

**Company Registration No. 11388575 (England and Wales)**

**CRITICAL METALS PLC**

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED 30 JUNE 2023**

**CRITICAL METALS PLC**  
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**CRITICAL METALS PLC**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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Directors	Russell Fryer – Chief Executive Officer Anthony Eastman – Chief Financial Officer Marcus Edwards-Jones – Non-Executive Director
Company Secretary	Orana Corporate LLP
Company number	11388575
Registered office	The Broadgate Tower 7th Floor 20 Primrose Street London EC2A 2EW
Principal place of business / Operations	The Broadgate Tower 7th Floor 20 Primrose Street London EC2A 2EW
Independent Auditors	PKF Littlejohn LLP Statutory Auditor 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 Warnford Court 29 Throgmorton Street London EC2N 2AT
Bankers	Alpha FX Brunel Building 2 Canalside Walk London W2 1DG  Meridian Solutions 3 Old Street Yard Featherstone St London EC1Y 8AF
Website	<a href="http://www.criticalmetals.co.uk">www.criticalmetals.co.uk</a>

**CRITICAL METALS PLC**  
**STATEMENT FROM THE BOARD**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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Dear Shareholder,

I am pleased to present the consolidated financial statements for Critical Metals plc (the "Group" or "Critical Metals") for the year ended 30 June 2023. During the year under review, the Group has been transformed from an explorer into the next copper producer in the Democratic Republic of Congo ("DRC").

Since our readmission in September 2022 with no employees in the DRC, your Board has worked tirelessly to create value for all shareholders. As of the end of our financial year, your Group employed fifty-one (51) (on a contractual basis) in the DRC, of which forty-nine (49) are DRC citizens.

During the mining build up, we simplified the Group's corporate structure and increased our indirect holding in the exciting Molulu Project from 40% to 70%, providing shareholders with a greater percentage of any future cashflows. Copper ore pre-production began in January 2023 with the goal of producing 10,000 tonnes per month of oxide ore. Seasonal rains highlighted areas where more groundwork was needed to achieve this goal, such as road rehabilitation and the requirement to build a robust bridge across the river.

The period from January to May 2023 allowed your Group to undertake detailed geophysics studies and ground surveys to better understand the Molulu lease property. On 15 May 2023, the Group announced its decision to focus on the much higher-grade sulphide copper ore, which has the potential to increase profitability by orders of magnitude above mining the oxide zone only, following the discovery of an 8.3% copper sulphide ore sample.

Also in May 2023, the Group's management decided to use the existing hired dozer and excavator that were located at Molulu to rehabilitate the road that connects the property to several ore buyers' processing plants. This decision saved shareholders over US\$50,000 in external contractor costs. The dozer has rehabilitated the entire road and the bridge to allow large tipper trucks to use the road to supply ore to the selected buyers has been constructed enabling the use of 40-50 tonne tipper trucks. The decision to use 40-50 tonne trucks instead of 25 tonne trucks was driven by the ability of delivering larger volumes of copper ore more efficiently, thereby reducing the wear on both the bridge and road, while reducing variable unit costs.

As a Board, we were fully aware of the potential for the Molulu project to become a significant copper producer in the DRC. The Molulu project met all our investment criteria, including the potential of generating early cash flow for shareholders.

As your Board is focused on cash flows to protect shareholders, subsequent to year end, a copper ore offtake agreement was executed and after seven (7) potential buyers had expressed interest in purchasing the Molulu copper ore. First ore has already been delivered to the Buyer's plant and deliveries will continue for the remainder of 2023.

The intention of adding a copper/cobalt processing facility had been well signalled to market for approximately one year. Post year end, a transaction has been announced to rent with the option to purchase a previously operating copper cathode/cobalt hydroxide processing plant that is on care-and-maintenance. This transaction will allow our Group to capture greater margins from the Molulu ore.



**CRITICAL METALS PLC**  
**STATEMENT FROM THE BOARD**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**Environmental, Social and Governance ("ESG") Programme**

The Group continues to support the local community at Molulu. Through our operations we have established a small but thriving economy at Molulu. I am proud of the support we offer the Molulu community, including buying much of the food consumed at the camp from local people, as well as providing Molulu workers with a competitive wage. In addition, your Group is actively interacting with the local Chiefs to build a school accessible to children in the villages surrounding Molulu. Molulu continues to have the support of the local communities, and the board is committed to further developing this relationship for the better of all parties involved.

