion of a Convertible Loan Note (“CLN”), to hold 50% of the equity in BritNRG Limited (“BritNRG”), a vehicle used to acquire conventional oil & gas assets onshore in the UK.

Subsequent to agreeing to make the investment in BritNRG, various issues relating to direct and indirect interests of Mr Pierpaolo Rocco in the co-investor in BritNRG, BritENERGY Holdings LLP (“LLP”), came to light which resulted in the Board accepting the resignation of Mr Rocco as a Director on 19 October 2021 and Mr Rocco’s employment being terminated by the Company on 21 December 2021. Claims have since been lodged by both parties which are outlined on page 50.

Following detailed due diligence, the Board decided not to proceed with the LVG acquisition as there were a number of commercial issues the Board was not satisfied with. The financial support supplied to LVG during the year was converted into equity and the Company now holds a minority equity position in LVG.

In March 2021, the Company announced an exciting business development partnership agreement with EQTEC Plc, a company listed on the AIM market, which is a world leading gasification technology solutions company for sustainable waste-to-energy projects. In May 2021, the Company announced that it had made its first investment with EQTEC in a waste to energy project in Italy via a vehicle created specifically for green energy projects.

The MetalNRG Board sees green, sustainable energy projects as a major opportunity and a key area for growth investments over the coming years. MetalNRG intends to position itself as an Infrastructure Investor, which alongside its technical partner, EQTEC, will invest in projects that are close to delivering revenues. The project teams of both companies then focus on stabilising revenues and profits and then together sell onto investors looking for sustainable and predictable revenue streams. MetalNRG’s value proposition in this space is to develop projects that offer a solid upside that can be sold on.

MetalNRG had investments in the following projects at the end of 2021:

Gold Ridge – Gold in Arizona. The initial plan called for the exploitation of waste dumps and pillars left behind by previous operators. Following the completion of a detailed Competent Person Report by SRK Consulting, which included their recommendations, the Board decided to change its approach. In essence, the SRK report recommended that MetalNRG develop a full and detailed understanding of the areas’ geology and mineralisation as they suggested the area offers a better economic prospect that would be compromised if the waste dumps and pillars were to be exploited upfront. As a result, the Company proceeded with detailed desktop research and the amalgamation of all previous records and results of various campaigns to develop a new database for Gold Ridge. Following the completion of this work, the Company followed SRK’s advice and completed an on-site geochemical sampling program and we are now awaiting laboratory results so that we can determine the next steps forward. The Company is in a process of establishing whether Gold Ridge is more than just a number of previously producing gold mines, and that in fact there is a much larger opportunity available for economic development.

MetalNRG plc

STRATEGIC REPORT (continued)

BritNRG – UK Conventional Onshore Oil & Gas. MetalNRG supplied BritNRG with a Convertible Loan Note, which under certain conditions could be converted to give MetalNRG a 50% equity stake in BritNRG. However, due to a number of issues related to this transaction, the conversion was not completed in accordance with the original plan and the transaction (which has been rescinded) is currently the subject of legal proceedings. The Company has brought legal proceedings against Mr Rocco, a former Director, BritENERGY Holdings LLP (the JV partner in BritNRG) and BritNRG itself. The Board and its legal advisors are confident of the Company's position.

When the transaction was completed the Company acted as financial guarantor for BritNRG with the North Sea Transition Authority. Due to the change in the interest the Company has in BritNRG, we are in correspondence with the Oil and Gas Authority ("OGA") to seek clarity on our position as we no longer meet the criteria of being a parent entity of BritNRG.

Additionally, on 9 October 2020, BritNRG (as buyer) and Mr Rupert Lycett-Green (as seller) entered into a Share Purchase Agreement for the sale and purchase of the entire issued share capital of Sunswept Enterprises Limited with the Company as Guarantor. On 22 November 2021, Mr Lycett-Green commenced proceedings against the Company (as guarantor) pursuant to BritNRG's alleged default on its payment obligations under the Share Purchase Agreement. This claim is currently stayed until 15 July 2022 at the request of Mr Lycett-Green.

EQTEC Italia – Waste to Energy Project In Italy. In May 2021, the Company announced, in partnership with EQTEC plc, its participation in the acquisition and planned recommissioning of a 1MWe waste-to-energy plant in Italy. Originally commissioned in 2015, the plant was built around EQTEC's proprietary and patented Advanced Gasification Technology.

MetalNRG joined a consortium led by EQTEC to repower, own and operate the biomass-to-energy plant (the "Plant") in Castiglione d'Orcia, Tuscany, Italy. Once operational, it is intended that the plant will transform straw and forestry wood waste from local farms and forests into green electricity and heat for use in the local community.

In March 2022, Eqtec Italia MDC in Italy, updated the Company that the thermal cracking reactor and heat exchanger had been assembled and the piping at the plant was installed. The drying and feeding system, a further development improvement to increase the projects IRR, were ordered and are expected to be on site, on time, to meet the planned commissioning of the plant in the 2nd half of 2022.

IMC – Uranium Project in Kyrgyzstan. The Company continues to hold its investment in IMC's Kyrgyzstan Uranium project which was issued a mining licence in April 2020. However, project operations are currently on hold due to the Government in Kyrgyzstan banning the exploitation of Uranium. There have been a number of political developments in recent months and the indications are that IMC is likely to have the licence re-instated. However, there are no guarantees at this point and we await further news and confirmation from the Kyrgyzstan Government. With the price of Uranium at current levels the project offers enhanced financial benefits from the original plans.

LVG – Gold in Tanzania. MetalNRG holds a minority equity position in this Gold project in Tanzania which the current owners are seeking to bring into production. MetalNRG will not be increasing its equity position and have received regular updates from LVG.

RESULTS AND DIVIDENDS

The loss of the Group for the year ended 31 December 2021, after taxation, attributable to equity holders of MetalNRG, the Parent Company, amounted to £1,864,279 (2020: £810,133 loss).

The Directors do not recommend the payment of dividends but are working towards establishing a suitable dividend policy can be considered in the future (2021: £nil).

MetalNRG plc

STRATEGIC REPORT (continued)

EVENTS AFTER THE REPORTING PERIOD

There are no significant post period events to disclose for the year ended 31 December 2021, other than those set out in Note 19 to the Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Managements of the business and the execution of the Board's strategy are subject to a number of key risks and uncertainties:

Mineral exploration

Inherent with mineral exploration is that there are no guarantees that the Company can identify a mineral resource that can be extracted economically. In order to minimise this risk and to maximise the Company's chance of long-term success, we are committed to the following strategic business principles:

- The Board regularly reviews the Company's exploration and development programmes and allocates capital in a manner that it believes will maximise risk-adjusted return on capital.
- The Board applies advanced exploration techniques to areas and regions that it believes are relatively under-explored historically.
- Exploration work is conducted on a systematic basis. More specifically, exploration work is carried out in a phased, results-based fashion and leverages a wide range of exploration methods including modern geochemical and geophysical techniques and various drilling methods.
- The Board focuses the Company's activities on jurisdictions that the Board believes represent low political and operational risk. Moreover, the Board strongly prefers to operate in jurisdictions where the Company's exploration teams have considerable 'on the ground' experience. At the present time, all of the Company's exploration related projects are in Arizona, USA, a country with established mining codes, stable government, skilled labour force, excellent infrastructure and a well-established mining industry.

Commodity price risk

The principal commodities that are the focus of the Company's exploration and development efforts (precious metals and base metals specifically gold and copper) are subject to highly cyclical patterns in global demand and supply, and consequently, the price of those commodities can be highly volatile.

Recruiting and retaining highly skilled directors and employees

The Company's ability to execute its strategy is highly dependent on the skills and abilities of its people. The Board undertakes ongoing initiatives to foster good staff engagement and ensure that remuneration packages are competitive in the market.

Occupational health and safety

Every Director and employee of the Company is committed to promoting and maintaining a safe workplace environment, including adopting COVID safe work practices. The Company regularly reviews occupational health and safety policies and compliance with those policies. The Company also engages with external occupational health and safety expert consultants to ensure that policies and procedures are appropriate as the Company expands its activity levels.

COVID-19

The COVID-19 Coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. The Group may continue to be affected by disruptions to its operations, in light of government responses to the spread of COVID-19 or other potential pandemics. The Board is aware of the various risks that the pandemic presents that include but are not limited to financial, operational, staff and community health and safety, logistical challenges and government regulation. At present, the Board believes that there should be no significant material disruption to its operations in the near term, but the Board continues to monitor these risks and the Group's business continuity plans.

MetalNRG plc

STRATEGIC REPORT (continued)

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 and 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 that a counterparty fails to discharge its obligations. At 31 December 2021, (2020: £nil) no shares in the Company were un-paid for and no assets were impaired.

The Company's credit risk primarily arises from inter-company debtors, which are considered to form part of the Company's investment in the subsidiaries (see Note 8 to the Financial Statements) and cash at bank and other debtors. 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 directors believe the fair value of the financial instruments is not materially different to the book value.

Foreign currency risk

The Group has a United States subsidiary and it operates in Europe through its UK subsidiary with an investment in Italy, which can affect the Group's sterling denominated reported results as a consequence of movements in the Sterling/US dollar/Euro 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 (2020: £nil).

