GOLDEN METAL RESOURCES PLC

Annual Report and Financial Statements

Registered number: 13351178

For the period from 22 April 2021 to 30 June 2022

COMPANY INFORMATION

DIRECTORS	M Billing M Burnett O Friesen D Ovadia S Richardson Brown
REGISTERED NUMBER	13351178
REGISTERED OFFICE	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT
INDEPENDENT AUDITOR	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

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Strategic report

The directors present their strategic report for Golden Metal Resources Plc ("Golden Metal") for the period ended 30 June 2022.

Principal Activity and Review of business in the period

Golden Metal was incorporated on 22 April 2021 under the laws of England and Wales with company number 13351178. On 22 February 2022 the Company was re-registered as a public limited company. The Company is the parent company of Golden Metals Resources LLC as well as Pilot Metals Inc. and BFM Resources Inc. that combine to form the Pilot Metals Group.

The purpose of the Company and its subsidiaries (the "Group") is the holding of the Nevada mining assets previously held by Power Metal Resources plc ("Power Metal") and progressing the exploration and development of those assets. The Group holds four exploration and mining assets comprising the wholly owned Pilot Mountain, Garfield and Stonewall Projects together with an earn in option over the Golconda Summit Project (together the "Projects" or the "Nevada Projects"). The Projects are at varying stages of exploration from Mineral Resources growth stage through to early exploration stage. Each Project consists of unpatented mining claims located entirely on land managed by the United States Bureau of Land Management ("BLM"). Mineral exploration is focused on tungsten, gold, copper, silver and zinc.

During the period under review the Group incurred administrative expenses of $821,000. The majority of expenses relate to professional costs incurred in relation to the Company's planned listing on AIM.

Future developments

Golden Metal will continue to review additional opportunities within the western USA that could complement the existing project portfolio, with an emphasis on district-scale opportunities that are competitively valued and offer potentially significant returns through exploration success.

Principal risks and uncertainties

Operational risk

Mining, exploration and development risk
There is no certainty that the expenditures made to date and to be made in the exploration and development of the Group's Projects will result in profitable commercial operations. The Group is currently an exploration stage entity which currently has no projects in production and needs to conduct significant exploration activities on all of its Projects to discover commercial resources and reserves on its assets, and cannot give assurance that a commercially viable deposit exists on any of its Projects.

Title matters and Third Party Claims
Whilst the Group has taken reasonable measures to ensure an unencumbered right to explore its claim areas in Nevada, the Mining Claims may be subject to undetected defects. If a defect does exist, it is possible that the Group may lose all or part of its interest in one or more of the Mining Claims to which the defect relates and its exploration and prospects of commercial production may accordingly be adversely affected.

In addition, the failure to comply with all applicable laws and regulations, including failure to pay taxes, meet minimum expenditure requirements or carry out and report assessment work may invalidate title to mineral rights held by the Group.

Environmental and Health and Safety
The Group is aware of the potential impact that its operations may have on the environment and the need for its subsidiaries and contractors to fully comply with local US regulatory requirements. The Group will adopt best practice guidelines for its Health and Safety policy and its commitments to the communities it works in will be at the forefront of its operational procedures.

Strategic report *(continued)*

Strategic risk

The Group's strategy may not deliver the results expected by shareholders. The Directors regularly monitor the appropriateness of the strategy, taking into account both internal and external factors, together with progress in implementing the strategy, and modify the strategy as may be required based on developments and exploration results.

Financing and liquidity risk

The Group has no source of revenue and is thus relying on its parent company, Power Metal, to provide funding to meet its operating costs, pending completion of the Company's planned listing onto AIM and the associated IPO fundraise. The directors of Power Metal are fully committed to continue exploration activities in USA and thus the risk is partly mitigated.

The Group requires substantial additional funds to determine whether commercial mineral deposits exist. Any potential development and production of the Projects depends on the results of exploration programmes, feasibility studies and the recommendations of qualified mining engineers, geologists and other professional advisers.

Currency risk

The Group operates internationally and is exposed to currency risk arising on cash and cash equivalents, receivables and payables denominated in a currency other than the respective functional currencies of the Group. The Group does not have a policy of using hedging instruments but will continue to keep this under review.

Key performance indicators

The key performance indicators the directors use in assessing performance of the Group is cash management. This is monitored on a regular basis to ensure that the Company can meet its obligations as they fall due.