**Funding**

In May 2023, the company announced that it had raised £600,000 at 25p per share, a 4.2% premium to the closing price on 30 May 2023. Participants in the placing included well known global mining investment bankers and five other long-term shareholders. The Group went on to raise a further £1.3 million at 25p per share through the continued support of shareholders. Additionally, post period, the Group announced that it had signed a US\$3 million non-dilutive debt facility with an international financial institution. These funds will be used to meet the Group's aims of increasing production at the Molulu Project, as well as funding any necessary due diligence on possible acquisitions by the Group in the future.

**Appointments**

In the last year, we have worked to build our team on the ground. The appointment of Lloyd Kirtley as DRC field Manager, and Mine Manager John Greeff are valuable additions to the team. Last year, Lloyd and John, supported by the wider team, were pivotal in ensuring that access to the ore body was achieved as soon as reasonably possible. On 31 May, the Group announced that it had hired an additional geologist, to support the team as they work to further refine the understanding of the ore body.

The team on the ground have been working to increase production from the original forecast of 10,000 tonnes of copper oxide per month. Preparations for sales from Molulu, specifically the development of infrastructure including the road rehabilitation and the construction of the bridge, to support the weight of larger trucks, making the Molulu site more accessible.

**Outlook**

Looking forward to the coming year, I am greatly encouraged by the work we have done. The Group will continue to optimise operations to increase the overall production of Molulu whilst advancing the growth goals of the Group. We will also work with our geologists to produce a JORC compliant mineral assessment of Molulu, which we will announce to the market as soon as available. I remain confident in the economic viability of Molulu, driven by strong fundamentals and increased demand for copper. In line with the Group's strategy, we will continue to assess further acquisition opportunities when they arise whilst expanding operations at Molulu. I look forward to the next twelve months with extreme optimism and thank my fellow Board members Anthony Eastman and Marcus Edwards-Jones for their input, wisdom, and friendship during this exciting journey.



Russell S. Fryer

Executive Chairman & CEO – 2 November 2023

### **Fair review of the business**

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

The Group focused on its strategy of identifying acquisition opportunities within the natural resources development and production sector in the continent of Africa, culminating on 12 September 2022 when the Group completed the acquisition of the Madini Group ("MG") and consequently acquired a majority interest (57%) in Madini Occidental Limited (MO) which holds an indirect 70% interest in the Molulu Project in the DRC.

Subsequent to the transaction, the Company acquired the remaining 43% of MO bringing its indirect interest to the Molulu project to 70%.

The solitary focus of the Company post readmission is to get the Molulu project into production. In order to achieve production, the Group has purchased tents, kitchen equipment, WIFI equipment, generators, pumps, GPS units, first aid kits, fire extinguishers, beds, linen, and many other items required to create and sustain a thirty-person camp at Molulu.

Local engineers and geologists have been hired, with further local professionals that we believe will be positive additions to the project identified.

In addition to Molulu, other interesting investment opportunities within sub-Saharan Africa have appeared. However these opportunities will be further analysed once Molulu is in production.

### **Principal risks and uncertainties**

There are a number of risks associated with newly listed entities focused in the natural resources sector, particularly in Africa. The Board regularly reviews the risks to which the Group 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 Group:

#### *Commercialisation of the project and revenue generation*

Generally, the business of exploration, development and exploitation of minerals and mining involves a high degree of risk. Whilst the Directors believe the Group has identified potentially economically recoverable volumes of minerals at the Project, which can be brought into production relatively quickly, there can be no certainty this will be the case or that any minerals produced will be of the desired quality.

This is because there is insufficient data to verify that the Project contains a concentration or occurrence of minerals in such mineralised system, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. Therefore, there is no certainty as to the size or quality of the ore body at the Project. Although the Group plans to fund further development of the Project, there is no certainty that this will be successful or that the Group will be able to locate sufficient Copper and/or Cobalt deposits that can be economically extracted.

#### *Price fluctuations in the value of the underlying commodity*

The Group's potential future revenues are likely to be derived indirectly mainly from the sale of copper and/or cobalt ore. Consequently, the Group's potential future earnings will likely be closely related to the price of copper and cobalt. Although recovered now, copper and cobalt prices slumped by 30 and 21 per cent, respectively, between 2014 and 2016. Copper and cobalt prices fluctuate and are affected by numerous industry factors including demand for the resource, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g., inflation, interest rates, currency exchange rates, and global and regional demand for, and supply of, copper and cobalt.



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The low fixed costs of the Project allow the group to pause production if there are negative fluctuations in the copper / cobalt prices.