Market risk

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

KEY PERFORMANCE INDICATORS (KPIs)

The financial statements of a natural resource investing company can provide a moment in time snapshot of the financial health of the Company but do not provide a reliable guide to the performance of the Company or its Board.

At this stage in the Company's development the Directors regularly monitor key performance indicators associated with funding risk, being primarily projected cash flows associated with general administrative expenses and projected cash flows on a project-by-project basis. This year, the Company has been able to raise the funds as needed to finance its activities.

KPIs are not appropriate as a means of assessing the value creation of a company which is involved in natural resource investments, and which currently has no turnover. The Board considers that the detailed information in the Business Review in the Strategic Report is the most appropriate guide to the Group's performance during the year.

MetalNRG plc

STRATEGIC REPORT (continued)

SECTION 172(1) STATEMENT

MetalNRG and its Board members understand the importance and relevance of considering stakeholder groups in long term decision making; we therefore engage in a systematic manner with our key stakeholders.

First and foremost, the Directors act in a way that they consider, in good faith and with the information available, to be most likely to promote the success of our Company and of all our stakeholders. This includes considering the interests of employees, contractors, advisors and consultants, maintaining high standards of business conduct while considering the impact on communities and the environment.

Section 172 specifies that the Directors must act in good faith when promoting the success of the Company and have regards (amongst other things) to the following:

- the likely consequences of any Board decision in the long-term;
- to the extent the Company has employees, the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company's maintaining a reputation for high standards of business conduct;
- and to act fairly as between members of the Company

The Board of Directors is collectively responsible for the decisions made towards the long-term success of the Company.

Considering the broad range of interests in the Company is an important part of the way the Board makes decisions; however, in balancing those different perspectives, it won't always be possible to deliver everyone's desired outcome.

Engaging with stakeholders

We consistently engage with stakeholders to inform our decisionmaking and to support the Board's understanding of how our activities impact them. Specifically, the Directors take time to meet and discuss various topics with our advisors, contractors, suppliers, brokers and our shareholders.

The Board considers and discusses information received from across the organisation to help it understand the impact of its operations, and the interests and views of our key stakeholders. The Board of Directors are presented with a CEO report and financial management accounts on a monthly basis and from time to time commentary from other relevant executive team members. The CEO report and financial management accounts form the basis for formal Board meetings. In addition to the formal Board meetings, but also informal meetings of the Board are regularly held. At the beginning of each financial year, a strategic business plan and budgets are presented to the Board by the CEO and these form the basis for on ongoing and regular reviews of the Company's performance.

The Company regularly releases social media commentary, which any stakeholder can reply to, our PR advisors monitor comments on social media and will review the comments with the CEO and together they will develop and adjust their communications plan based on issues that arise.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

Employees, contractors and consultants

The Company has few employees, however we do work with a number of contractors and consultants and the Board will engage with all three of the above as we see them as an extension of the Company when working together. We hold regular face to face and zoom meetings to ensure that all health & safety matters are adhered to and that the Company's Code of Conduct is followed by all. We also actively seek their input to further improve performance, health and safety and our own engagement processes. Due to the fact that we work with specialist consulting firms, we also recognise that in certain areas their knowledge and expertise might be better than our own and we will take advice from them but we will retain ultimate responsible on those matters.

MetalNRG plc

STRATEGIC REPORT (continued)

SECTION 172(1) STATEMENT, continued

Partners

The Company works in close partnership with EQTEC plc to develop waste to energy projects which is part of our efforts towards zero emission. Our first joint investment in Italy is a good example of how we work closely together in the interest of all stakeholders involved in the project. While recommissioning the plant we have been involved with all decision making processes, engaging with local political representatives who have an interest in the project while at the same time working closely with the contractors and suppliers on site to secure ultimate success. We have attended regular meetings and are part of the Board of the SPV set up to manage the project.

Governments & Regulators

We seek to build strong and transparent relations with host governments and regulatory bodies, this is carried out by the Board members of the SPV's who are charged with developing the specific asset, together we will agree the framework to follow and they will adopt it to the local environment and regulation and report back to the Company's main Board via monthly reports. These reports are discussed at Board meetings and the CEO is charged with supplying the SPV's management and Board with feedback. For example our partner in Kirgizstan holds regular meetings with government representatives in country seeking to resolve the uranium mining license suspension in country. Prior to any meeting we discuss our approach internally and following every meeting the local management team supplies the Board with a written report on the meeting and supplies us with any written correspondence along with its translation, the Board will discuss these documents and will supply feedback were required.

Community & Environment

MetalNRG is extremely conscious of the potential impact on the environment its activities may have and also the local communities. As a Board we consider these aspects carefully in our decision making and we ensure that environmental considerations and implications are integrated in the business plans developed by the SPV's developing specific assets. The SPV also have to follow their industry requirements on environmental impact and in most of our assets environment impact studies must be presented to the regulators. The Company's Board will work with the SPV's management to adhere to the regulators requirements and provide guarantees as and when they might be required.

Maintaining High standards of Business Conduct

MetalNRG Plc is incorporated in the UK and governed by the Companies Act 2006. The company has adopted a Code of Conduct and the Board recognises the importance of maintaining a good level of corporate governance, which together with the requirements to comply with Market Regulatory rules ensure that stakeholders interest are safeguarded. The Board requires ethical behaviour and business practices to be implemented throughout its business and the SPV's it has an interest in. Our anti-bribery statement is clear and straightforward and the Company expects and demands professional, honest and fair behaviour at all times and there is a zero tolerance for bribery and unethical behaviour, which as a Board we follow with conviction.

Shareholders

As a listed company on the London Stock exchange, the Board responsibilities are clear and spelled out, our legal advisors work closely with us on ensuring compliance. The investor section on our web site serves as our primary method for shareholder communications, we publish our reports, results and other relevant information on the Company and its assets. Regular dialogue is maintained with our shareholders through presentations, meetings and social media. The Company conducts a quarterly review of its shareholders and reviews the results at Board level, the Board also engages formally with shareholders at the AGM.

The requirements for compliance to section 172 of the Companies Act will be monitored on an ongoing basis and the Board is committed to making ongoing improvements in this area.

MetalNRG plc

STRATEGIC REPORT (continued)

CLIMATE RELATED FINANCIAL DISCLOSURES

Following the Government's announcement to extend the mandatory reporting against the disclosure framework published by the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (the "TCFD"), which came into effect on 17 January 2022, the Company will be required to make climate-related financial disclosures ("CRFDs") in the financial year commencing 6 April 2022 which are due to be published next year.

Accordingly, the Company will disclose the following information:

- 1) a description of the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities;
- 2) a description of how the Company identifies, assesses, and manages climate-related risks and opportunities;
- 3) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the Company's overall risk management process;
- 4) a description of:
 - a. the principal climate-related risks and opportunities arising in connection with the Company's operations, and
 - b. the time periods by reference to which those risks and opportunities are assessed;
- 5) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the Company's business model and strategy;
- 6) an analysis of the resilience of the Company's business model and strategy, taking into consideration different climate-related scenarios;
- 7) a description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and
- 8) a description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based.

CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Group's ability to continue as a going concern and develop its mining, exploration and investment 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

R. Gerritsen

Rolf Gerritsen
Director and Chief Executive Officer
28 April 2022

MetalNRG plc

DIRECTORS' REPORT

The Directors are pleased to submit their Annual Report and audited financial statements for MetalNRG plc (the "Company" and collectively with its subsidiaries the "Group") for the year ended 31 December 2021.

The Strategic Report set out on pages 3 to 9 contains details of the Group's principal activities and includes an Operational Review which provides detailed information on the development of the Group's businesses during the year ended 31 December 2021 and which provided indications of likely future developments and events that have occurred after the Balance Sheet date. The Strategic Report also contains details of Risks and Uncertainties, set out on pages 5 and 6, of the Group's exposure to risks and uncertainties and the Company's risk management.

This Directors' Report includes the information required to be included under the Companies Act 2006 or, where provided elsewhere, an appropriate cross-reference is given. The Corporate Governance Statement, approved by the Board, is provided on pages 16 to 20 and is incorporated by reference herein.

GOING CONCERN

In common with many other natural resource investing and mineral exploration companies, the Company raises finance for its natural resources and energy investing activities in tranches as and when required. When any of the Group's projects move to the development stage specific project financing is required.

The Directors prepare budgets that extend beyond the period of 18 months from the date of this report. Taking into account the Company's cash resources at the year-end, these projections include the proceeds of further fund-raising that may be required within the next 12 months to meet the Group's overheads and planned project expenditure and maintain the Company and its subsidiaries as going concerns. Although the Company has been successful in raising funding in the past, there is no guarantee that it will be able to raise sufficient funding in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Company's and the Group's ability to continue as going concerns and accordingly the Company and the Group may be unable to realise their assets and discharge their liabilities in the normal course of business. Nevertheless, the Directors are confident that they will be able to secure additional funding when required to meet further costs for the foreseeable future as well as its corporate overheads and the Directors therefore believe that the going concern basis is appropriate for the preparation of the Group's financial statements.