Section 172 statement

Section 172 of the Companies Act 2006 ("the Act) requires directors to take into consideration the interests of stakeholders in their decision making, having regard to the following matters:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

As stated above, this is the first period of the Group and the Directors have concentrated their efforts on securing title to the Nevada mining assets. Although at an early stage of exploration, the Directors have a clear long-term strategy, including the planned listing onto AIM. The Group has established a number of policies and procedures during the period and will continue to develop these as it grows. Upon the successful completion of listing, the Group intends to follow the QCA rules on corporate governance.

The directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by the Act. The directors have engaged with the Company's stakeholders during the period.

This report was approved by the board of directors and signed on its behalf by:

David Ovadia, Director, 23 November 2022

Directors' report

The directors present their report together with the audited financial statements for the period from incorporation on 22 April 2021 to 30 June 2022.

Review of business and future developments

A review of the current and future development of the Group's and Company's business is included in the Strategic Report.

Dividends

The directors do not propose a dividend in respect of the period ended 30 June 2022.

Subsequent events

Details of subsequent events after the period end are disclosed in note 18 to the financial statements.

Directors

The directors who served during the period and up to the date of signing this report are as follows:

M Billing (appointed 11 November 2021)
M Burnett (appointed 22 September 2021)
O Friesen (appointed 11 May 2021)
P Johnson (appointed 22 April 2021, resigned 25 October 2022)
D Ovadia (appointed 22 September 2021)
S Richardson Brown (appointed 25 October 2022)

Use of financial instruments and financial risk management

Details of the use of financial instruments and associated risk management by the Group and Company are included in note 14 to the financial statements.

Political donations

The Company made no political donations during the period.

Going concern

The Group and Company do not currently generate revenue and are reliant on the continued support from Power Metal, its parent company, to continue as a going concern. The directors have received confirmation that the Group will receive this support for the foreseeable future and at least 12 months from the date of approval of these financial statements and it has been confirmed that Power Metal has sufficient financial resources to provide such support.

The Company is in the final stages of completing its planned listing onto AIM, together with the associated IPO fundraise, however both are still subject to finalisation. The financial support from Power Metal relates to the committed and contracted expenditure of the Group and Company over the going concern period. The ability of the Group to undertake its planned exploration and development expenditure on its Projects will require completion of the IPO fundraise and additional future fundraises. Such expenditure is discretionary in terms of value and timing and the Group will only commit to significant exploration and development workstreams, other than meeting the minimum expenditure requirements under the licences, once sufficient funding has been secured.

The directors have therefore adopted the going concern basis of accounting in the preparation of the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and Directors' Report along with 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 Company financial statements in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") and in accordance with 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 Group and Company and of the profit or loss of the Group. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 group and company will continue in business.

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

Disclosure of information to auditor

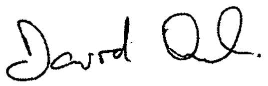
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP have expressed their willingness to continue in office.

This report was approved by the board of directors and signed on its behalf:



David Ovadia
Director
23 November 2022

Independent auditor's report to the members of Golden Metal Resources PLC

Opinion

We have audited the financial statements of Golden Metal Resources Plc (the 'parent company') and its subsidiaries (the 'Group') for the period from 22 April 2021 to 30 June 2022 which comprise 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 Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

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 30 June 2022 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards
- the parent company financial statements have been properly prepared in accordance with UK-adopted international standards and as applied in accordance with 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, 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 director's 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 group's and parent 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditor's report to the members of Golden Metal Resources PLC *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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 group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group and 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 group or 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 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.

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management.

Independent auditor's report to the members of Golden Metal Resources PLC *(continued)*

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
  - Companies Act 2006
  - UK-adopted IAS
  - Local industry regulations in Nevada, USA
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and the parent company with those laws and regulations. These procedures included, but were not limited to:
  - enquiries of management
  - review of minutes
  - review of legal and regulatory correspondence
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the recoverability of the loan receivable from subsidiary undertakings and the recoverability of intangible assets. We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

23 November 2022

Consolidated Statement of comprehensive income for the period ended 30 June 2022

	Note	Period from 22 April 2021 to 30 June 2022 US$'000
Continuing operations		
Revenue		-
Administrative expenses	4	(821)
Loss before taxation		(821)
Taxation	6	-
Loss for the period		(821)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Capital contribution	12	5,897
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations		54
Total other comprehensive income		5,951
Total comprehensive income for the period attributable to owners of the Company		5,130

The notes on pages 15 to 28 form part of these financial statements.