In country infrastructure risks

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, landing strips, power sources, and water supply are important determinants, together with their permitting and ongoing maintenance, all of which affect capital and operating costs. The Molulu Project is approximately 100 kilometres north of Lubumbashi City, where the nearest smelters and international airport are located. Although the route to Lubumbashi City is mainly on the N1 tarred road, the last 38 kilometres are on a dirt road. Although the Group has upgraded sections of this road and also constructed a bridge, there is a risk of difficulties getting to the Project and/or trucking minerals produced from the Project for processing as in the rainy season the dirt roads can become treacherous.

Political risk

The majority of what is now DRC was controlled from mid-1960's until the mid-1990's by President Mobutu who was deposed in the mid-1990s. Following President Mobutu's departure there was a period of political upheaval and civil war that lasted until the early 2000's. Therefore, DRC is a relatively young democracy, which may make it less stable. There are also DRC presidential elections scheduled for December 2023 and in the run up to these elections there is a risk of civil disruption and/or increased nationalist tensions. It is difficult to predict what might occur and there may be changes in mining or investment policies or shifts in political attitude.

Environmental risk

The Group's project is expected to have an impact on the environment, particularly in cases of advanced exploration or as mine development proceeds, production sites and plants. Its activities are or will be subject to in-country national and local laws and regulations regarding environmental hazards.

The Group has obtained environment clearance for the first phase of its project in terms of the regulations in place. The Group continuously engages in measures related to environmental improvements and will begin to develop a rehabilitation plan in the next year.

Competition risk

For a small-scale new entrant copper producer in the DRC, competition risk presents a significant challenge in the highly competitive global copper market. With an increasing number of international mining companies and large-scale producers operating in the region, the DRC's small-scale copper producers face intense competition, leading to potential pricing pressures and market share erosion.

Key staff risk

Due to the small size of the Group the loss of key officers or employees could adversely impact the Groups operations. The Group has mitigated this risk factor by engaging in various third party service providers who are able to increase resources if required.

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Availability of utilities

There is no grid power availability at the Group's Molulu project and it relies on its own sources for power generation for its operations. Breakdowns in this may adversely effect its production. The Group has set up its own solar power generation to provide an alternate power source to diesel based power generation.

Capital and funding risk

The Group may need additional capital for meeting its working capital needs and for creating additional capacities. There can be potential risks in raising equity and debt capital for development of its projects.

The Group has recently signed a non-binding term sheet to acquire 100% of a hydrometallurgical plant located in Lubumbashi. It is likely the Group will require additional debt or equity funding to complete the acquisition. Subsequent to year end the Group entered into an agreement for non-dilutive financing for a total commitment of \$3,000,000 USD.

**Key performance indicators**

The key performance indicators of the Group are set at below:

	For the year ended	For the year ended
	30 June 2023	30 June 2022
Cash and cash equivalents	411,696	824,251
Carrying value of development asset	4,007,454	-
Net loss	(2,700,226)	(661,743)

**Gender analysis**

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

	Male	Female
Directors	3	nil
Employees	nil	nil

**Corporate social responsibility**

We aim to conduct our business with honesty, integrity, openness, while 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.

Task Force On Climate-Related Disclosure (TCFD)

Shortly after the acquisition of the Madini Group in September 2022, at which point the Group commenced small scale ore pre-production. The Group therefore will begin to consider its impact on the environment and the risks it faces from climate change, for the first time during 2023 and expects to develop its sustainability plans over a 5 year period, commensurate with the size of its operations. Climate change was not considered a principal risk or uncertainty for the year ended 30 June 2023.



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**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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In line with the requirements of the Financial Conduct Authority's Listing Rule 14.3.27R, and for the above reasons, we note that we have not made the disclosures, in respect of the financial year ended 30 June 2023 in line with the recommendations and recommended disclosures of the TCFD.

Greenhouse Gas (GHG) Emissions

Current UK based annual energy usage and associated annual GHG emissions are reported pursuant to the Companies and Limited Liability Partnerships Regulations 2018 that came into force 1 April 2019. Energy use and associated GHG emissions are reported as defined by the operational control approach. The minimum mandatory requirements set out in the 2018 Regulations requires reporting of UK based energy use and emissions. The Group has a small carbon footprint in the UK as most of the directors' work from home or in shared office space. As a result, the energy usage in the UK is below 40,000KWH and therefore Greenhouse gas emissions, energy consumption and energy efficiency disclosures have not been provided in the Annual Report.

The Group 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 period under review, it has not been practical to measure its carbon footprint. In the future, the Group will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers and purchasers of the Group's products cannot be measured practically.