RISKS AND UNCERTAINTIES AND FINANCIAL INSTRUMENTS

The business of mineral exploration, evaluation and development has inherent risks. The Company's exposure to risks is explained in Risks and Uncertainties in the Strategic Report set out on pages 5 and 6 together with the policies of the Board for the review and management of those risks.

THE GROUP'S PERFORMANCE AND FUTURE DEVELOPMENTS

A review of the Group's projects and their performance during the financial year and details of future developments and an indication of the outlook for the future, are contained in the Strategic Report on pages 3 to 9.

The Board will continue with its strategic plans to generate growth in value for shareholders in line with its business model which is explained in the Strategic Report on pages 3 to 9.

DIRECTORS

The Directors of the Company during the year were:

Christopher Peter Latilla-Campbell – Non-Executive Chairman of the Board and Chairman of the Audit Committee

Rolf Ad Gerritsen – Chief Executive Officer

Pierpaolo Rocco – Executive Director, Oil & Gas – resigned 19 October 2021

Christian Schaffalitzky de Muckadell – Non-Executive Director and Chairman of the Remuneration Committee

MetalNRG plc

DIRECTORS' REPORT (continued)

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Board retains control of the Group with day-to-day operational control delegated to Rolf Gerritsen, the Chief Executive Officer. The full Board meets at least 4 times a year and on other occasions when necessary. During the financial year under review the Directors held 11 Board Meetings, all of which were held by video conference.

A table setting out the Directors' attendance at Board and Committee meetings during the financial year under review is set out below.

	Board Meetings		Audit Committee Meeting		Remuneration Committee Meeting	
	Held	Attended	Held	Attended	Held	Attended
C P Latilla-Campbell	11	11	2	2	2	2
R A Gerritsen	11	11	-	-	-	-
P Rocco	11	8	-	-	-	-
C Schaffalitzky	11	10	2	2	2	2

DIRECTORS' INTERESTS

The directors who served during the year under review and their beneficial interests (held directly or indirectly, including interests held by spouses, children and associated parties) in the Company's ordinary shares are set out below:

	Ordinary shares of £0.0001 each			
	Number of Ordinary Shares at 31 Dec 2021	% of issued Share Capital at 31 Dec 2021	Number of Ordinary Shares at 31 Dec 2020	% of issued Share Capital at 31 Dec 2020
C. P. Latilla-Campbell *	44,277,904	3.90%	39,373,775	10.60%
R. A. Gerritsen	25,427,840	2.24%	14,150,000	3.81%
C. Schaffalitzky	12,099,999	1.07%	7,933,333	2.14%

* Christopher Latilla-Campbell's interests includes 24,750,000 ordinary 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.

Pierpaolo Rocco, who resigned as a Director of the Company on 19 October 2021, holds, and held at 31 December 2021, 11,430,148 ordinary shares (1.01%) in the Company (2020: 8,288,555 ordinary shares (2.23%)).

DIRECTORS' WARRANTS AND OPTIONS

As at 31 December 2021, the Directors held the following warrants and options over the Company's ordinary shares:

Christopher Latilla-Campbell holds 1,500,000 options exercisable within 3 years from 1 February 2021 at an exercise price of 0.67p per share.

Rolf Gerritsen holds 5,977,612 options exercisable within 3 years from 1 February 2021 at an exercise price of 0.67p per share.

Christian Schaffalitzky de Muckadell holds 1,500,000 options exercisable within 3 years from 1 February 2021 at an exercise price of 0.67p per share.

Save for the options held by the Directors, no other director held options or warrants over the Company's ordinary shares as at 31 December 2021.

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DIRECTORS' REPORT (continued)

SHARE CAPITAL

The Company's issued ordinary share capital is listed on the standard segment of the Official List and the ordinary shares are admitted to trading on the Main Market for listed securities of the London Stock Exchange. As at 31 December 2021, the Company had 1,135,219,460 ordinary shares of £0.0001 in issue.

RE-ELECTION OF DIRECTORS

At the next Annual General Meeting of the Company, to be held on 20 June 2022, the Directors retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

INDEPENDENT ADVICE TO THE BOARD

The Board has the ability to seek independent professional advice although none was considered necessary in the year under review or in the previous financial year.

SUBSTANTIAL INTERESTS

As at 28 April 2022, the Company had been notified that, other than Directors, the following shareholders were interested in 3% or more of the issued ordinary share capital of the Company:

<i>Substantial shareholder</i>	<i>Ordinary shares of £0.0001 each</i>	<i>Percentage of issued share capital</i>
EQTEC plc	160,606,061	14.15%
Edward Spencer	84,000,000	7.40%

The Company is not aware of any other interests which may be 3% or more.

MATTERS COVERED IN THE STRATEGIC REPORT

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

POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations have been made during the year under review.

POST PERIOD EVENTS

See Page 5 of the Strategic Report and Note 19 to the Financial Statements.

DISCLOSURE GUIDANCE AND TRANSPARENCY RULES – COMPLIANCE STATEMENT

The following disclosures relating to the Company's share capital and control and its Directors are made pursuant to Rule 7.2.6.R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules ("DTRs").

As at 31 December 2021:

- Details of significant direct or indirect holdings of ordinary shares in the capital of the Company are set out above in this Directors' Report.
- The Company is not aware of any agreements between shareholders which may result in restrictions on the transfer of securities or on voting rights.
- There are no persons who hold securities carrying special rights regarding control of the Company.
- The Company is not a party to any significant agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid.
- All ordinary shares carry one vote per share without restriction.

MetalNRG plc

DIRECTORS' REPORT (continued)

DISCLOSURE GUIDANCE AND TRANSPARENCY RULES – COMPLIANCE STATEMENT, continued

- f) The Company's rules about the appointment and replacement of directors are contained in the Company's articles of association and accord with the Companies Act 2006. Amendments to the Company's articles of association must be approved by the Company's shareholders by passing a special resolution.
- g) The Company may exercise in any manner permitted by the Companies Act 2006 any power which a public company limited by shares may exercise under the Companies Act 2006. The business of the Company is managed by or under the direction of the Directors. The Directors may exercise all the powers of the Company except any powers that the Companies Act 2006 or the articles of association requires the Company to exercise.
- h) Subject to any rights and restrictions attached to a class of shares and in compliance with the Companies Act 2006, the Company may allot and issue unissued shares and grant options over unissued shares, on any terms, at any time and for any consideration, as the Directors resolve. This power of the Company can only be exercised by the Directors. The Company may reduce its share capital and buy-back shares in itself on any terms and at any time. However, the Companies Act 2006 sets out certain procedures which must be followed in relation to reductions in share capital and the buy-back of shares.

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.

AUDITORS

A resolution to re-appoint the Company's Auditors, Edwards Veeder (UK) Limited, will be proposed at the next Annual General Meeting of the Company, to be held on 20 June 2022.

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

R. Gerritsen

Rolf Gerritsen
Director
28 April 2022

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 year. 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 year.

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. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

They are further responsible for ensuring that the Strategic Report and the Directors' Report and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The Directors, after making enquiries, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the accounts.

Auditor

Edwards Veeder (UK) Limited has signified its willingness to continue as independent auditor to the Company. Under the Companies Act 2006 section 487(2) Edwards Veeder (UK) Limited will be automatically re-appointed as auditor 28 days after these financial statements are sent to members, unless the members exercise their rights under the Companies Act 2006 to prevent the re-appointment.

The Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's independent auditor for the purposes of the audit and to establish that the independent auditor is aware of that information. The Directors are not aware of any relevant audit information of which the independent auditor is unaware.

MetalNRG plc

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

Website publication

The maintenance and integrity of the MetalNRG website is the responsibility of the Directors; the work carried out by the independent auditor does not involve the consideration of these matters and, accordingly, the independent auditor accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the MetalNRG website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

MetalNRG plc

CORPORATE GOVERNANCE STATEMENT

CHAIRMAN'S OVERVIEW

The Board considers the Corporate Governance Code 2018, published by the Quoted Companies Alliance ("the QCA Code"), to be the most suitable corporate governance code for the Company. The Company has adopted the QCA Code and the Principles which it contains. The QCA Code's 10 Principles and an explanation of how these are complied with by the Company are set out after this overview.

The Board is collectively responsible to shareholders for the success of the Group. The Board is 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 is also the Board's responsibility to oversee the financial position of the Company and to 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. To this end, the Company has established an audit committee of the Board (the "Audit Committee") with formally delegated duties and responsibilities.

The Audit Committee, which comprises Christopher Latilla-Campbell as Chairman and Christian Schaffalitzky de Muckadell will meet at least twice a year. The Audit Committee will be responsible for the Company's internal controls and ensuring that the financial performance of the Group is properly measured and reported. In addition, the Audit Committee will receive and review reports from management and the auditor relating to the interim report, the annual report and accounts and the internal control systems of the Company.

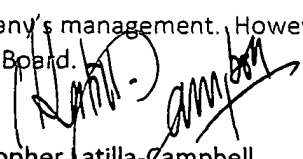
The Audit Committee will also make recommendations to the Board on the appointment of the auditor and the audit fee.

The Company has also established a remuneration committee of the Board (the "Remuneration Committee") with formally delegated duties and responsibilities.

