

Company Registration No. 11388575 (England and Wales)

CRITICAL METALS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

CRITICAL METALS PLC
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CRITICAL METALS PLC
COMPANY INFORMATION

Directors	Russell Fryer Anthony Eastman Marcus Edwards-Jones – appointed 29 September 2020 Christopher Ecclestone – resigned 18 March 2020
Company Secretary	Hill Dickinson Services (London) Limited
Company number	11388575
Registered office	The Broadgate Tower 7th Floor 20 Primrose Street London EC2A 2EW
Principal place of business / Operations	Eccleston Yards 25 Eccleston Place London SW1W 9NF
Independent Auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Broker	Peterhouse Capital Limited 80 Cheapside London EC2V 6DZ
Registrars	Share Registrars Limited 27/28 Endcastle Street London W1W 8DH
Financial Public Relations	St Brides Partners Limited 51 Eastcheap London EC3M 1JP
Bankers	Alpha FX 2 Eastbourne Terrace Paddington London WC 6LG
Website	www.criticalmetals.co.uk

CRITICAL METALS PLC
STATEMENT FROM THE BOARD
FOR THE YEAR ENDED 30 JUNE 2020

Dear Shareholder

I am pleased to present the financial statements for the year ended 30 June 2020.

After navigating through a long public listing process during which the markets experienced significant volatility amidst BREXIT negotiations, the UK elections and the Covid-19 pandemic, we are delighted to present our first financial statements as a public company.

When considering the global macro-environmental uncertainties regarding supply and demand in the critical metals sector, the need to identify and invest in the stable supply of metals that will allow economies to operate and grow becomes increasingly evident. Critical Metals' strategy is to search for acquisition opportunities in the natural resources sector on known deposits and more specifically minerals that are perceived to have strategic importance to future economic growth. With this in mind, after listing the Board evaluated a large number of potential targets and has now narrowed down its search to a smaller number which it believes have the potential to produce any combination of cobalt, copper, niobium, tantalum, titanium, or vanadium and that meet its stringent investment criteria. Preliminary discussions are on going with these exciting opportunities and we look forward to providing further updates if material developments occur.

Any transaction would be deemed a Reverse Take Over ('RTO') and we would expect funding of any transaction to be from existing cash resources or the raising of additional capital.

Looking forward, I am very excited about what 2021 might hold for Critical Metals and hope that it will be a year of significant growth for the Company as we look to advance our strategy and build value for shareholders.

Financial

Funding

The Company is funded through investment from its Shareholders, having successfully raised £140,000 since incorporation to 30 June 2020. Subsequent to year end, the Company completed its Standard Listing IPO onto the London Stock Exchange on 29 September 2020, raising £800,000 before costs.

Revenue

The Company has generated no revenue during the year, however is focussing on acquisition targets that will ultimately generate revenue for the Company.

Expenditure

During the year, the Company progressed with its listing on the London Stock Exchange and focussed its expenditure on this process, with very minimal expenditure unrelated to the listing being incurred.

Liquidity, cash and cash equivalents

At 30 June 2020, the Company held £62,072 (2019: £52,468) which is all denominated in pounds sterling.

Dividend

The Directors do not intend to declare a dividend in respect of the period under review (2019: £nil).

Russell S. Fryer

Director

22 December 2020



Fair review of the business

The Company was incorporated on 30 May 2018 with a view to undertake an acquisition of a target company or business within the natural resources development and production sector.

To enable to Company to pursue the principle activities, it pursued an Initial Public Offering (“IPO”) of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy. The IPO was successfully completed subsequent to year end, and the Company’s shares were admitted for trading on 29 September 2020.

Following admission, the Company is now focused on its strategy of identifying acquisition opportunities within the natural resources development and production sector in the continent of Africa.

Principle risks and uncertainties

There are a number so risks associated with newly listed entities focused in the natural resources sector, especially in Africa. The Board regularly reviews the risks to which the Company is exposed and endeavours to minimise them as far as possible. The following summary, which is not exhaustive, outlines some of the risk and uncertainties facing the Company:

No operating history

The Company is a newly formed entity with no operating history other than the successful admission to the London Stock Exchange which was completed subsequent to year end with admission taking place on 29 September 2020. As at the date of this report, the Company has not yet identified any potential target company or business or asset/(s) for an acquisition, however has been evaluating numerous opportunities.