We have held early-stage discussions with experts in the measurement of GHG at mining properties and continue to have further discussions now that our first acquisition has been completed.

Furthermore, we are investigating the most efficient avenue to install renewable energy systems in the effort to decrease the future use of diesel or oil fuels.

We strive to create a safe and healthy working environment for the well-being 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 Group.

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 Group and their own potential.

Our goal is to hire as many DRC citizens as possible and not rely on ex-pat labour. In the early stages of mine development, the overwhelming majority of the mining team are DRC citizens, with only five ex-pats positions allocated in the employment roster.

**Section 172 Statement**

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Group for the benefit of the Group's members as a whole. This section specifies that the Directors must act in good faith when promoting the success of the Group and in doing so, have regard (amongst other things) to:

**Consider the likely consequences of any decision in the long term**

The Group has had a formative year to 30 June 2023, with its successful completion of the acquisition of the Madini Occidental Group of assets which held a 57% interest in the Molulu Project, and readmission onto the Standard List of the London Stock Exchange.

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**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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The Group successfully raised over £3m during the reporting period and increased its stake in Molulu to 70% within 4 months of relisting. The acquisition and corresponding fund raises is in line with the Company's stated strategy of pursuing opportunities to create value for shareholders and is evidence from the directors of their active management of the Group.

**Consider the interests of the Company's employees**

The Group currently provides employment (on a contractual basis) for workers in the DRC, with over 80% of these being DRC citizens. Only the Directors are based outside the DRC. It is committed to the fair and ethical treatment of all of its staff and has implemented training programmes to ensure it creates a local workforce for the future.

**Foster the Company's business relationship with suppliers, customers and others**

In order to progress the Molulu Project, the Group is reliant on the support of its key suppliers (suppliers of earthmoving and excavation equipment, drilling contractors, suppliers of local equipment and materials, food and provisions and security). It is therefore a key part of the Group's strategy to develop these relationships to ensure the Group maintains a strong and secure relationship with these suppliers.

**Consider the impact of the Company's operations on the community and environment**

The Group is aware of the potential impact that its operations may have on the environment and local community. Through our operations we have supported the Molulu community, including buying much of the food consumed at the camp from local people, as well as providing Molulu workers with a competitive wage. In addition, your Group is actively interacting with the local Chiefs to build a school accessible to children in the villages surrounding Molulu (which was completed subsequent to year end) along with rehabilitating the road and bridge that leads into the property, which is also used by the local community members. The board is committed to further developing this relationship for the better of all parties involved.

**Maintain a reputation for high standards of business conduct**

The Group has established a number of policies and procedures and continues to develop these as it grows. Where possible, given the infancy and current size of Group, it looks to follow the QCA rules on corporate governance as disclosed in the Corporate Governance Statement which is included in this set of report and accounts.

**Consider the need to act fairly as between members of the Group.**

The Directors hold circa 18.4% of the shares of the Group with the remainder held by a range of individuals and companies. The Group extended the expiry date of various warrants in the year and subsequent to year end, to ensure all shareholders were treated equitably.

Conclusion

The Directors believe that to the best of their wisdom and abilities, they have acted in the way they consider prudent to promote the success of the Company for the benefit of its members as a whole, in the true spirit of the provisions of Section 172 (1) of the Companies Act 2006.

On behalf of the board



Russell S. Fryer  
Executive Chairman & CEO

2 November 2023



**CRITICAL METALS PLC**  
**KEY PERSONNEL**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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The Directors are all considered to be key management personnel.

**Russell Fryer – Executive Chairman & Chief Executive Officer**

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 – Chief Financial Officer & Director**

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 / LSE 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 – Non-Executive Director**

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 2023**

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The Directors present their report and financial statements for the period ended 30 June 2023.

**Principal activities**

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

As stated in the Strategic Report the Group completed a takeover of the Madini Group on the 12<sup>th</sup> September 2022 and consequently acquired a majority interest (57%) in Madini Occidental Limited which holds an indirect 70% interest in the Molulu Project in DRC. On 19<sup>th</sup> December 2022 the Group acquired the remaining 43% of Madini Occidental Limited which brought the Group's total holdings in the Molulu Project to 70%. It has commenced operations and taking steps to move towards extracting mineral resources from the project.

**Results**

The Group recorded a loss for the year before taxation of £2,700,226 (2022: £661,743) and further details are given in the consolidated statement of comprehensive income and note 4.