The Remuneration Committee which comprises Christian Schaffalitzky de Muckadell as Chairman and Christopher Latilla-Campbell will meet at least once a year. The Remuneration Committee will be responsible for reviewing, determining and recommending to the Board the future policy for the remuneration of the executive directors and officers. The Remuneration Committee will consider base fees, salaries and incentive entitlements and awards and, where appropriate, pension arrangements. The aggregate remuneration of the directors is limited by the Company's Articles of Association and this aggregate amount can only be changed by the Company in general meeting.

The Board has adopted a share dealing code (the "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 listed on the Official List and admitted to trading on the Main Market for listed securities of the London Stock Exchange (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 the Share Dealing Code.

The Board currently comprises three directors of which two are non-executive and one is executive. The Board as a whole believes that its current composition provides an appropriate level of balance in the Board and the Company's management. However, the Board is considering the possibility of making an additional appointment to the Board.



Christopher Latilla-Campbell
Non-Executive Chairman

MetalNRG plc

CORPORATE GOVERNANCE STATEMENT (continued)

QCA Code and Company compliance

The QCA Code, which the Company has adopted, contains 10 Principles which are set out below together with an explanation of how the Company applies each Principle.

Principle One: Establish a strategy and business model which promote long-term value for shareholders.

The Company has a clearly defined strategy and business model which has been adopted and implemented by the Board and which it believes will achieve long term value for the shareholders. Details of the Company's strategy are set out in the Strategic Report on page 3 to 9.

Principle Two: Seek to understand and meet shareholder needs and expectations.

The Board is committed to maintaining good communications with its shareholders and with investors with a view to understanding their needs and expectations. The Board and, in particular, the Chairman and Chief Executive Officer, maintain close contact with many of the shareholders.

All shareholders are encouraged to attend the Company's Annual General Meetings where they can meet and directly communicate with the Board. Shareholders and investors are also able to meet with members of the Board at investor presentations and investor shows where the Company may be attending as a presenter or an exhibitor and where up to date corporate presentations may be made after which members of the Board are available to answer questions from shareholders and investors.

The Company publishes an Annual Report and Accounts and an Interim Results Announcement both of which are posted to the Company's website. The Annual Report and Accounts provides shareholders and investors with details of the Company's Financial Statements for the financial year under review together with the Strategic and Directors' Reports and other reports. The Interim Results Announcement provides shareholders and investors with details of the Company's Financial Statements for the six months under review together with Operational Highlights and a Business Review.

The Company also provides regular regulatory announcements and business updates through the Regulatory News Service (RNS) and copies of such announcements are posted to the Company's website. The Company also provides information and topics for discussion through social media channels.

Shareholders and investors also have access to information on the Group through the Company's website, www.metalnrg.com, which is updated on a regular basis and which also includes the latest corporate presentation on the Group.

Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long-term success.

The Board recognises that the long-term success of the Group is reliant on the efforts and participation of its staff, partners, contractors, suppliers, advisers, and other stakeholders. The Board maintains close contact and liaison with these important relationships.

The Board is very aware of the significance of social, environmental and ethical matters affecting the business of the Group.

The Company will engage positively and seek to develop close relationships with local communities, regulatory authorities and stakeholders which are in close proximity to or connected with its overseas operations and, where appropriate, the Board will take steps to safeguard the interests of such stakeholders.

The Board plans, in due course, to adopt appropriate environmental and corporate responsibility policies to ensure that the Group's activities have minimal environmental impact on the local environment and communities close to the Group's projects.

MetalNRG plc

CORPORATE GOVERNANCE STATEMENT (continued)

Principle Four: Embed effective risk management, considering both opportunities and threats, throughout the organisation.

Mining exploration, evaluation and development generally carry high levels of risk and the Board recognises that the principal risks and uncertainties facing the Group at this stage in relation to its projects are inherently high.

The Board regularly reviews its business strategy and, in particular, identifies and evaluates the risks and uncertainties which the Group is or may be exposed to. As a result of such reviews, the Board will take steps to manage risks or seek to remove or reduce the Group's exposure to them as much as possible. The risks and uncertainties to which the Group is exposed at present and in the foreseeable future are detailed in Risks and Uncertainties in the Strategic Report on pages 5 and 6 together with risk mitigation strategies employed by the Board.

Principle Five: Maintain the Board as a well-functioning, balanced team led by the Chairman.

Christopher Latilla-Campbell, the non-executive Chairman, leads the Board and is responsible for the effective performance of the Board through control of the Board's agendas and the running of its meetings at which, through the review and discussion of management reports, the Group's performance can be regularly monitored. Christopher Latilla-Campbell, in his capacity as non-executive Chairman, also has overall responsibility for the corporate governance of the Company. The day to day running of the Group is delegated to Rolf Gerritsen, the Chief Executive Officer.

The Board holds Board meetings at least four times a year and periodically, as and when issues arise which require the attention of the Board. Prior to such meetings, the Board's members receive an appropriate agenda and relevant information and reports for consideration on all significant strategic, operational and financial matters and other business and investment matters which may be discussed and considered.

The Board is supported by the Audit and Remuneration Committees, details of which are set out above.

In accordance with the Company's Articles of Association, the Board is required to retire each year at the Company's Annual General Meeting and the retiring Directors may offer themselves for re-election.

Principle Six: Ensure that between them the directors have the necessary up to date experience, skills and capabilities.

The Directors have a wide range of skills and experience which cover sector, technical, financial, operational and public markets areas which are relevant to the management of the Group's business.

Details of the current Board of Directors' biographies are set out on page 2.

The Board regularly reviews its structure and whether it has the right mix of relevant skills and experience for the effective management of the Group's business. The Board considers that the current balance of sector, technical, financial, operational and public markets skills and experience which its directors have is appropriate at present given the current size and stage of development of the Company.

The Directors maintain their skills through membership of various professional bodies, attendance at mining conferences and seminars and through their various external appointments.

All Directors have access to the Company Secretary, City Group PLC, which is responsible for ensuring that Board procedures and applicable rules and regulations are observed and relevant corporate and regulatory information is provided to the Directors.

MetalNRG plc

CORPORATE GOVERNANCE STATEMENT (continued)

Principle Seven: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Board's performance as a whole is reviewed and considered in the light of the progress and achievements against the Group's long-term strategy and its strategic objectives. This progress is regularly reviewed in Board meetings and the structure, size and composition of the Board are also considered.

All Directors are encouraged to maintain personal continuing professional education programmes and all Directors are entitled to receive relevant and appropriate training if required.

Principle Eight: Promote a corporate culture that is based on ethical values and behaviours.

The Company has established corporate governance arrangements which the Board believes are appropriate for the current size and stage of development of the Company.

The Company has adopted a number of policies applicable to directors, officers and employees and, in some cases, to suppliers and contractors as well, which, in addition to the Company's corporate governance arrangements set out above, are designed to provide the Company with a positive corporate culture that understands and meets shareholder and stakeholder needs and expectations whilst delivering long-term value for shareholders. The Company's policies include a Share Dealing Policy; an Insider Dealing and Market Abuse Policy, an Anti-Bribery and Corruption Policy, a Whistleblowing Policy, a Social Media Policy and the Company's Code of Business Conduct;

The Board recognises that its mineral exploration and development activities can have an impact on the local environment and communities in close proximity to its operations. The Company seeks to engage positively and to develop close relationships with local communities, regulatory authorities and stakeholders which are in close proximity to or connected with its operations and where appropriate the Board will take steps to safeguard the interests of such stakeholders.

Principle Nine: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

Whilst the Board has overall responsibility for all aspects of the business, Christopher Latilla-Campbell, the non-executive Chairman, is responsible for overseeing the running of the Board and ensuring that Board focuses on and agrees the Group's long-term direction and its business strategy and reviews and monitors the general performance of the Group in implementing its strategic objectives and its achievements. Key operational and financial decisions are reserved for the Board through quarterly and periodic project reviews, annual budgets, and quarterly budget and cash-flow forecasts and on an ad hoc basis where required.

As non-executive Chairman, Christopher Latilla-Campbell has overall responsibility for corporate governance matters in the Group. Christopher Latilla-Campbell and Christian Schaffalitzky de Muckadell, the Company's two non-executive Directors, are responsible for bringing independent and objective judgment to Board decisions.

The Board has established Audit and Remuneration Committees with formally delegated duties and responsibilities. Further details of these committees are set out above.

Rolf Gerritsen, the Chief Executive Officer, has the responsibility for implementing the strategy of the Board and managing the business activities of the Group on a day-to-day basis.

City Group, the Company Secretary, is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with.

MetalNRG plc

CORPORATE GOVERNANCE STATEMENT (continued)

Principle Ten: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Company is committed to maintaining good communication with its shareholders, the Company's key stakeholder group. Members of the Board regularly communicate with, and encourage feedback from, its shareholders. The Company's website is regularly updated and users, including shareholders, can contact the Company using the contact details on the website should stakeholders wish to make enquiries of management.

The Group's financial reports, its Annual Report and Accounts and Interim Results Announcements, can be found in the Investors section of the website, www.metalnrg.com.

Notices of General Meetings are posted to shareholders and copies for past years are available on the Company's website.