Consolidated Statement of financial position as at 30 June 2022

	Note	30 June 2022 US$'000
ASSETS		
Non-current assets		
Intangible assets	7	7,240
Total non-current assets		7,240
Current assets		
Other receivables	9	169
Cash and cash equivalents	8	40
Total current assets		209
Total assets		7,449
LIABILITIES		
Current liabilities		
Trade and other payables	10	150
Total current liabilities		150
Total liabilities		150
Net assets		7,299
EQUITY		
Share capital	13	728
Share premium	13	4,126
Foreign exchange reserve	12	54
Capital contribution reserve	12	5,897
Accumulated losses	12	(3,506)
Total equity		7,299

The notes on pages 15 to 28 form part of these financial statements.

These financial statements were approved by the directors on 23 November 2022 and are signed on their behalf by:

David Ol.

David Ovadia
Director

Company Statement of financial position
Company number: 13351178
as at 30 June 2022

	Note	30 June 2022 US$'000
ASSETS		
Non-current assets		
Intangible assets	7	4,068
Total non-current assets		4,068
Current assets		
Other receivables	9	6,066
Cash and cash equivalents	8	40
Total current assets		6,106
Total assets		10,174
LIABILITIES		
Current liabilities		
Trade and other payables	10	150
Total current liabilities		150
Total liabilities		150
Net assets		10,024
EQUITY		
Share capital	13	728
Share premium	13	4,126
Foreign exchange reserve	12	52
Capital contribution reserve	12	5,897
Accumulated losses	12	(779)
Total equity		10,024

The notes on pages 15 to 28 form part of these financial statements.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of comprehensive income. The loss after tax for the period ended 30 June 2022 was US$779,000.

These financial statements were approved by the directors on 23 November 2022 and are signed on their behalf by:

David Ovadia
Director

Consolidated Statement of changes in equity for the period from 22 April 2021 to 30 June 2022

	Share capital US$'000	Share premium US$'000	Foreign exchange reserve US$'000	Capital contribution reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Balance as at 22 April 2021	-	-	-	-	(2,685)	(2,685)
Loss for the period	-	-	-	-	(821)	(821)
Currency translation	-	-	54	-	-	54
Capital contribution	-	-	-	5,897	-	5,897
Total comprehensive income	-	-	54	5,897	(821)	5,130
Transactions with owners						
Share issues	123	666	-	-	-	789
Conversion of related party loan to equity	605	3,460	-	-	-	4,065
Balance as at 30 June 2022	728	4,126	54	5,897	(3,506)	7,299

The notes on pages 15 to 28 form part of these financial statements.

Company Statement of changes in equity for the period from 22 April 2021 to 30 June 2022

	Share capital US$'000	Share premium US$'000	Foreign exchange reserve US$'000	Capital contribution reserve US$'000	Accumulated losses US$'000	Total equity US$'000
Balance as at 22 April 2021	-	-	-	-	-	-
Loss for period	-	-	-	-	(779)	(779)
Capital contribution	-	-	-	5,897	-	5,897
Currency translation	-	-	52	-	-	52
Total comprehensive income	-	-	52	5,897	(779)	5,170
Transactions with owners						
Share issues	123	666	-	-	-	789
Conversion of related party loan to equity	605	3,460	-	-	-	4,065
Balance as at 30 June 2022	728	4,126	52	5,897	(779)	10,024

The notes on pages 15 to 28 form part of these financial statements.

Consolidated Statement of cash flows for the period from 22 April 2021 to 30 June 2022

	30 June 2022 US$'000
Cash flows from operating activities	
Loss for the period before taxation	(821)
Effect of foreign exchange movements	54
Changes in working capital:	
Increase in trade and other receivables	(71)
Increase in trade and other payables	150
Net cash used in operating activities	(688)
Cash flows from financing activities	
Issue of new ordinary share capital, net of expenses	728
Net cash generated from financing activities	728
Net increase in cash and cash equivalents	40
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	40

Significant non-cash movements

During the period ended 30 June 2022 a capital contribution and corresponding receivable balance of US$5,897k was recognised in respect of the value of loans from subsidiary undertakings as part of a group reorganisation. See notes 7 and 9 for further detail.