**Dividends**

No dividend has been paid during the year (2022: 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 & CEO
Anthony Eastman	Chief Financial Officer & Director
Marcus Edwards-Jones	Non-Executive Director

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Directors' Remuneration Report from page 18 to 19.

Further details of the interests of the Directors in the Warrants of the Group are set out in Note 20 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 19. 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.

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**DIRECTORS REPORT**  
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**Substantial Shareholdings**

At 5 October 2023, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	<b>Number of Shares</b>	<b>Percentage Holding</b>
Hargreaves Lansdown (nominees) limited	10,758,096	17.0
The Bank of New York (nominees) limited	7,738,571	12.2
Vidacos nominees limited	6,570,194	10.4
HSBC global custody nominee (uk) limited	4,772,695	7.5
Barclays direct investing nominees limited	3,853,899	6.1
Interactive investor services nominees limited	3,585,750	5.7
Seguro nominees limited	3,000,000	4.7
Forest nominees limited	2,200,000	3.5
HSDL nominees limited	2,133,591	3.4
Cantor fitzgerald europe	2,023,100	3.19
Pershing nominees limited	2,000,000,	3.2

**Corporate Governance Statement**

The Board is committed to maintaining appropriate standards of corporate governance.

As at year end 30 June 2023, the Group was a listed company on the standard segment of the mainboard of the London Stock Exchange and is not mandated to comply with the requirements of the 2018 U.K. Corporate Governance Code ("the Code") as issued by the Financial Reporting Council or any other code. However, the Group recognises the value of good governance practices and has voluntarily adopted the QCA Code so far as is practicable given the Group's size and nature. The Corporate Governance section provides an extensive overview of the application of the code by the Group, given the Group's size and nature.

The QCA Code has ten principles of corporate governance that the Group applies to establish the governance foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the Directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;



**CRITICAL METALS PLC**  
**DIRECTORS REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board; and
10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Here follows a short explanation of how the Group applies each of the principles, including where applicable an explanation of why there is a deviation from those principles.

**Principle One**

*Business Model and Strategy*

The Group holds a mining license in the DRC and is actively carrying out development activities across a number of these licenses. It has a clear strategy for these licenses and looking to capitalise on future opportunities as detailed in the Strategic Report. Further to earlier comments on risk and strategy the Group is committed to broadening its area and scope of operations as appropriate.

**Principle Two**

*Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. They will be encouraged to attend the AGM and website communications will be improved in the coming year.

**Principle Three**

*Considering wider stakeholder and social responsibilities*

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers, regulators and other stakeholders. The Group has created close ongoing relationships with a broad range of its stakeholders and will ensure that it provides them with regular opportunities to raise issues and provide feedback to the Group. The Group is committed to delivering lasting benefit to the local communities and environments where we work as well as to our shareholders, employees and contractors. As the Group evolves we anticipate that this aspect of community engagement will evolve further.

**Principle Four**

*Risk Management*

The Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Group. It is in the process of establishing a framework of internal financial controls to address financial risk and regularly reviews the non-financial risks to ensure all exposures are adequately managed. The Group maintains appropriate insurance cover in respect of legal actions against the Directors as well as against material loss or claims against the Group. The principal risks and uncertainties are as set out in the Strategic Report.

**Principle Five**

*A Well Functioning Board of Directors*

The Board currently consists of an Executive Chairman/CEO, Director and Non-Executive Director. It met regularly throughout the year to discuss key issues and to monitor the overall performance of the Group. With the acquisition of a majority interest of Madini Occidental Limited the Board has considered it appropriate to implement a number of committees detailed below to ensure the appropriate levels of corporate governance are upheld.

Given the composition of the Board, certain provisions of the QCA Code (in particular the provisions relating to the division of responsibilities between the Chairman and Chief Executive Officer and having at least two independent non-executive directors), are considered by the Board to be inappropriate to the Group. The Board intends to have in place a separate Chairman and Chief Executive as well as an additional independent non-executive director within 18-24 months following Re-Admission.

The QCA Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Group following completion of the Acquisition.

**Principle Six**

*Appropriate Skills and Experience of the Directors*

The Group believes that the Directors have wide ranging experience working for/and/or advising businesses operating within the natural resources sector. They also have an extensive network of relationships to reach key decision-makers to help achieve their strategy. The Directors are considered to be experienced in performing their respective roles. In light of this, the Board are not adopting a system by which relevant training is being provided to the Directors to ensure their skillset is up-to-date.

**Principle Seven**

*Evaluation of Board Performance*

Internal evaluation of the Board, the Committees and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

**Principle Eight**

*Corporate Culture*

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through everything that the Group does. The Directors are focused on ensuring that the Group maintains an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on this main market and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.