The results of voting on all resolutions in future general meetings will be posted to the Company's website, including any actions to be taken as a result of resolutions for which votes against have been received from 20 per cent or more of independent votes cast.

This Corporate Governance Statement will be reviewed at least annually to ensure that the Company's corporate governance framework evolves in line with the Company's strategy and business plan.

MetalNRG plc

DIRECTORS' REMUNERATION REPORT

The Company has established a Remuneration Committee which is responsible for reviewing, determining and recommending to the Board the future policy for the remuneration of the Directors, the scale and structure of the Directors' fees, taking into account the interests of shareholders and the performance of the Company and Directors.

The items included in this report are audited unless otherwise stated.

Statement of MetalNRG Plc's policy on directors' remuneration by the Chairman of the Remuneration Committee, Christian Schaffalitzky de Muckadell

As Chairman of the Remuneration Committee, I am pleased to introduce our Directors' Remuneration Report. The Directors' Remuneration Policy, which is set out below, on pages 21 to 24, will be submitted to shareholders for approval at our Annual General Meeting on 20 June 2022.

A key focus of the Directors' Remuneration Policy is to align the interests of the Directors to the long-term interests of the shareholders and it aims to support a high-performance culture with appropriate reward for superior performance, without creating incentives that will encourage excessive risk taking or unsustainable company performance. This will be underpinned through the implementation and operation of incentive plans.

The Remuneration Committee which comprises myself as Chairman, and Christopher Latilla-Campbell, will meet at least once a year. Executive Directors' and Officers' remuneration is set at these meetings although Board meetings are held where the remuneration of Directors and the Remuneration Committee's recommendations are considered.

Remuneration Components

The Company remunerates Executive Directors and Officers in line with best market practice in the industry in which it operates. The components of Director remuneration that are considered by the Board for the remuneration of Directors consist of:

- Base salaries
- Pension and other benefits
- Annual bonus
- Share incentive arrangements
- Share options

Rolf Gerritsen, Chief Executive Officer, and Windell Callaghan, MetalNRG's Chief Financial Officer, have entered into service agreements with the Company and are also paid base salaries. Christopher Latilla-Campbell and Christian Schaffalitzky de Muckadell are appointed by letters of appointment and are paid Directors' fees.

All such contracts impose certain restrictions as regards the use of confidential information and intellectual property and the executive Directors' and Officer's service contracts impose restrictive covenants which apply following the termination of the agreements.

Other matters

In February 2021, the Company introduced a Share Option Plan 2021 (the "Plan") for executives and selected senior management, designed to promote the retention, recruitment and incentivisation of the Company's leadership team.

The Company has established a workplace pension scheme and Rolf Gerritsen and Windell Callaghan qualify whereas Christopher Latilla-Campbell is eligible under the auto-enrolment pension rules. The workplace pension scheme currently pays pension amounts in relation to directors' and officer's remuneration. The Company has not paid out any excess retirement benefits to any directors or past directors.

MetalNRG plc

DIRECTORS' REMUNERATION REPORT (continued)

Recruitment Policy

Base salary levels take into account market data for the relevant role, internal relativities, their individual experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time, subject to performance in the role. Benefits will generally be in accordance with the approved policy. For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Payment for loss of Office

If a service contract is to be terminated, the Company will determine such mitigation as it considers fair and reasonable in each case.

The Company reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an executive director's office or employment.

Service Agreements and Letters of Appointment

The terms of all the directors' appointments are subject to their re-election by the Company's shareholders at Annual General Meetings at which certain of the directors will retire on a rotational basis and offer themselves for re-election.

The Executive Directors' and Officer's service agreements are set out in the table below. The agreements are not for a fixed term and may be terminated by either the Company or the Executive Director or Officer on giving appropriate notice.

Details of the terms of the agreement for the Executive Director and Officer are set out below:

Name	Date of service agreement	Notice period by Company (months)	Notice period by director or officer (months)
R Gerritsen	1 June 2020	6 months	6 months
W Callaghan	1 October 2020	3 months	3 months

Pierpaolo Rocco resigned as a Director of the Company on 19 October 2021.

The Non-Executive Directors of the Company have been appointed by letters of appointment. Each Non-Executive Director's term of office runs for an initial period of three years and thereafter, with the approval of the Board, will continue subject to periodic retirement and re-election or termination or retirement in accordance with the terms of the letters of appointment.

The details of each Non-Executive Director's current term are set out below:

Name	Date of letter of appointment	Notice period by Company (months)	Notice period by Director (months)
C Latilla-Campbell	14 June 2017	3 months	3 months
C Schaffalitzky	14 June 2017	3 months	3 months

MetalNRG plc

DIRECTORS' REMUNERATION REPORT (continued)

Executive directors' remuneration - Audited

The table below sets out the remuneration received by the Executive Directors for the year ended 31 December 2021:

	Remuneration 2021	Fees 2021	Bonus 2021	Total 2021
Executive directors	£	£	£	£
R Gerritsen	170,000	6,310	85,500	261,810
P Rocco *	49,475	22,500		71,975
Total	219,475	28,810	85,500	333,785

* Pierpaolo Rocco resigned as a Director of the Company on 19 October 2021 but was paid until 21 December 2021, when his employment was terminated by the Company.

Officer's remuneration - Audited

The table below sets out the remuneration received by the Officer for the year ended 31 December 2021:

	Remuneration 2021	Fees 2021	Bonus 2021	Total 2021
Officer	£	£	£	£
W Callaghan	42,500	-	13,000	55,500
Total	42,500	-	13,000	55,500

Non-executive directors' remuneration - Audited

The table below sets out the remuneration received by the Non-Executive Directors during the year ended 31 December 2021:

	Remuneration 2021	Fees 2021	Bonus 2021	Total 2021
Non-executive directors	£	£	£	£
C Latilla-Campbell	-	15,000	-	15,000
C Schaffalitzky	-	12,000	-	12,000
Total	-	27,000	-	27,000

MetalNRG plc

DIRECTORS' REMUNERATION REPORT (continued)

Directors' beneficial share interests - Audited

The interests of the Directors, who served during the year ended 31 December 2021, in the share capital of the Company at 31 December 2021 and at the date of this report were as follows:

Name of Director	Number of ordinary shares held at 31 December 2021	As at the date of this report	Number of share options	Number of share options / warrants vested but unexercised
R Gerritsen	25,427,840	25,427,840	5,977,612	5,977,612
P Rocco *	11,430,148	11,430,148	-	-
C Latilla-Campbell **	44,277,904	44,277,904	1,500,000	1,500,000
C Schaffalitzky	12,099,999	12,099,999	1,500,000	1,500,000

* The 5,977,612 options issued to P Rocco on 1 February 2021 lapsed on termination of his employment on 21 December 2021.

** Includes 24,750,000 ordinary 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.

Relative importance of spend on pay

The table below illustrates a comparison between Directors' total remuneration to distributions to shareholders and loss before tax for the financial year ended 31 December 2021:

	Distributions to shareholders £	Total Directors pay £	Group Operational cash outflow £
Year ended 31 December 2021	Nil	360,785	2,711,591

Total Director remuneration includes salaries and fees, for directors in continuing operations. Further details on Directors' remuneration are provided in note 3 to the Financial Statements.

Group operational cash outflow has been shown in the table above as cash flow monitoring and forecasting in an important consideration for the Board when determining cash-based remuneration for directors and employees.

Consideration of shareholder views

The Board considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Approved on behalf of the Board of Directors



Christian Schaffalitzky de Muckadell
Chairman of the Remuneration Committee
28 April 2022

MetalNRG plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of MetalNRG plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Profit or Loss, 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 31 December 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Key Audit Matters

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

MetalNRG plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Key audit matter	Audit response
Investment The Investment Portfolio at 31 December 2021 comprised of Listed investments and options whose price is readily available and unlisted options. We focussed on the existence and valuation of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the Financial Statements	We agreed existence of the investment portfolio holdings to the Custodian information. We tested the valuation of all listed investments held by agreeing prices to independent third-party sources.
Going concern The parent company raised finance during the year to fund its Investment Strategy and will require further funding in the future. The cash and cash equivalent balance as at 31 December 2021 amounted to £49,316. The risk for our audit was whether this contributed to a material uncertainty that may cast doubt on the parent company's ability to continue as a going concern	Critical assessment of the directors' going concern assessment, challenging forecast and assumption. Assessment of the cash flow forecast for committed and contracted expenditure versus discretionary expenditure compared to the level of cash resources. Assessment of the adequacy of disclosures in the financial statements

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the Financial Statements. As in all our audits, we addressed the risk of management override of controls, including among other matters consideration of whether there was any evidence of bias that represented a risk of material misstatement due to fraud.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as material, as we also take into account the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined the materiality for the financial statements ("Financial Statement materiality") as a whole to be £79,000 (2020: £31,000) which is based on 2.5% of gross assets. We considered this as an appropriate benchmark as Investments are held for long term future growth.

We set Performance materiality as 80% of the overall Financial Statement materiality.

Other information

The other information comprises the information included in the parent company's 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.