Intangible assets of US$4,068k were acquired during the period from the Company's controlling party, Power Metal Resources Plc. This equates to the intangible assets acquired and related VAT receivable, less a portion of the loan converted to share capital of US$4,065k during the period.

The notes on pages 15 to 28 form part of these financial statements.

Company Statement of cash flows for the period from 22 April 2021 to 30 June 2022

	30 June 2022 US$'000
Cash flows from operating activities	
Loss for the period before taxation	(779)
Effect of foreign exchange movements	52
Changes in working capital:	
Increase in trade and other receivables	(111)
Increase in trade and other payables	150
Net cash used in operating activities	(688)
Cash flows from financing activities	
Issue of new ordinary share capital, net of expenses	728
Net cash generated from financing activities	728
Net increase in cash and cash equivalents	40
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	40

Significant non-cash movements

During the period ended 30 June 2022 a capital contribution and corresponding receivable balance of US$5,897k was recognised in respect of the value of loans from subsidiary undertakings as part of a group reorganisation. See notes 7 and 9 for further detail.

Intangible assets of US$4,068k were acquired during the period from the Company's controlling party, Power Metal Resources Plc. This equates to the intangible assets acquired and related VAT receivable, less a portion of the loan converted to share capital of US$4,065k during the period.

The notes on pages 15 to 28 form part of these financial statements.

Notes to the financial statements

1 General information

Golden Metal Resources Plc (the "Company") is a private limited company incorporated in England and Wales. Golden Metal Resources Plc is domiciled in the UK and its registered office is 201 Temple Chambers 3-7 Temple Avenue, London, Greater London, England, EC4Y 0DT. The Company's registered number is 13351178.

This financial statements comprises the Company and consolidates its 100% owned subsidiary undertakings, Golden Metal Resources LLC, incorporated in the United States of America and Pilot Metals Group, consisting of the combined results of Black Fire Minerals Resources Inc. and Pilot Metals Inc. both of whom are incorporated in the United States of America (together "the Group").

The principal activity of the Group is the exploration and exploitation of mineral resources in the United States of America.

2 Accounting policies

Basis of preparation

The consolidated and company financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") and the requirements of the Companies Act 2006 under the historical cost convention.

The preparation of financial statements in accordance with UK-adopted IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The financial statements are presented in United States Dollars ($), and all values are rounded to the nearest thousand ($'000), except where otherwise stated. The functional currency of the Company is Pound Sterling (£).

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

Going concern

The Group and Company do not currently generate revenue and are reliant on the continued support from Power Metal, its parent company, to continue as a going concern. The directors have received confirmation that the Group will receive this support for the foreseeable future and at least 12 months from the date of approval of these financial statements and it has been confirmed that Power Metal has sufficient financial resources to provide such support.

The Company is in the final stages of completing its planned listing onto AIM, together with the associated IPO fundraise, however both are still subject to finalisation. The financial support from Power Metal relates to the committed and contracted expenditure of the Group and Company over the going concern period. The ability of the Group to undertake its planned exploration and development expenditure on its Projects will require completion of the IPO fundraise and additional future fundraises. Such expenditure is discretionary in terms of value and timing and the Group will only commit to significant exploration and development workstreams, other than meeting the minimum expenditure requirements under the licences, once sufficient funding has been secured.

The directors have therefore adopted the going concern basis of accounting in the preparation of the financial statements.

Notes to the financial statements

2 Accounting policies (continued)

New and amended standards and interpretations

The following amendments to standards have become effective for the first time for annual reporting periods commencing on 1 January 2021 and have been adopted in preparing these financial statements:

- Interest Rate Benchmark Reform – IBOR 'phase 2' (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) being the second part to a two-phase project which finalises the IBOR and other interest rate benchmarks reform; and
- Covid-19-related rent concessions – amendments to IFRS 16.

The adoption of these amendments had no impact on the financial statements.