Issues of bribery and corruption are taken seriously. The Group has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with.

The Chairman will not be providing a corporate governance statement on how the Group's culture is consistent with the Group's objective, strategy and business model as the Board considers this to be disproportionate due to the limited number of the people engaged by the Company.

#### ***Audit and Risk Committee***

The Audit and Risk Committee will comprise Anthony Eastman (as Chairman), Russell Fryer, and Marcus Edwards-Jones and will meet normally not less than twice each year. The Audit and Risk Committee will be responsible for ensuring the financial performance of the Group is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Group's risk assessment and internal control processes.

Given the composition of the Audit and Risk Committee, it is acknowledged that a provision of the QCA Code suggesting the inclusion of at least two independent non-executive directors on such committee has been deviated from. Such deviation is considered by the Board to be inappropriate to the Group. The Board intends to have in place an additional independent non-executive director, with the appropriate experience, skills and expertise to be appointed to the Audit and Risk Committee, within 6-18 months following Re-Admission.

#### ***Remuneration committee***

The Remuneration Committee will comprise Marcus Edwards-Jones (as Chairman), Russell Fryer and Anthony Eastman and will meet normally not less than twice each year. The remuneration committee will be responsible for the review of and making recommendations to the Board on the scale and structure of remuneration for the Board and key personnel, including any bonus arrangements and the award of Options, having due regard to the interests of Shareholders and other stakeholders.

Given the composition of the Remuneration Committee, it is acknowledged that a provision of the QCA Code suggesting the inclusion of at least two independent non-executive directors on such committee has been deviated from. Such deviation is considered by the Board to be inappropriate to the Group. The Board intends to have in place an additional independent non-executive director, with the appropriate experience, skills and expertise to be appointed to the Remuneration Committee, within 12-18 months following Re-Admission.

#### ***Nominations committee***

The Nomination Committee will comprise Russell Fryer (as Chairman), Marcus Edwards-Jones and Anthony Eastman and will meet as and when required to fulfil its duties of reviewing the Board structure and identifying and nominating candidates to fulfil Board vacancies as they arise.

The Nominations Committee reviews and makes decisions in respect of:

- (i) the size and composition of the Board;
- (ii) the organisation and responsibilities of the appropriate committees of the Board;
- (iii) the evaluation process for the Board and committees of the Board and the Chairpersons of the Board and such committees; and
- (iv) the balance of expertise and qualifications among members of the Board. In the nomination process, the Board assesses its current composition and requirements



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going forward in light of the stage of the Group, and the skills required to ensure proper oversight of the Group and its operations are always duly assessed.

***External auditor***

The Group has appointed PKF Littlejohn as auditors to the Group and they have overseen the recent re-admission to the London Stock Exchange. The Board will meet with the auditor at least once 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 Group and its external auditor.

The Group 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 considers 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. The Companies auditors currently remain within the ethical permitted amounts and there have not been any breaches. There are no contractual obligations restricting the board's choice of external auditor.

***Internal financial control***

Financial controls have been established to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial statements 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 Group.
- Development of maintenance of a robust Financial Position & Prospects Procedures ("FPPP") document that prescribes the safeguards and processes in place for financial controls.

***Shareholder Communications***

The Group uses a regulatory news service (RNS) and its corporate website ([www.criticalmetals.co.uk](http://www.criticalmetals.co.uk)) to ensure that the latest announcements, press releases and published financial statements 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 Group 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.

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**Directors' Remuneration Report**

***Remuneration Policies (unaudited)***

The remuneration policy of the Group was that post initial admission to the LSE each Director shall be entitled to a salary per annum from the date of Admission. The Executive Directors have entered into Service Agreements with the Group and continue to be employed until terminated by the Group.

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

Russell Fryer	£200,000 per annum
Anthony Eastman	£75,000 per annum
Marcus Edwards-Jones	£48,000 per annum

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

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

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.

At the forthcoming AGM shareholders will be asked to vote on the remuneration policy of the Group.

Post Re-Admission a remuneration committee has been implemented to oversee decisions regarding the remuneration of the Board. The Board believes that share ownership by Directors strengthens the link between their personal interests and those of shareholders and is in line with the share dealing code adopted by the Group.