MetalNRG plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

MetalNRG plc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Auditor's responsibilities for the audit of the financial statements, continued

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

- Enquiries with management, about any known or suspected instances of non-compliance with laws and regulations and fraud.
- Auditing the risk of management of override controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the parent company operates, we identified that employment law, LSE Listing Rules and compliance with the Companies Act 2006 are most likely to have a material impact on the financial statements.

The group is subject to many other laws and regulations where consequences of non-compliance could have material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines. We identified the following areas as most likely to have such an effect: The Listing Rules in certain aspects of company legislation recognising the financial and regulated nature of the parent company's activities and its legal form. Auditing standards limit required audit procedure to identify non-compliance with these laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there's an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). For instance, the further removed non-compliances from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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 parent 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 parent 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

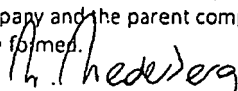
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METALNRG PLC FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Auditor's responsibilities for the audit of the financial statements, continued

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

28 April 2022

MetalNRG plc

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year to 31 December 2021 £	Year to 31 December 2020 £
Revenue		-	-
Cost of sales		-	-
Gross loss		-	-
Administrative expenses		(1,888,640)	(829,267)
Other operating income		24,361	19,134
Operating loss	2	(1,864,279)	(810,133)
Finance income		-	-
Loss before tax		(1,864,279)	(810,133)
Taxation	4	-	-
Loss for the year		(1,864,279)	(810,133)
Attributable to:			
Equity holders of the parent company		(1,864,279)	(810,133)
Loss per ordinary share			
Basic	6	(0.22) pence	(0.22) pence
Diluted	6	(0.14) pence	(0.18) pence

All operations are considered to be continuing.

The accompanying notes form part of these financial statements.

MetalNRG plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Year to 31 December 2021 £	Year to 31 December 2020 £
Loss after tax	(1,864,279)	(810,133)
Items that may subsequently be reclassified to profit or loss:		
- Foreign exchange movements	(12,439)	(418)
Total comprehensive loss attributable to equity holders of the parent company	<u>(1,876,718)</u>	<u>(810,551)</u>

The accompanying notes form part of these financial statements.

MetalNRG plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Notes	Year to 31 December 2021 £	Year to 31 December 2020 £
Non-current assets			
Intangible fixed assets	8	575,077	668,937
Investments	8	1,265,749	466,652
Total non-current assets		<u>1,840,826</u>	<u>1,135,589</u>
Current assets			
Trade and other receivables	10	1,089,026	29,736
Cash and cash equivalents	11	49,316	63,611
Total current assets		<u>1,138,342</u>	<u>93,347</u>
Current liabilities			
Trade and other payables	12	(649,135)	(1,049,772)
Total current liabilities		<u>(649,135)</u>	<u>(1,049,772)</u>
Non-current liabilities			
Other non-current payables	12	(23,263)	(28,975)
Total non-current liabilities		<u>(23,263)</u>	<u>(28,975)</u>
Net assets		<u>2,306,770</u>	<u>150,189</u>
Capital and reserves			
Share capital	13	350,349	273,968
Share premium		6,422,036	2,483,117
Share based payment reserve	14	17,999	-
Retained losses		(4,469,817)	(2,605,538)
Foreign currency reserve		(13,797)	(1,358)
Total equity		<u>2,306,770</u>	<u>150,189</u>

The accompanying notes form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 28 April 2022.

Signed on behalf of the Board of Directors

R. Gerritsen

Rolf Gerritsen
Director
Company No. 05714562

MetalNRG plc

COMPANY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Notes	Year to 31 December 2021 £	Year to 31 December 2020 £
Non-current assets			
Investments	7	660,473	466,652
Investment in subsidiaries	9	1,384,233	635,733
Total non-current assets		2,044,706	1,102,385
Current assets			
Trade and other receivables	10	1,089,026	29,736
Cash and cash equivalents	11	49,316	63,602
Total current assets		1,138,342	93,338
Current liabilities			
Trade and other payables	12	(649,135)	(1,012,656)
Total current liabilities		(649,135)	(1,012,656)
Non-current liabilities			
Other non-current payables	12	(23,263)	(28,975)
Total non-current liabilities		(23,263)	(28,975)
Net assets		2,510,650	154,092
Capital and reserves			
Share capital	13	350,349	273,968
Share premium		6,422,036	2,483,117
Share based payment reserve	14	17,999	-
Retained losses		(4,279,734)	(2,602,993)
Equity shareholders' funds		2,510,650	154,092

The loss of the parent company for the year was £1,676,741 (2020: £810,233).

The accompanying notes form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 28 April 2022.

Signed on behalf of the Board of Directors

R. Gerritsen

Rolf Gerritsen
Director
Company No. 05714562

MetalNRG plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Share based Payment reserve	Retained losses	Foreign currency reserve	Total
	£	£	£	£	£	£
At 31 December 2019	272,801	2,414,284	-	(1,795,405)	(940)	890,740
Loss for the year	-	-	-	(810,133)	-	(810,133)
Translation differences	-	-	-	-	(418)	(418)
Comprehensive loss for the year	-	-	-	(810,133)	(418)	(810,551)
Shares issued	1,167	68,833	-	-	-	70,000
Share issue costs	-	-	-	-	-	-
At 31 December 2020	273,968	2,483,117	-	(2,605,538)	(1,358)	150,189
Loss for the year	-	-	-	(1,864,279)	-	(1,864,279)
Translation differences	-	-	-	-	(12,439)	(12,439)
Comprehensive loss for the year	-	-	-	(1,864,279)	(12,439)	(1,876,718)
Share option charge	-	-	17,999	-	-	17,999
Shares issued	76,381	4,227,769	-	-	-	4,304,150
Share issue costs	-	(288,850)	-	-	-	(288,850)
At 31 December 2021	350,349	6,422,036	17,999	(4,469,817)	(13,797)	2,306,770

The accompanying notes form part of these financial statements.

MetalNRG plc

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium £	Share based Payment reserve £	Retained losses £	Total £
At 31 December 2019	272,801	2,414,284	-	(1,792,760)	894,325
Loss for the year	-	-	-	(810,233)	(810,233)
Comprehensive loss for the year	-	-	-	(810,233)	(810,233)
Shares issued	1,167	68,833	-	-	70,000
Share issue costs	-	-	-	-	-
At 31 December 2020	273,968	2,483,117	-	(2,602,993)	154,092
Loss for the year	-	-	-	(1,676,741)	(1,676,741)
Comprehensive loss for the year	-	-	-	(1,676,741)	(1,676,741)
Share option charge	-	-	17,999	-	17,999
Shares issued	76,381	4,227,769	-	-	4,304,150
Share issue costs	-	(288,850)	-	-	(288,850)
At 31 December 2021	350,349	6,422,036	17,999	(4,279,734)	2,510,650

The accompanying notes form part of these financial statements.

MetalNRG plc

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year to 31 December 2021 £	Year to 31 December 2020 £
Cash flows from operating activities			
Operating loss		(1,864,279)	(810,133)
Loss/(profit) on sale of investment		149,545	(19,134)
Foreign exchange		(12,439)	(418)
Finance costs		14,774	32,436
Bonus shares issued		16,250	-
Share option charge		17,999	-
Increase in creditors		25,850	50,931
(Increase)/decrease in debtors		(1,059,291)	55,554
Net cash used in operating activities		(2,711,591)	(690,764)
Cash flows from investing activities			
Proceeds from sale of investment		350,455	102,467
Purchase of investments	7	(1,205,237)	(337,631)
Net cash used in investing activities		(854,782)	(235,164)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		4,017,900	70,000
Cost of shares issued		(288,850)	-
Convertible loan note repayment		(105,835)	-
Bridging loan repayment		(271,137)	-
Bridging and other loan financing		200,000	410,500
Proceeds from issue of convertible loan notes		-	370,000
Net cash generated from financing activities		3,552,078	850,500
Net (decrease)/increase in cash and cash equivalents		(14,295)	(75,428)
Cash and cash equivalents at beginning of year		63,611	139,039
Cash and cash equivalents at end of year	11	49,316	63,611

The accompanying notes form part of these financial statements.

MetalNRG plc

COMPANY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Year to 31 December 2021 £	Year to 31 December 2020 £
Cash flows from operating activities			
Operating loss		(1,676,741)	(810,233)
Loss/(profit) on sale of investment		149,545	(19,134)
Finance costs		14,774	32,436
Finance income		(16,689)	-
Bonus shares issued		16,250	-
Share option charge		17,999	-
Increase in creditors		62,965	52,520
(Increase)/decrease in debtors		(1,059,290)	55,517
Net cash used in operating activities		(2,491,187)	(688,894)
Cash flows from investing activities			
Loans to subsidiaries	7	(731,812)	(4,391)
Proceeds from sale of investments		350,455	102,467
Purchase of investments	7	(693,820)	(334,985)
Net cash used in investing activities		(1,075,177)	(236,909)
Cash flows from financing activities			
Proceeds from the issue of shares and warrants		4,017,900	70,000
Cost of shares issued		(288,850)	-
Convertible loan note repayment		(105,835)	-
Bridging loan repayment		(271,137)	-
Bridging and other loan financing		200,000	410,500
Proceeds from issue of convertible loan notes		-	370,000
Net cash generated from financing activities		3,552,078	850,500
Net (decrease)/increase in cash and cash equivalents		(14,286)	(75,303)
Cash and cash equivalents at beginning of year		63,602	138,905
Cash and cash equivalents at end of year	11	49,316	63,602

The accompanying notes form part of these financial statements.