Acquiring less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company’s operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding, however, will ensure that appropriate funding measures are taken to ensure minimum commitments are met.

Suitable Acquisition Opportunities may not be Identified of Completed

The Company’s business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objective. Furthermore, if the Directors do not identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition is aborted the Company may be left with substantial transaction costs.

Risk Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assurance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors than a direct investment, if such an opportunity were available, in a target business.

COVID-19

The COVID-19 experienced globally in 2020 could have an adverse effect on the Company’s business. The pandemic is having an unprecedented impact on the global economy as the respective levels of government continue to react to this public health crisis, which has created significant uncertainties.

**CRITICAL METALS PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

As the pandemic continues to grow, consumer fears about becoming ill with the virus and recommendations and/or mandates from authorities to avoid large gatherings of people or self-quarantine may continue to increase, which has already affected, and may continue to affect economic activity generally. The extent of the impact of the pandemic on the Company's business, results of operations, financial condition or prospects will depend largely on future developments, including the duration of the spread of the outbreak, the impact on capital and financial markets and the related impact on consumer behaviour, all of which are highly uncertain and cannot be predicted. This situation is changing rapidly, and additional impacts may arise of which the Company is not aware currently.

Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented.

Gender analysis

A split of our employees and directors by gender during the year is shown below:

	Male	Female
Directors	3	nil

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

Greenhouse Gas (GHG) Emissions:

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint. In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

On behalf of the board



Russell S. Fryer

Director

22 December 2020

CRITICAL METALS PLC
KEY PERSONNEL
FOR THE YEAR ENDED 30 JUNE 2020

The only employees in the Company are the Directors, who are all considered to be key management personnel.

Russell Fryer

Prior to establishing Critical Metals PLC, Mr. Fryer was the co-founder and Executive Chairman of Western Uranium Corporation, a Canadian listed uranium and vanadium explorer. Prior to Western Uranium Corporation, Mr Fryer was also the Non-Executive Chairman of Ecometals Limited, a Canadian mining company focused on South American bulk and precious metals. Before Ecometals, Mr Fryer was Managing Director covering the natural resources sector for North Sound Capital LLC, an investment advisor based in Greenwich, Connecticut. Mr. Fryer joined North Sound in 2006 from Deutsche Bank, where he had been a Director in Emerging Market Equities. Prior to that, Mr. Fryer was a Director in Emerging Market Equities at HSBC in Johannesburg, South Africa.

Mr. Fryer holds an advanced diploma in International Taxation from Rand Afrikaans University and received a Bachelor's degree in Business Administration from the Newport University. He is a member of the New York chapter of Society of Mining Engineers and Minerals and Metals Professionals Globally. Over the course of his 28-year investment career, Mr. Fryer has travelled extensively obtaining on-the-ground understanding of the natural resources sector. In addition to this significant international travel, Mr. Fryer was based in Africa from 1987 to 2004. While there, Mr. Fryer gained knowledge of many of the properties he continues to follow and developed relationships at both senior and working levels throughout the industry. During his time in Africa, Mr. Fryer wrote investment columns for various news sources such as South African Smart Investor and the Sunday Business Times.

Anthony Eastman

Mr Eastman is a Chartered Accountant (Australian qualified) with a number of years' experience in financial management and corporate advisory services, primarily in the natural resources sector, along with extensive experience in the public company environment, having been a director and company secretary of a number of ASX and AIM junior mining and oil & gas focused companies. He has previously worked with Ernst & Young and CalEnergy Gas Ltd, a subsidiary of the Berkshire Hathaway Group of Companies in both Australia and the United Kingdom.