At the date of approval of these financial statements, the following amendments to IFRS which have not been applied in these financial statements were in issue but not yet effective:

- Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework – effective 1 January 2022;
- Amendments to IAS 16 Property, Plant and Equipment – effective 1 January 2022;
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – effective 1 January 2022;
- Annual Improvements to IFRS Standards 2018-2020 Cycle – effective 1 January 2022;
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – effective 1 January 2023;
- Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting Policies – effective 1 January 2023; and
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates – effective 1 January 2023.

The Group and Company do not expect that the adoption of these standards will have a material impact on the financial statements in future periods.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Acquisitions of mineral exploration licences through the acquisition of non-operational corporate structures that do not represent a business, and therefore do not meet the definition of a business combination, are accounted for as the acquisition of an asset.

Notes to the financial statements *(continued)*

2 Accounting policies (continued)

Where an acquisition transaction constitutes the acquisition of an asset and not a business, the consideration paid is allocated to assets and not a business, the consideration paid is allocated to assets and liabilities acquired based on their relative fair values.

Deferred tax is not recognised upon an asset acquisition.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Segmental reporting
During the period ended 30 June 2022, the Group operated one business segment, which is the exploration and evaluation of mineral resources in Nevada, USA. Given that there is only one continuing class of business and one geographical segment, no further segmental information has been provided

Foreign Currencies
The financial information of the Group is presented in the currency of the primary economic environment in which the entity operates (United States Dollar (US$)). The functional currency of the Company is Pounds Sterling (£).

In preparing the financial information of the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the statement of comprehensive income for the period.

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for the statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for the income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Taxation
Income tax represents the sum of the current tax and deferred tax charge or credit for the period.

Current tax
Current tax is based on the taxable profit or loss for the period calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Company does not currently generate taxable profits.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and is accounted for using the balance sheet liability method.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted and are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Notes to the financial statements *(continued)*

2 Accounting policies (continued)

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.

Judgement is applied in making assumptions about future taxable income to determine the extent to which the Company recognises deferred tax assets, as well as the anticipated timing of the utilisation of the losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and short term highly liquid deposits which are subject to an insignificant risk of changes in value.

Capital contribution
Capital contribution relates to the assignment of receivables from subsidiary undertakings for which no consideration is expected to be paid.

Financial assets

Loans and receivables

(a) Classification

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's and Company's loans and receivables comprise Other Receivables.

(b) Recognition and measurement

Loans and receivables are initially recognised at fair value through profit or loss and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

(c) Impairment of Financial Assets

Assets Carried at Amortised Cost

The Group and Company assess at the reporting date whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

Receivables that are known to be uncollectible are written off by reducing the carrying amount directly. The Group and Company consider that there is evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the debtor
- Probability that the debtor will enter bankruptcy or financial reorganisation
- Default or delinquency in payments

Financial liabilities

The Group and Company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was incurred. The Group's and Company's accounting policy for each category is as follows:

Notes to the financial statements *(continued)*

2 Accounting policies (continued)

Amortised cost

The Group's and Company's financial liabilities held at amortised cost are recognised in the statement of financial position when the Group and Company becomes a party to the contractual provision of the instrument.

Financial liabilities measured at amortised cost comprise trade payables and other short-dated monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Determination of Fair values

All assets and liabilities for which fair value is measured or disclosed in the historical financial information are categorised within the fair value hierarchy. The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value. The Group and Company uses the following hierarchy for determining and disclosing the fair value of financial instruments and other assets and liabilities for which the fair value was used:

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

Intangible assets

(i) Prospecting and exploration rights

Rights acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and development expenditure is recognised at cost.

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources (IFRS 6 assets). Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to undertake topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and other activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

When a project is deemed not feasible, related costs are expensed as incurred. Costs incurred include any costs pertaining to technical and administrative overheads. Administration costs that are not directly attributable to a specific exploration area are expensed as incurred, and subsequently capitalised if it is reasonably certain that a resource will be defined.

Capitalised development expenditure will be measured at cost less accumulated amortisation and impairment losses.

(ii) Impairment

Intangible assets not yet available for use are tested for impairment annually. Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable, an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Notes to the financial statements *(continued)*

2 Accounting policies (continued)

Impairment reviews for deferred exploration and evaluation expenditure are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise such as:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in mineral prices that render the project uneconomic;
- substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and
- the period for which the Group and Company has the right to explore has expired and is not expected to be renewed.