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 the 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.

Changes in accounting policies

New and amended standards adopted by the Company

- COVID-19-Related Rent Concessions (Amendment to IFRS 16), 01 Jun 2020
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16), 01 Jan 2021

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 31 December 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 statement of profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 statement of profit or loss 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 year.

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 year. 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, licences 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 £0.0001 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 statement of profit or loss.

The Company's deferred shares of nominal value £0.0049 each ("Deferred Shares") are recorded at such nominal value and proceeds received in excess of the nominal value of Deferred 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 statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

Share-based payments

The fair value of options granted to directors and others in respect of services provided is recognised as an expense in the profit and loss account with a corresponding increase in equity reserves – the share-based payment reserve.

On exercise or cancellation of share options, the proportion of the share-based payment reserve relevant to those options is transferred to the profit and loss account reserve. On exercise, equity is also increased by the amount of the proceeds received.

The fair value is measured at grant date and the charge is spread over the relevant vesting period.

The fair value of options is calculated using the Black-Scholes model taking into account the terms and conditions upon which the options were granted. Vesting conditions are non-market and there are no market vesting conditions. The exercise price is fixed at the date of grant and no compensation is due at the date of grant.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

2. OPERATING LOSS

	Year to 31 December 2021 £	Year to 31 December 2020 £
This is stated after charging/(crediting):		
(Loss) on foreign exchange	(12,439)	(418)
(Loss)/profit on disposal of investments	(149,545)	19,134
Auditor's remuneration		
- audit services	17,200	14,000
- non-audit services*	48,000	-

* Amounts payable to Edwards Veeder (UK) Limited by the Company in respect of non-audit services was £40,000 net of VAT (2020: £nil) in relation to work as reporting accountants on the Company's May 2021 Prospectus.

3. DIRECTORS' AND OFFICER'S REMUNERATION

There were no employees during the year apart from the directors and the chief financial officer, who are the key management personnel. None of the directors had benefits accruing under money purchase pension schemes.

Group and Company	Year to 31 December 2021 £	Year to 31 December 2020 £
Directors' Remuneration		
Fees	34,500	148,437
Salaries	234,475	74,667
Benefits	6,310	155
Bonus	85,500	-
Pension costs	2,858	1,520
Total Directors' Remuneration	363,643	224,779
The number of directors who accrued benefits under company pension plans was as follows:		
Defined contribution plans	4	3
Officer's Remuneration		
Salary	42,500	10,000
Bonus	13,000	-
Pension costs	1,088	253
Total Officer's Remuneration	56,588	10,253
Total Directors' and Officer's Remuneration	420,231	235,032
Average number of employees	5	3

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INCOME TAXES

a) Analysis of charge in the year

	Year to 31 December 2021	Year to 31 December 2020
	£	£
United Kingdom corporation tax at 19% (2020: 19%)	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>

b) Factors affecting tax charge for the year

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% (2020: 19%). The differences are explained below:

	Year to 31 December 2021	Year to 31 December 2020
	£	£
Loss on ordinary activities before tax	<u>(1,864,279)</u>	<u>(810,133)</u>
Loss multiplied by standard rate of tax	(354,213)	(153,925)
Effects of:		
Expenses not deductible for tax	52,250	42,696
Losses carried forward not recognised as deferred tax assets	<u>301,963</u>	<u>111,229</u>
	<u>-</u>	<u>-</u>

No deferred tax asset has been recognised because there is insufficient evidence of the timing of suitable future profits against which they can be recovered.

	Year to 31 December 2021	Year to 31 December 2020
	£	£
Losses carried forward:		
Brought forward losses 31 December 2020	2,039,129	1,453,610
Current year allowable losses	<u>1,589,278</u>	<u>585,519</u>
Losses carried for 31 December 2021	<u>3,628,407</u>	<u>2,039,129</u>

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 statement of profit or loss and statement of comprehensive income in these financial statements. The Company's loss for the year amounted to £1,676,741 (2020: £810,233).

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 £1,864,279 (2021: 810,133 loss) by the weighted average number of shares of 849,236,645 (2021: 363,554,242) in issue during the year. The diluted loss per share is calculated by dividing the loss attributed to ordinary shareholders of £1,864,279 (2021: £810,133 loss) by the weighted average number of shares including the total number of options and warrants outstanding of 1,322,870,481 (2021: 453,720,902).

7. INVESTMENTS - COMPANY

	Available for sale	Investments	Subsidiaries	Loans	Total
	£	£	£	£	£
At 31 December 2019	83,333	131,667	583,049	48,293	846,342
Additions	-	334,985	-	4,391	339,376
Disposals	(83,333)	-	-	-	(83,333)
At 31 December 2020	-	466,652	583,049	52,684	1,102,385
Additions	500,000	193,821	-	748,500	1,442,321
Disposals	(500,000)	-	-	-	(500,000)
Transfers	-	-	(46,074)	46,074	-
At 31 December 2021	-	660,473	536,975	847,258	2,044,706

8. INVESTMENTS - GROUP

	Available for sale	Investments	Intangible fixed assets	Total
	£	£	£	£
At 31 December 2019	83,333	131,667	666,291	881,291
Additions	-	334,985	2,646	337,631
Disposals	(83,333)	-	-	(83,333)
At 31 December 2020	-	466,652	668,937	1,135,589
Additions	500,000	799,097	-	1,299,097
Disposals	(500,000)	-	-	(500,000)
Transfers	-	-	(93,860)	(93,860)
At 31 December 2021	-	1,265,749	575,077	1,840,826

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Investments	Loans	Total
Company	£	£	£
At 31 December 2019	583,049	48,293	631,342
Additions	-	4,391	4,391
Disposals	-	-	-
At 31 December 2020	583,049	52,684	635,733
Additions	-	748,500	748,500
Disposals	-	-	-
Transfers	(46,074)	46,074	-
At 31 December 2021	536,975	847,258	1,384,233

At 31 December 2021, 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
Gold Ridge Holdings Limited *	United States	100%	Mining
MetalNRG Eco Limited	England & Wales	100%	Green Energy

* The consolidated financial statements of Gold Ridge Holdings Limited includes its wholly owned subsidiary, Goldridge Holdings USA Ltd, incorporated in USA.

MetalNRG Australia PTY Ltd was wound up and subsequently deregistered from the register of Companies in Australia on 19 May 2021.

10. TRADE AND OTHER RECEIVABLES

	The Group 31 Dec 2021	The Group 31 Dec 2020	The Company 31 Dec 2021	The Company 31 Dec 2020
Current	£	£	£	£
Prepayments and accrued income	52,157	17,642	52,157	17,642
Intercompany receivables	-	12,000	-	12,000
Other debtors	1,036,869	94	1,036,869	94
	<u>1,089,026</u>	<u>29,736</u>	<u>1,089,026</u>	<u>29,736</u>

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

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. CASH AND CASH EQUIVALENTS

	The Group 31 Dec 2021 £	The Group 31 Dec 2020 £	The Company 31 Dec 2021 £	The Company 31 Dec 2020 £
Cash at bank and in hand	49,316	63,611	49,316	63,602
	<u>49,316</u>	<u>63,611</u>	<u>49,316</u>	<u>63,602</u>

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

12. TRADE AND OTHER PAYABLES

	The Group 31 Dec 2021 £	The Group 31 Dec 2020 £	The Company 31 Dec 2021 £	The Company 31 Dec 2020 £
Current	£	£	£	£
Trade creditors	207,005	237,132	207,005	200,016
Social Security	23,151	9,680	23,151	9,680
Accruals and deferred income	102,879	45,600	102,879	45,600
Convertible loan notes	-	375,835	-	375,835
Loans	316,100	381,525	316,100	381,525
	<u>649,135</u>	<u>1,049,772</u>	<u>649,135</u>	<u>1,012,656</u>
Non-Current	£	£	£	£
Loans	23,263	28,975	23,263	28,975
	<u>23,263</u>	<u>28,975</u>	<u>23,263</u>	<u>28,975</u>

The bank loan is repayable by instalments and interest is charged at 2.5%pa. The bank loans are unsecured.

Other loans from institutions are fixed at 7% interest on amounts drawn down rolled up and paid on the Maturity Date. The loan is unsecured.