Marcus Edwards-Jones

Mr Edwards-Jones is an Executive Chairman of Phoenix Copper Ltd, the AIM quoted North American focused base and precious metals exploration and development company. He is also Managing Director (and co-founder) of Lloyd Edwards-Jones S.A.S, a Paris and Dubai-based finance boutique specialising in selling equities to institutional clients and advising and introducing resources companies to an extensive client base in the UK, Europe, Asia and the Middle East. Prior to founding Lloyd Edwards-Jones S.A.S, Mr. Edwards-Jones held senior positions with Julius Baer, and was head of UK/Continental European equity sales at Credit Lyonnais Securities in London. Mr. Edwards-Jones has significant experience in worldwide institutional capital raisings for UK, Australian & Canadian listed and unlisted companies predominately in the mining and resources sectors. He is a former director of Georgian Mining Corp. Mr Edwards-Jones graduated from Oxford University with an MA in Ancient & Modern History.

CRITICAL METALS PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and financial statements for the period ended 30 June 2020.

Principal activities

The company was incorporated on 30 May 2018 under the name Critical Metals Plc. The principal activity of the company is that of identifying potential companies, businesses or asset/(s) that have operations in the natural resources exploration, development and production sector.

Results

The Company recorded a loss for the year before taxation of £98,293 (2019 - restated: £73,234) and further details are given in the preceding Financial Review.

Dividends

No dividend has been paid during the year (2019: nil) nor do the Directors recommend the payment of a final dividend.

Directors

The following directors have held office during the year and to the date of these financial statements:

Russell Fryer	Executive Chairman	
Anthony Eastman	Non-Executive	
Marcus Edwards-Jones	Non-Executive	(appointed 29 September 2020)
Christopher Ecclestone	Non-Executive	(resigned 18 March 2020)

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Directors' Remuneration Report from page 11.

Further details of the interests of the Directors in the Warrants of the Company are set out in Note 13 of the financial statements.

Share Capital

Critical Metals plc is incorporated as a public limited company and is registered in England and Wales with the registered number 11388575. Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 12. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

CRITICAL METALS PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Substantial Shareholdings

At 18 December 2020, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	Number of Shares	%age Holding
Russell Fryer	11,621,428	38.35
John Storey	2,000,000	6.60
Brahma Finance (Pty) Ltd	2,000,000	6.60
HI EMIM Africa Opportunities Fund	1,600,000	5.28
Christopher Dundas	1,257,143	4.15
Richard Edwards	1,000,000	3.30

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on pages 9 to 12, explains how the Company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Company and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

The Company has decided not to apply the Code provisions in full given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisition/(s) and support its future plans. As such the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

Board of Directors

The Board currently consists of an executive Chairman and two non-executive Directors. It met regularly throughout the year to discuss key issues and to monitor the overall performance of the Company. With the current size of the Board, all matters and committees, such as Remuneration, Audit and Nominations are considered by the Board as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the relevant opportunity.

Audit Committee

The Board seeks to present a balanced and understandable assessment of the Group's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

The Directors consider the size of the Company and the close involvement of the Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The Directors will continue to monitor this situation.

External auditor

During the year, the Company changed auditors from Simpson Wreford to PKF Littlejohn, in anticipation of the Company's listing on the London Stock Exchange. The Board will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

Remuneration committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

Nominations committee

A nominations committee has not yet been established.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

Shareholder Communications

The Company uses its corporate website (www.criticalmetals.co.uk) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts.

The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

**CRITICAL METALS PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

Directors' Remuneration Report

Remuneration Policies (unaudited)

The remuneration policy of the Company was that pre Admission, there would be nil remuneration for each Director and then from the date of Admission, each Director shall be entitled to a salary per annum from the date of Admission until the completion of an acquisition and it is intended that these policies will be continued for the next and subsequent years subject to any acquisition as follows:

Russell Fryer	£40,000 per annum
Anthony Eastman	£18,000 per annum
Marcus Edwards-Jones	£18,000 per annum

At the forthcoming AGM shareholders will be asked to vote on the remuneration policy of the Company. The date of Admission was 29 September 2020.

At such time upon completion of an acquisition, a remuneration committee may be appointed to reassess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy be amended so as to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and at present, there is no bonus or long-term incentive plan in operation for the Directors.