Impairment losses are recognised in profit or loss. For all assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investments and loans in subsidiaries

The Company recognises its investments in and loans to subsidiaries at cost less any provision for impairment. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all loans to subsidiaries.

Share Capital
Ordinary shares are classified as equity. There is one class of ordinary share in issue, as detailed in note 13.

3 Critical accounting estimates and judgements

In the application of the accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the revision is made.

Sources of estimation uncertainty

Carrying value of intangible exploration assets (note 7)

In arriving at the carrying value of intangible assets, the Group determines the need for impairment based on the level of geological knowledge and confidence of the mineral resources, by reference to the specific impairment indicators prescribed in IFRS 6. Such decisions are taken on the basis of the exploration and research work carried out in the period and by utilising expert reports.

Impairment assessment of investment in and loans to subsidiaries (note 9)

In preparing the Company financial statements, the Directors apply their judgement to decide if any or all of the investment in and loans to its subsidiaries should be impaired. These subsidiaries currently have no source of funds other than from the parent company and the ability to repay is dependent on the future success of their exploration activities.

Notes to the financial statements *(continued)*

4 Administrative expenses

Administrative expenses are stated after recharging the following cost to Power Metal Resources plc, the parent company of Golden Metal Resources Plc.

	30 June 2022 US$'000
Administrative expenses	867
Recharged to Power Metal Resources Plc	(46)
	821

5 Employees and directors

Key management compensation

Key management personnel include all directors, who together have authority and responsibility for planning, directing, and controlling the activities of the Group.

Average monthly number of people employed by activity:

	30 June 2022
Directors	5
	5

Total key management personnel compensation for the period was as follows:

	Group 30 June 2022 US$'000	**Company 30 June 2022 US$'000**
Wages and salaries	34	34
Social security costs	13	13
	47	47

6 Taxation

	30 June 2022 US$'000
Current taxation	-
Deferred taxation	-
Total tax for the period	-

Notes to the financial statements *(continued)*

6 Taxation (continued)

The total tax credit for the period is higher than the standard corporation tax in the UK for the period ended 30 June 2022. The differences are reconciled below:

	30 June 2022 US$'000
Loss for the period	821
Loss multiplied by the standard corporation tax in the UK of 19%	(156)
Effect of tax losses not recognised as deferred tax assets	156
Total tax credit for the period	-

The Group has approximately US$821,000 of tax losses to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be used. Tax losses can be carried forward indefinitely.

7 Intangible assets

	Group Prospecting and exploration rights US$'000	Company Prospecting and exploration rights US$'000
Cost		
At 22 April 2021	-	-
Additions	7,240	4,068
Balance at 30 June 2022	7,240	4,068

Intangible assets relate to exploration and evaluation project costs capitalised as at 30 June 2022. Additions to project costs during the period ended 30 June 2022 were in relation to projects in Nevada, USA. The exploration projects comprise of the Pilot Mountain Project, Golconda Summit Project, Stonewall Project and Garfield Project. The Group is the operator of the Golconda Summit Project and is held under an earn-in right from the mineral claim owner under an option agreement.

8 Cash and cash equivalents

Group and Company

	30 June 2022 US$'000
Cash and cash equivalents	40
	40

Notes to the financial statements *(continued)*

9 Other receivables

	Group 30 June 2022 US$'000	Company 30 June 2022 US$'000
Amounts falling due within one year		
VAT receivable	89	89
Amounts due from related parties	80	5,977
	169	6,066

The related parties are Power Metals Resources Plc, the ultimate controlling party, and Pilot Metals Inc. and BFM Resources Inc., wholly owned subsidiary undertakings of the Company.

The fair value of all receivables is the same as their carrying values stated above.

10 Trade and other payables

Group and Company

	30 June 2022 US$'000
Amounts falling due within one year	
Trade payables	150
	150

The fair value of trade and other payables is the same as their carrying values stated above.