**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 Note 6 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 30 June 2023 was:

Director	Base salary	Bonus	Pension contribution	Share based payments	Total
	£	£	£	£	£
Russell Fryer	173,333	-	-	116,817	290,150
Anthony Eastman	65,500	-	-	58,408	123,908
Marcus Edwards-Jones	43,000	-	-	38,939	81,939
	<b>281,833</b>	<b>-</b>	<b>-</b>	<b>214,164</b>	<b>495,997</b>

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Remuneration paid to the Directors' during the period ended 30 June 2022 was:

Director	Base salary	Bonus	Pension contribution	Share based payments	Total
	£	£	£	£	£
Russell Fryer	40,000	50,000	-	-	90,000
Anthony Eastman	18,000	-	-	-	18,000
Marcus Edwards-Jones	18,000	-	-	-	18,000
	76,000	50,000	-	-	126,000

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

Payments to past Directors (unaudited)

There are no past Directors.

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

On 12<sup>th</sup> September 2022, following the successful acquisition of the Madini Group, the base salary of the Chief Executive Officer increased to £200,000 from £40,000 in the prior year. The bonus in the prior year was a one-off success payment for the successful re-negotiation of terms of the Acquisition and did not occur in the current year. The increase in total remuneration of 223% represents the increased responsibilities required to develop the Molulu project.

Directors interests in shares (audited)

The Group has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Group at 30 June 2023 was:

	Number	Percentage of issued share capital – 2023
Russell Fryer	11,706,428	18.46
Anthony Eastman	300,000	0.47
Marcus Edwards-Jones	-	-
	<b>12,006,428</b>	<b>18.93</b>



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The beneficial interest of the Directors in the Ordinary Share Capital of the Group 30 June 2022 was:

	Number	Percentage of issued share capital – 2022
Russell Fryer	11,646,428	21.87
Anthony Eastman	300,000	0.56
Marcus Edwards-Jones	-	-
	<b>11,946,428</b>	<b>22.43</b>

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

Director	At 30 June 2022	Granted during the year	At 30 June 2023	Exercise price	Earliest date of exercise	Latest date of exercise **
R Fryer	571,428	-	571,428	£0.05	29 Sep 2020	31 Dec 2023 <sup>1</sup>
R Fryer	400,000	-	400,000	£0.10	29 Sep 2020	31 Dec 2023 <sup>1</sup>
R Fryer	-	1,500,000	1,500,000	£0.05	12 Sep 2022	12 Sep 2025
A Eastman <sup>2</sup>	1,000,000	-	1,000,000	£0.05	29 Sep 2020	31 Dec 2023 <sup>1</sup>
A Eastman	-	750,000	750,000	£0.05	12 Sep 2022	12 Sep 2025
M Edwards- Jones	200,000	-	200,000	£0.05	29 Sep 2020	31 Dec 2023 <sup>1</sup>
M Edwards- Jones	-	500,000	500,000	£0.05	12 Sep 2022	12 Sep 2025
	<b>2,171,428</b>	<b>2,750,000</b>	<b>4,921,428</b>			

<sup>1</sup>-The expiry date of the warrants have been extended to 31 December 2023 via a deeds of amendment.

<sup>2</sup>- held by Orana Corporate LLP, of which Anthony Eastman is a partner

**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 Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the profit and loss of the Group for that period.

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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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group 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 Group 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 Group's website [www.criticalmetals.co.uk](http://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.

The Directors confirm that to the best of their knowledge:

- the Group financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- this Annual report includes the fair review of the development and performance of the business and the position of the Group 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 Group's performance, business and strategy.

**Disclosure and Transparency Rules**

Details of the Group's share capital and warrants are given in Notes 19 and 20 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 Group. 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 Group is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 13.

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



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agreements to which the Group 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 Group 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 Group'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 Group's Auditor is aware of that information.

**Financial Instruments**

The Group has exposure to credit risk, liquidity risk and market risk. Note 21 presents information about the Group's exposure to these risks, along with the Group's objectives, processes and policies for managing the risks.

**Events after the reporting period**

*Exercise of warrants and term extension*

On 11<sup>th</sup> September 2023 the Company has received warrant exercise notices to subscribe for a total of 2,814,286 new ordinary shares of £0.005 each in the capital of the Company split between 1,100,000 Ordinary Shares at an exercise price of £0.10 per Ordinary Share and an additional 1,714,286 Ordinary Shares at an exercise price of £0.05 per Ordinary Share. A total of 2,814,286 Warrant Shares have been exercised resulting in total gross proceeds to the Company of £195,714.

Additionally the exercise period of a total of 9,000,000 warrants, which are exercisable on or before the 11 September 2023 at 40 pence per share were extended to 31 March 2024, and a total of 2,171,428 warrants held by the Directors which are exercisable on or before 30 September 2023 to 31 December 2023.