Service contracts (unaudited)

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Each Director is paid at a rate per annum as follows:

Russell Fryer	£40,000 per annum
Anthony Eastman	£18,000 per annum
Marcus Edwards-Jones	£18,000 per annum

The contracts are available for inspection at the Company's registered office.

Approval by members (unaudited)

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

Implementation Report

Particulars of Directors' Remuneration (audited)

Particulars of directors' remuneration, including directors' warrants which, under the Companies Act 2006 are required to be audited, are given in Notes 6 and 13 and further referenced in the Directors' report.

CRITICAL METALS PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Remuneration paid to the Directors' during the year ended 30 June 2020 was:

Director	Base salary £	Pension contribution £	Total £
Russell Fryer	-	-	-
Anthony Eastman	-	-	-
Christopher Ecclestone ¹	-	-	-
	-	-	-

¹ Resigned 18 March 2020

Remuneration paid to the Directors' during the period ended 30 June 2019 was:

Director	Base salary £	Pension contribution £	Total £
Russell Fryer	-	-	-
Anthony Eastman	-	-	-
Christopher Ecclestone	-	-	-
	-	-	-

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Payments to past Directors (audited)

There are no past Directors.

Payments for loss of office (audited)

There were no payments for loss of office.

Bonus and incentive plans (audited)

There were no bonus and incentive plans in place during the year.

Percentage change in the remuneration of the Chief Executive (unaudited)

The Company does not yet have a Chief Executive and as such, no CEO disclosure has been presented.

Directors interests in shares (audited)

The Company has no Director shareholder requirements.

CRITICAL METALS PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 30 June 2020 was:

	Number	%age of issued share capital – 2020
Russell Fryer	11,221,428	78.55
Anthony Eastman	300,000	2.10%
Christopher Ecclestone ¹	600,000	4.20%
	12,121,428	84.85%

¹ Resigned 18 March 2020

The beneficial interest of the Directors in the Ordinary Share Capital of the Company 30 June 2019 was:

	Number	%age of issued share capital – 2019
Russell Fryer	10,650,000	77.65%
Anthony Eastman	300,000	2.19%
Christopher Ecclestone	600,000	4.38%
	11,550,000	84.22%

The Directors held the following warrants at the beginning and end of the year:

Director	At 30 June 2019	Granted during the year	At 30 June 2020	Exercise price	Earliest date of exercise	Latest date of exercise
R Fryer	-	571,428	571,428	£0.05	29 Sep 2020	28 Sep 2022
A Eastman	-	-	-			
C Ecclestone ¹	-	-	-			
	-	-	571,428			

¹ Resigned 18 March 2020

Remuneration Committee (unaudited)

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' remuneration, share options and service contracts.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and reference below, how the Board engages with stakeholders.

Likely consequences of any decisions in the long term

The Statement from the board on page 2 in this Annual Report, set out the Company's long-term rationale and strategy.

Interests of Employees

The Company's Corporate Governance Statement at pages 4-5 of this Annual Report sets out (under board responsibilities) the processes in place to safeguard the interests of employees.

Foster business relationships with suppliers, joint venture partners and others

Potential suppliers and joint venture partners are considered in the light of their suitability to comply with the Company's policies.

Impact of operations on the community and environment

The Company has no current operations that impact upon the community or environment, however upon a successful acquisition, will ensure it reviews its Health, Safety & Environment ('HSE') and other policies and works responsibly with suppliers, and performance is monitored on an on-going basis.

Maintain a reputation for high standards of business conduct

The Corporate Governance section of this Annual Report at pages 7 - 8 sets out the Board and Committee structures and extensive Board and Committee meetings held during the year, together with the experience of executive management and the Board and the Company's policies and procedures.

Act fairly as between members of the Company

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company.

No total shareholder return table is included as the Company was not listed at the year end.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit and loss of the Company for that period.

In preparing the 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 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 will continue in business.

The Directors are responsible for keeping adequate 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 responsible for safeguarding the assets of the company and hence for taking the reasonable steps for the prevention and detection of fraud and other irregularities.

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 Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website www.criticalmetals.co.uk The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

CRITICAL METALS PLC
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The Directors confirm that to the best of their knowledge:

- the Company financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this Annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 12 and 13 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 7 and 11.