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

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CALLED UP SHARE CAPITAL

	31 Dec 2021	31 Dec 2021	31 Dec 2020	31 Dec 2020
	Number of shares	£	Number of shares	£
Authorised share capital				
Ordinary shares of £0.0001	5,131,730,000	513,173	5,131,730,000	513,173
Deferred shares of £0.0049	48,332,003	236,827	48,332,003	236,827
Total	5,180,062,003	750,000	5,180,062,003	750,000

	31 Dec 2021	31 Dec 2021	31 Dec 2020	31 Dec 2020
	Number of shares	£	Number of shares	£
Issued, called up and fully paid				
Ordinary shares of £0.0001	1,135,219,460	113,522	371,409,433	37,141
Deferred shares of £0.0049	48,332,003	236,827	48,332,003	236,827
Total	1,183,551,463	350,349	419,741,436	273,968

During the year the Company issued ordinary shares as follows:

		Number of shares	Proceeds of issue £
21 January 2021 – warrant conversion	at £0.006	13,333,332	80,000
4 February 2021 – warrant conversion	at £0.006	38,999,999	234,000
4 February 2021 – director participation	at £0.0068	6,637,168	45,000
4 February 2021 – CLN conversion	at £0.006	5,000,000	30,000
8 February 2021 – loan conversion	at £0.0062	8,663,967	53,500
19 February 2021 – bonus shares	at £0.0073	1,609,589	11,750
24 February 2021 – CLN conversion	at £0.006	40,000,000	240,000
24 February 2021 – loan conversion	at £0.0062	8,663,967	53,500
24 March 2021 – loan conversion	at £0.0062	13,862,348	85,600
11 May 2021 – share issue	at £0.006	383,333,333	2,300,000
11 May 2021 – share swap share issue	at £0.0083	60,606,061	500,000
3 June 2021 – bonus shares	at £0.0058	775,862	4,500
6 July 2021 – loan conversion	at £0.0054	20,833,333	112,500
21 July 2021 – share issue	at £0.0058	8,695,652	50,000
20 August 2021 – loan conversion	at £0.0035	27,795,416	96,300
6 October 2021 – loan conversion	at £0.0045	25,000,000	112,500
16 December 2021 – share swap share issue	at £0.003	100,000,000	295,000
Total		763,810,027	4,304,150

As at 31 December 2021, the Company had 473,633,836 warrants and options outstanding (2020: 90,166,660).

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

8,977,612 share options held by directors on ordinary shares of £0.0001 each exercisable at a price of £0.0067 per share. These expire on 1 February 2024.

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CALLED UP SHARE CAPITAL, continued

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

8,744,939 share warrants on ordinary shares of £0.0001 each exercisable at a price of £0.006175 per share. These expire on 6 July 2023.

5,834,873 share warrants on ordinary shares of £0.0001 each exercisable at a price of £0.010283 per share. These expire on 15 October 2023.

6,837,607 share warrants on ordinary shares of £0.0001 each exercisable at a price of £0.008775 per share. These expire on 3 March 2024.

390,999,999 share warrants on ordinary shares of £0.0001 each exercisable at a price of £0.01 per share. These expire on 11 May 2023.

50,000,000 share warrants on ordinary shares of £0.0001 each exercisable at a price of £0.0045 per share. These expire on 13 December 2023.

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. SHARE-BASED PAYMENTS

The Company grants share options to employees as part of the remuneration of key management personnel and directors to enable them to purchase ordinary shares in the Company. Under the plan, 17,194,030 options were granted for no cash consideration for a period of 3 years expiring on 1 February 2024. The share options outstanding at 31 December 2021 had a weighted average remaining contractual life of 2 years (2020: nil years). Maximum term of new options granted was 3 years from the grant date. The weighted average exercise price of share options as at the date of exercise is £0.0067 (2020: £nil).

	Granted during the year	Unexercised at 31 December 2020	Share options exercised/lapsed	Unexercised at 31 December 2021	Exercise price (pence)	Date from which exercisable	Expiry date
R Gerritsen	5,977,612	5,000,000	(5,000,000)	5,977,612	0.67	1 Aug 2021	1 Feb 2024
P Rocco *	5,977,612	-	(5,977,612)	-	-		
W Callaghan	2,238,806	-	-	2,238,806	0.67	1 Aug 2021	1 Feb 2024
C Latilla-Campbell	1,500,000	-	-	1,500,000	0.67	1 Aug 2021	1 Feb 2024
C Schaffalitzky	1,500,000	-	-	1,500,000	0.67	1 Aug 2021	1 Feb 2024
	17,194,030	5,000,000	(10,977,612)	11,216,418			

* The options issued to P Rocco lapsed on termination of his employment on 21 December 2021.

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. SHARE-BASED PAYMENTS, continued

The fair value of the 11,216,418 options granted on 1 February 2021 using an adjusted Black-Scholes method and assumptions were as follows:

Options issued	11,216,418 share options
Grant date	1 February 2021
Fair value at measurement date	£0.0053
Share price at grant date	£0.0067
Exercise price	£0.0067
Expected volatility	140%
Vesting period: 3 years after grant	1 February 2024
Option life	36 months
Expected dividends	0.00%
Risk free interest rate	0.50%
Fair value of options granted	£58,948

The fair value of these share options expensed during the year was £17,999, being the value of the options attributable to the vesting period to 31 December 2021 (2020: £nil). £19,649, £19,649 and £1,651 will be expensed in the following years, being the value of these options attributable to the end of their vesting dates.

The volatility is set by reference to the historic volatility of the share price of the Company.

15. RESERVES

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

Share capital: Nominal value of shares issued

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

Retained earnings/losses: This reserve records retained earnings and accumulated losses.

Share based payment reserve: Cumulative fair value of options granted

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

16. CAPITAL COMMITMENTS

As at 31 December 2021, the Group / Company had no capital commitments.

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2021 (2020: £nil).

18. RELATED PARTY TRANSACTIONS

R Gerritsen is a director and shareholder of the Company. During the year he provided consultancy services totalling £nil (to 31 December 2020: £92,270) in respect of his fees as a director of the Company.

R Gerritsen was a director of London Stock Exchange listed company, Cobra Resources plc ("Cobra") until 1 May 2020. On 15 November 2018, the Company entered into an Advisory Service Agreement with Cobra whereby the Company (the "Adviser") agreed to provide advisory services to Cobra during its admission to the Main Market of the London Stock Exchange.

The Company was entitled to a fee in connection with Admission to be satisfied by the issued of 4,166,666 new ordinary shares in Cobra, amounting to £62,500. In the previous year the Company disposed of its entire holding of 6,666,666 Cobra shares for net proceeds of £102,467.

P Rocco was a director, until 19 October 2021, and is a shareholder of the Company. During the year he provided consultancy services totalling £22,500 (2020: £44,167) in respect of his fees as a director of the Company.

MetalNRG plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RELATED PARTY TRANSACTIONS, continued

R Gerritsen was a director until 18 November 2021, of BritNRG Limited, the Company's special purpose vehicle created for the acquisition of Sunswept Enterprises Limited and its associated subsidiaries. P Rocco is a director of BritNRG Limited and was a director of the Company until 19 October 2021.

A convertible loan note was entered into by the Company and BritNRG for a total amount of £175,000. The first tranche of £25,000 was paid upon signing of the heads of terms on 10 June 2020 and the second tranche was paid on 19 May 2021. Furthermore, under the Sale and Purchase Agreement (SPA), entered into by the Company and BritENERGY Holdings LLP, £475,000 was paid for an additional 190 shares in BritNRG Limited with Mr Rocco due to transfer an additional 116 shares to MetalNRG as part of the transaction, and a further £545,000 was paid under an Option agreement for 150 additional shares in BritNRG Limited.

During the year, the Company provided no financial assistance in relation to BritNRG Limited's legal costs (2020: the Company provided £49,724, in financial support for legal costs, of which £37,724 was deemed irrecoverable by the Board and as such was written off). During the year BritNRG Limited (through an associated subsidiary, Blackland Park Exploration Limited) settled £12,000 (2020: £nil) in costs.

On 18 November 2021, the Company announced that it is seeking recovery of all (at least) payments made under the 'April 2021 Agreements', being a total of £1,020,000 (less £1).

During the year the Company provided management support to BritNRG Limited totalling £23,245 (2020: £nil). At the year-end £16,788 remained outstanding.

Furthermore, during the financial year under review the Company provided accounting support to BritNRG Limited totalling £7,125 (2020: £nil). At the year-end no amounts were outstanding.

19. EVENTS AFTER THE REPORTING PERIOD

On 31 January 2022, the Company announced that it had filed and served civil legal proceedings in the English High Court against BritENERGY Holdings LLP, Pierpaolo Rocco and BritNRG Limited (together the "Defendants") for, inter alia, a declaration that the transactions entered into between the Company and the LLP be set aside and the recovery from the Defendants of monies paid to the LLP in 2021 totalling £1,019,999.

The Company brought the action on the basis that Mr Rocco failed to disclose a significant and material indirect interest in the LLP, which came to light after the Company and the LLP had entered into the series of agreements in April 2021 and which would have necessitated shareholder approval of the transactions pursuant to section 190 of the Companies Act 2006. The Defendants have filed a defence and the Company has subsequently filed a reply to the defence. The Company and its legal advisors are of the opinion that the defence filed by the Defendants fails to establish substantive grounds to prevent recovery by the Company.

In a separate action in the Scottish Courts Mr Rocco has sought to recover his legal costs incurred in defending the English High Court claims brought by the Company and certain employment termination payments, which the Company denies he is entitled to. The Company has filed a defence in this action.

On 2 February 2022, the Company announced that it had agreed to issue up to £200,000 of Convertible Loan Notes ("CLN") to Global Investment Strategy UK Limited ("GIS").

20. ULTIMATE CONTROLLING PARTY

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