11 Investment in subsidiaries

The direct subsidiary undertakings of the Company are presented below:

Subsidiaries	Country of Incorporation	Activity	Proportion of ordinary shares held
Golden Metals Resources LLC[1]	USA	Intermediary Holding Company	100%
Pilot Metals Inc. [2]	USA	Mineral exploration	100%
BFM Resources Inc. [3]	USA	Mineral exploration	100%

Registered Offices
[1] 3800 Howard Hughes Parkway STE 1000, Las Vegas, NV 89169, USA
[2] 241 Ridge Street STE 210. Reno, NV 89501, USA
[3] 241 Ridge Street STE 210. Reno, NV 89501, USA

Notes to the financial statements *(continued)*

12 Reserves

Retained earnings

Retained earnings comprise cumulative accounting profits and losses since incorporation. As Pilot Metals Group was in operation before incorporation of Golden Metal Resources Plc, opening retained earnings includes Pilot Metals Group retained losses.

Share capital

The share capital comprises the issued ordinary shares of the Company at par value.

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares above par value.

Foreign exchange reserve

The foreign exchange reserve comprises exchange differences arising on translation of assets from functional currency to presentational currency.

Capital contribution

The capital contribution represents the value of loans assigned from subsidiary undertakings as part of a group reorganisation. The loans were acquired by the Company following the collapse of three Group companies, namely Golden Metal Resources Australia Pty Ltd, Black Fire Industrial Minerals Pty Ltd and Industrial Minerals (USA) Pty Ltd, and the acquisition of debt due to Thor Mining Plc.

A Share Purchase Agreement was entered into with Thor Mining Plc on 14 December 2021 for the acquisition of 1,256,350 ordinary shares in Black Fire Industrial Minerals Pty Ltd by Golden Metal Resources Australia Pty Ltd. Debt due to Thor Mining Plc from BFM Resources Inc. and Pilot Metals Inc. of AUD$1,873k and AUD$2,064k respectively was acquired by Golden Metal Resources Australia Pty Ltd during the transaction.

Following the transaction, Golden Metal Resources Australia Pty Ltd, Black Fire Industrial Minerals Pty Ltd and Industrial Minerals (USA) Pty Ltd, all previously subsidiaries of the Company, were deregistered or liquidated. Intragroup debt amounting to US$5,897k, including the debt acquired from Thor Mining Plc by Golden Metal Resources Australia Pty Ltd, was transferred to the Company. This has been recognised as a capital contribution in this historical financial information.

Consideration of US$1,765k, comprising 48,118,920 ordinary shares and 12,500,000 warrants for ordinary shares in Power Metal Resources Plc and a US$115k cash sum, was settled by Power Metal Resources Plc to Thor Mining Plc on behalf of Golden Metal Resources Australia Pty Ltd.

The consideration paid by Power Metal Resources Plc of US$1,765k has been recharged to the Company and capitalised as an intangible asset.

Notes to the financial statements *(continued)*

13 Share Capital

	No. of Shares	Share capital US$
At 22 April 2021	-	-
Issue of ordinary shares (par value £1.00)	1	1
Subdivision of shares (100 to 1) (par value £0.01)	100	1
Issue of Ordinary shares	59,994,277	727,708
As at 30 June 2022	59,994,377	727,709

The shares have attached to them full voting, dividend, and capital distribution (including winding up) rights; they do not confer any rights of redemption.

During the period, the Company issued 59,994,377 new ordinary shares at a price of £0.0667.

48,750,000 shares were issued to Power Metal Resources Plc as a conversion of the related party loan, which principally arose from the acquisition of the USA project portfolio.

The remaining 11,244,377 shares were issued for cash.

14 Financial Instruments

Categories of financial instruments

	Group 30 June 2022 US$'000	Company 30 June 2022 US$'000
Financial assets – carried at amortised cost:		
Cash and cash equivalents	40	40
Amounts due from related parties	80	5,977
	120	6,017
Financial liabilities – carried at amortised cost:		
Trade and other payables	150	150
	150	150

The directors consider that the carrying amounts of the financial instruments approximate to their fair value.

Risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and interest rate risk), liquidity risk, foreign exchange risk and credit risk. Risk management is carried out by the directors of the Group. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Group's operations.

Credit risk and impairment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise the risk, the Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored.

Notes to the financial statements *(continued)*

14 Financial Instruments (continued)

The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes.

The Group does not consider that there is any concentration of risk within either trade or other receivables. Current receivables currently consist of amounts due from related parties and minor other debtors. These balances are evaluated on a regular basis for recoverability, considering historic, current and forward-looking information.

Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether The Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group and Company's financial liabilities is shown below:

	30 June 2022 US$'000
Due in less than one year	150

Currency risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign exchange rates. The Group operates internationally and is exposed to currency risk arising on cash and cash equivalents, receivables and payables denominated in a currency other than the respective functional currencies of the Group. The Group does not have a policy of using hedging instruments but will continue to keep this under review.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, interest rates, foreign exchange rates, and equity prices will affect the Group's income or the value of its holdings in financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest bearing assets including cash and cash equivalents are considered to be short-term liquid assets. Due to the nature of the organisation of the Group, the Group does not have any exposure to interest rate risk given it does not have any assets or liabilities linked to variable interest rates. It is the Group's policy to settle payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances. No sensitivity analysis has been prepared as a 1% rise or fall in the Bank of England base rate would not have a material effect on the Group's interest charge.

Capital risk management

The capital structure of the business consists of cash and cash equivalents, debt and equity. Equity comprises share capital, share premium and retained earnings and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises various items which are set out in further detail above and in note 8.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.

Notes to the financial statements *(continued)*

14 Financial Instruments (continued)

- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

From the date of incorporation to 30 June 2022, Golden Metal Resources Plc's business strategy remained unchanged.

15 Related parties

During the period, the Group received funds, re-charged expenditure and converted its related party loan to shares (see note 13) to its parent company Power Metal Resources plc. The total amount receivable at the period end was US$80k.

As detailed in note 9, intragroup debt amounting to US$5,897k, including the debt acquired from Thor Mining Plc by Golden Metal Resources Australia Pty Ltd, was transferred to the Company following a group re-organisation. The amount receivable from Pilot Metals Inc. and BFM Resources Inc. as at 31 June 2022 amounted to US$5,897k.

Transactions with key management personnel

During the period the Company received management and consulting services of £7,766 provided by MBB Trading Pty Ltd, a company closely associated with M Billing. The transactions are deemed to be carried out at an arms-length basis.

During the period the Company received management and consulting services of £10,452 from Power Metal Resources plc for support services provided by Paul Johnson who is a director of both companies. The transactions are deemed to be carried out at an arms-length basis.

16 Ultimate Controlling Party

The ultimate controlling party of the Company is Power Metal Resources plc.

17 Capital commitments

The Company has 100 per cent ownership of the Pilot Mountain, Garfield and Stonewall Projects and an earn-in option for up to 100 per cent of the Golconda Summit Project.

On 21 May 2021, the Company became the operator of the Golconda Summit Project when it entered into an Assignment and Assumption Agreement with GR Silver Mining and the Company was also assigned the Golconda Option Agreement to earn-in up to 100 per cent. GR Silver Mining historically entered into the Golconda Option Agreement to acquire 100 per cent title and interest with Eureka Resources, a private Nevada based company. Under the terms of the Assignment and Assumption Agreement, the Company has assumed the obligation to pay the remaining liability of US$275,000 due under the Golconda Option Agreement to Eureka Resources. Eureka Resources holds a 1 per cent net smelter royalty over the Golconda Summit Project which can be bought back at any time by the Company within one year after commencement of production for US$1,000,000. Annual payments of US$50,000 are payable by the Company on or before 11 August of each of 2023, 2024, 2025, 2026 and 2027 and the Company holds an option to purchase the leased claims for US$335,000, less the amount of annual payments made.

On 17 June 2021, Golden Metal Resources LLC acquired the Garfield and Stonewall Projects from the Sunrise Resources Group. Under the terms of the Acquisition Agreements, the Sunrise Resources Group retain a 2 per cent royalty over the Garfield and Stonewall Projects. 1 per cent of each Project royalty may be repurchased by the Company for US1,000,000 at any time.

Notes to the financial statements *(continued)*

17 Capital commitments (continued)

On 1 November 2021, the Company acquired Black Fire Industrial Minerals Pty Ltd from Thor Mining Plc in order to acquire the Pilot Mountain Project. Certain Mining Claims within the Pilot Mountain Project are subject to a two per cent royalty held Nevada Select Royalty based on actual proceeds from the sale of minerals. In addition, Nevada Select Royalty is entitled to receive non-refundable prepayments in respect of the Pilot Metals Royalty at a current rate of US$40,000 per annum.

18 Events after the reporting date

There are no events between 30 June 2022 and the date of signing of these financial statements which require disclosure.