The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Auditor Information

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Financial Instruments

The Company has exposure to credit risk, liquidity risk and market risk. Note 15 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Events after the reporting period

On 29 September 2020, the Company completed its listing onto the London Stock Exchange, successfully raising £800,000 before costs.

There are no other significant events of the Company subsequent to year end.

Directors' Indemnity Provisions

The Company has implemented Directors and Officers Liability Indemnity insurance.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Donations

The Company made no political donations during the year.

On behalf of the board



Russell S. Fryer

Director

22 December 2020

CRITICAL METALS PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC
FOR THE YEAR ENDED 30 JUNE 2020

Opinion

We have audited the financial statements of Critical Metals (the 'company') for the year ended 30 June 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Overall materiality was set at £700 based on a benchmark of 5% of net assets. Net assets was used as the basis for calculating materiality as the company is not yet revenue generating. Performance materiality was calculated at 70% of overall materiality

We have agreed with those charged with governance that we would report any individual audit difference in excess of £35 as well as differences below this threshold that, in our view, warranted reporting on qualitative grounds.

CRITICAL METALS PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC
FOR THE YEAR ENDED 30 JUNE 2020

An overview of the scope of our audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud. The company's key accounting function is based in the United Kingdom and our audit was performed from our office with regular contact with the company throughout.

Key audit matters

We have determined that there are no key audit matters to communicate in our 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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.

CRITICAL METALS PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC
FOR THE YEAR ENDED 30 JUNE 2020

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Other matters which we are required to address

We were appointed by Board of Directors on 23 June 2020 to audit the financial statements for the year ended 30 June 2020. Our total uninterrupted period of engagement is one year, covering the year ended 30 June 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

**CRITICAL METALS PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC
FOR THE YEAR ENDED 30 JUNE 2020**

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.



Joseph Archer (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

22 December 2020

15 Westferry Circus

Canary Wharf

London E14 4HD

CRITICAL METALS PLC
STATEMENT OF COMPREHESIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Year ended 30 June 2020 £	Period ended 30 June 2019 – restated £
Revenue			
Revenue from continuing operations		-	-
		-	-
Expenditure			
Costs associated with listing	5	(72,172)	(65,934)
Other expenses		(26,121)	(7,300)
	5	(98,293)	(73,234)
Loss on ordinary activities before taxation		(98,293)	(73,234)
Taxation on loss on ordinary activities		-	-
Loss and total comprehensive income for the year attributable to the owners of the company		(98,293)	(73,234)
Earnings per share (basic and diluted) attributable to the equity holders (pence)	8	(0.69)	(0.66)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 24 to 35 form part of these financial statements.

CRITICAL METALS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	30 June 2020 £	30 June 2019 – restated £
CURRENT ASSETS			
Trade and other receivables	9	417	4,536
Cash at bank and in hand	10	62,072	52,468
		<u>62,489</u>	<u>57,004</u>
TOTAL ASSETS		62,489	57,004
CURRENT LIABILITIES			
Trade and other payables	11	94,016	10,238
TOTAL LIABILITIES		<u>94,016</u>	<u>10,238</u>
NET (LIABILITIES) / ASSETS		(31,527)	46,766
EQUITY			
Called up share capital	12	71,428	68,571
Share premium account	12	68,572	51,429
Retained earnings		(171,527)	(73,234)
TOTAL EQUITY		(31,527)	46,766

The accompanying notes on pages 24 to 35 form part of these financial statements.

The financial statements were approved by the board on xx December 2020 and were signed on its behalf by:



Russell S. Fryer
 Director

CRITICAL METALS PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Issued Share Capital	Share Premium	Retained Earnings	Total Equity
		£	£	£	£
Balance at incorporation (30 May 2018)		-	-	-	-
Shares issued during the period		68,571	51,429	-	120,000
Total comprehensive loss for the period - restated		-	-	(73,234)	(73,234)
As at 30 June 2019 - restated		68,571	51,429	(73,234)	46,766
Shares issued during the period		2,857	17,143	-	20,000
Total comprehensive loss for the period		-	-	(98,293)	(98,293)
As at 30 June 2020		71,428	68,572	(171,527)	(31,527)

Share capital	Amount subscribed for share capital at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	Cumulative other net gains and losses recognised in the financial statements.

The accompanying notes on pages 24 to 35 form part of these financial statements.

CRITICAL METALS PLC
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30 JUNE 2020

	30 June 2020	30 June 2019
	£	– restated £
Cash from operating activities		
Loss for the year	(98,293)	(73,234)
Adjustments for:		
Operating cashflow before working capital movements		
Decrease / (increase) in trade and other receivables	4,119	(4,536)
(Decrease) / increase in trade and other payables	83,778	10,238
Net cash used in operating activities	<u>(10,396)</u>	<u>(67,532)</u>
Cash from financing activities		
Proceeds on the issue of shares	20,000	120,000
Net cash from financing activities	<u>20,000</u>	<u>120,000</u>
Net increase in cash and cash equivalents	9,604	52,468
Cash and cash equivalents at being of year	52,468	-
Foreign exchange	-	-
Cash and cash equivalents at end of period	10 <u>62,072</u>	<u>52,468</u>

1. GENERAL INFORMATION

Critical Metals plc (‘the ‘Company’’) looks to identify potential companies, businesses or asset(s) that have operations in the natural resources exploration, development and production sector.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company’s registered office is The Broadgate Tower, 20 Primrose Street, London UK, EC2A 2EW. The Company’s registered number is 11388575.

2. ACCOUNTING POLICIES

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1. Basis of preparation

The financial information for the period ended 30 June 2020 has been prepared by Critical Metals Plc (‘the Company’) under applicable International Financial Reporting Standards (‘IFRS’) as adopted by the European Union (‘EU’) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

2.2. Going concern

The financial information has been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due.

With the cash balance at year coupled with the £800,000 (before costs) raised following the successful admission to the London Stock Exchange subsequent to year end, the Company has sufficient financial resources to enable it to continue to seek and identify a suitable acquisition, however upon completion of a, still yet to be identified, acquisition, may need to raise additional capital. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors note that COVID-19 has had a significant negative impact on the global economy. Having prepared budgets and cash flow forecasts covering the going concern period which have been stress tested for the negative impact of possible scenarios from COVID-19, coupled with the successful raise of £800,000 before expenses subsequent to year end, the Directors believe the Group has sufficient resources to meet its obligations for a period of at least 12 months from the date of approval of these financial statements. Discretionary expenditure will be curtailed, if necessary, in order to preserve cash for working capital purposes.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

2.4. Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.5. Foreign currency translation

The financial information is presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.6. Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d) Impairment

The Company assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.7. Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Based on IFRS 2, for equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. The fair value of the service received in exchange for the grant of options and warrants is recognised as an expense. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The seed warrants issued to the investors and directors in raising private equity funds is not within the scope of IFRS 2 and accounting policy mentioned doesn't apply.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.8. Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet 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. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

CRITICAL METALS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when 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.

2.9. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial information in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. To date, there are no critical accounting judgements and key sources of estimation uncertainty affecting the Company.

2.10. New standards, amendments and interpretations

The Company have adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 1 July 2019, which are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

2.11. New standards and interpretations not yet adopted

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not been adopted by the EU):

- Amendments to References to Conceptual Framework in IFRS Standards – effective from 1 January 2020
- Definition of Material (Amendments to IAS 1 and IAS 8) – effective from 1 January 2020
- Amendment to IFRS 3 Business Combinations – effective 1 January 2020*
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – effective 1 January 2022*

**subject to EU endorsement*

The effect of these new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

CRITICAL METALS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

3. PRIOR YEAR RESTATEMENT

The Company identified costs in the current year that were associated with the period ended 30 June 2019 which have been restated in the prior period. These costs were primarily related to the accrual of the 30 June 2019 audit fees of £3,500 and other various costs for £3,790

There was no revenue generated in the year (2019: nil).

4. SEGMENTAL ANALYSIS

The Company manages its operations in one segment, being seeking a suitable investment. The results of this segment are regularly reviewed by the board as a basis for the allocation of resources, in conjunction with individual investment appraisals, and to assess its performance.

5. OPERATING LOSS

This is stated after charging:

	30 June 2020	30 June 2019 –
	£	restated
		£
Costs associated with the listing	(72,172)	(65,934)
Auditors remuneration	(14,000)	(3,500)
Other expenses	(12,121)	(3,800)
	<u>(98,293)</u>	<u>(73,234)</u>

6. EMPLOYEES

The average number of persons employed by the Company (including directors) during the period ended 30 June 2020 was:

	2020	2019
	No of	No of
	employees	employees
Management	3	3
	<u>3</u>	<u>3</u>

The aggregate payroll costs of these persons were as follows:

	2020	2019
	£	£
Wages and salaries	-	-
Social security costs	-	-
	<u>-</u>	<u>-</u>

The directors are not accruing any salary until the completion of the Admission to the London Stock Exchange through an IPO.

CRITICAL METALS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

7. TAXATION

	As at 2020	As at 2019 –
	£	restated
		£
The charge / credit for the year is made up as follows:		
Corporation taxation on the results for the year	-	-
Taxation charge / credit for the year	-	-
A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per accounts	(98,293)	(73,234)
Tax credit at the standard rate of corporation tax in the UK of 19% (2019: 19%)	(18,676)	(13,914)
Other tax adjustments	18,676	13,914
	-	-

The Company has total carried forward losses of £167,737 (2019: £73,234). The taxed value of the unrecognised deferred tax asset is £31,870 (2019: £13,914) and these losses do not expire. No deferred tax assets in respect of tax losses have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year

	2020	2019
Loss for the year from continuing operations – £	98,293	73,234
Weighted number of ordinary shares in issue	13,787,666	11,092,352
Basic earnings per share from continuing operations – pence	(0.71)	(0.66)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented. See note 24 for further details.

CRITICAL METALS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. TRADE AND OTHER RECEIVABLES

	30 June 2020	30 June 2019
	£	£
Prepayments	417	-
Other debtors	-	4,536
	<u>417</u>	<u>4,536</u>

10. CASH AT BANK AND IN HAND

	30 June 2020	30 June 2019
	£	£
Cash at bank	62,072	52,468
	<u>62,072</u>	<u>52,468</u>

11. TRADE AND OTHER PAYABLES

	30 June 2020	30 June 2019
	£	– restated £
Trade payables	762	420
Other payable and accruals	93,254	9,818
	<u>94,016</u>	<u>10,238</u>

Within other payables and accruals in 2020 relates to £45,000 received in advance of the listing on the London stock exchange which was completed subsequent to year end.

12. SHARE CAPITAL AND SHARE PREMIUM

	Number of Shares on Issue	Share Capital £	Share Premium £	Total £
Ordinary shares of £0.005 each issued at par on 30 May 2018	10,000,000	50,000	-	50,000
Ordinary shares of £0.005 each issued at par on 29 January 2019	2,000,000	10,000	-	10,000
Ordinary shares of £0.005 each issued at £0.035 on 16 April 2019	1,714,286	8,571	51,429	60,000
Balance at 30 June 2019	<u>13,714,286</u>	<u>68,571</u>	<u>51,429</u>	<u>120,000</u>

CRITICAL METALS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Ordinary shares of £0.005 each issued at par on 14 May 2020	571,428	2,857	17,143	20,000
Balance at 30 June 2020	14,285,714	71,428	68,572	140,000

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

13. SHARE OPTIONS

(i) Share options or warrants

On 16 April 2019, the Company issued 1,714,286 new shares of 0.005p each for cash at 0.035p each to raise £60,000 (gross). In connection with that seed placing, the Company issued 1,714,286 warrants to the places on the basis of one warrant for every one Ordinary shares subscribed pursuant to the seed placing, valid for 24 months from Admission to subscribe for ordinary shares at 0.05p per share – the seed warrants. These are considered to be investor warrant and in accordance with IFRS 2 are not fair valued.

On 14 May 2020, the Company issued 571,428 new shares of 0.005p each for cash at 0.035p each to raise £20,000 (gross) from director, Russell Fryer. In connection with that seed placing, the Company issued 571,428 warrants to Russell Fryer on the basis of one warrant for every one Ordinary shares subscribed pursuant to the seed placing, valid for 24 months from Admission to subscribe for ordinary shares at 0.05p per share – the seed warrants. T

The number and weighted average exercise price of share options and warrants are as follows:

	2020		2019	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	-	-	-	-
Granted during the year (Share options)	5p	2,285,714	-	-
Outstanding at the end of the year	5p	2,285,714	-	-
Exercisable at the end of the year	-	-	-	-

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value Measurements Recognised in the Statement of Financial Position

The following provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 & 2 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 2 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- Level 3 assets are assets whose fair value cannot be determined by using observable inputs or measures, such as market prices or models. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates or risk-adjusted value ranges.

General objectives and policies

The overall objective of the Board is to set policies that seek to reduce as far as practical without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are:

Policy on financial risk management

The Company's principal financial instruments comprise cash and cash equivalents, other receivables, trade and other payables. The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 1 – "Accounting Policies".

The Company does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Derivatives, financial instruments and risk management

The Company does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk management

The Company has very limited transactional currency exposures as all operations currently undertaken are based in the UK.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Company applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy. The impact of expected credit losses was immaterial.

The Company's principal financial assets are cash and cash equivalents and other receivables. Cash equivalents include amounts held on deposit with financial institutions.

CRITICAL METALS PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

The credit risk on liquid funds held in current accounts and available on demand is limited because the Company's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

No financial assets have indicators of impairment.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

Borrowings and interest rate risk

The Company currently has no borrowings. The Company's principal financial assets are cash and cash equivalents and other receivables. Cash equivalents include amounts held on deposit with financial institutions. The effect of variable interest rates is not significant.

Liquidity risk

During the period ended 30 June 2019 and year ended 30 June 2020, the Company was financed by cash raised through equity funding. Funds raised surplus to immediate requirements are held as short-term cash deposits in Sterling.

The maturities of the cash deposits are selected to maximise the investment return whilst ensuring that funds will be available as required to maintain the Company's operations.

In managing liquidity risk, the main objective of the Company is to ensure that it has the ability to pay all of its liabilities as they fall due. The Company monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Company's financial liabilities on the basis of their earliest possible contractual maturity.

	Total £	Within 2 months £	Within 2-6 months £
At 30 June 2020			
Trade payables	762	762	-
Other payable and accruals	89,464	44,464	45,000
<hr/>			
	Total £	Within 2 months £	Within 2-6 months £
At 30 June 2019			
Trade payables	420	420	-
Other payable and accruals	9,818	9,818	-
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CRITICAL METALS PLC
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Capital management

The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

15. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

2020	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets / liabilities	£	£'	£	£
Trade and other receivables	-	-	-	-
Cash and cash equivalents	-	62,072	-	62,072
Trade and other payables	-	-	(94,016)	(94,016)
	-	62,072	(94,016)	(31,944)

2019	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets / liabilities	£	£'	£	£
Trade and other receivables	-	4,536	-	4,536
Cash and cash equivalents	-	52,468	-	52,468
Trade and other payables	-	-	(10,238)	(10,238)
	-	57,004	(10,238)	46,766

16. RELATED PARTY TRANSACTIONS

There were no related party transactions.

17. EVENTS SUBSEQUENT TO YEAR END

Subsequent to year end, the Company completed the successful Admission to the London Stock Exchange on 29 September 2020 with 16,015,000 Ordinary Shares being issued by the Company. 16,000,000 ordinary shares were issued upon the raising of £800,000 for the Company before expenses and 15,000 shares were also issued in lieu of cash settlement of commission payable.

As part of the Placement, one warrant exercisable at £0.10 within 24 months of Admission for every shares subscribed for (including the shares issued in lieu of cash settlement), resulting in 16,015,000 Placement Warrants being issued by the Company.

Additionally, 1,314,201 warrants exercisable at £0.10 and 1,000,000 warrants exercisable at £0.05, within 24 months of Admissions were issued to various consultants and advisors to the Company in connection with the Admission.