*Finance agreement*

On 18 September 2023 the Company entered into a non-dilutive finance agreement. The debt term is for 9 months from the date of execution of the agreement for the first US\$500,000 instalment, with a committed further tranche of US\$500,000 available at the Company's election following the satisfaction of the funding conditions (being committed sales for the existing stockpiles). The Company also has the ability to request further funds are available up to the maximum utilisation of US\$3 million.

The key funding terms are:

- 15% fixed coupon for the term
- The second tranche is available for 150 days after the first tranche
- Repayable at any time at the election of the Company
- Personal guarantee from Russell Fryer by way of the pledge of his ordinary shares in the Company; and
- Grant of 2,000,000 warrants over ordinary shares in the Company.



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*Revenue offtake agreement*

On 9<sup>th</sup> October the Company announced that it had entered into an offtake agreement with OM Metal & Resources S.A.R.L for the sale of a minimum of 20,000 tonnes of copper oxide ore from the Company's Molulu copper/cobalt project in the Democratic Republic of Congo.

The Agreement is valid from 4 October 2023 to 31 December 2023 and can be renewed on mutual agreement from both parties. During the contract, and where possible, Critical Metals will provide the Buyer with copper ore with an average minimum acid soluble copper grade of 1.5%.

There have been no other events subsequent to year end.

**Directors' Indemnity Provisions**

The Group has implemented Directors and Officers Liability Indemnity insurance.

**Going concern**

The Group commenced mine development and processing operations at the Molulu project in the final half of the 2022 financial year. The Group expects its first sales to occur in Q2 of the 2024 financial year.

The Group's financial statements have been prepared on the going concern basis, which contemplates that the Group will be able to realize its assets and discharge liabilities in the normal course of business. Despite this, there can be no assurance that the Group will either achieve or maintain profitability in the future and financial returns arising therefrom, may be adversely affected by factors outside the control of the Group.

The Group has had recurring losses since incorporation, and its continuation as a going concern is dependent on the Group's ability to successfully fund its operations by generating sufficient cash flow from operations, and where required obtaining additional financing from equity injections and / or the raising of cash through bank loans or other debt instruments, to meet any working capital deficits and fund the Group's exploration activities and new mine developments.

This indicates that a material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business.

Whilst acknowledging this material uncertainty, the directors consider it appropriate to prepare the consolidated financial statements on a going concern basis for the following reasons:

- The Group has commenced mining and processing operations at the Molulu project and is forecasting positive operating cashflow to be generated from that project in Q2 of financial year 2024;
- The Group is not required to pay back the loan from Baobab Asset Management LLC for at least 12 months after the signing of the accounts;
- The Group has received committed funding from leading financial institution for \$3,000,000 USD to fund future exploration activities and corporate working capital requirements. This amount is sufficient to cover all budgeted discretionary and committed expenditure;
- The Group has no committed exploration expenditure on its granted mining licenses at Molulu and has the ability to reduce all spend in the event that it needs to conserve cash balances; and
- The Group's Board of Directors have significant experience in the debt and equity capital markets and specifically have a successful track record in funding mining operations, new

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mine development and exploration activities and are further considered capable of securing ongoing debt and equity capital financing for the Group.

The consolidated financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within the financial statements.

**Donations**

The Group made no political donations during the year.

On behalf of the board



Russell S. Fryer

Executive Chairman & CEO

2 November 2023

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC**  
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC**

**Opinion**

We have audited the financial statements of Critical Metals Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent 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 and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2023 and of the group's loss for the year 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 accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed 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.

**Material uncertainty related to going concern**

We draw attention to note 2.2 in the financial statements, which indicates that the group and parent company has had recurring losses since incorporation, and its continuation as a going concern is dependent on the Group's ability to successfully fund its operations by generating sufficient cash flow from operations, and where required will need to raise additional funding within twelve months from the date of approval of the financial statements in order to fund its ongoing working capital requirements. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the



## **CRITICAL METALS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC FOR THE YEAR ENDED 30 JUNE 2023**

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group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained an understanding of the process undertaken by management to perform the going concern assessment, including the group's access to available sources of liquidity;
- We obtained management's going concern assessment, including the cash flow forecast for the going concern lookout period until 31 December 2024 and assessed whether the period applied is appropriate, also considering the existence of any significant events or conditions beyond this period based on management's forecasting and knowledge arising from the audit;
- We assessed the reasonableness of all key assumptions, with a particular focus on when revenue generation will commence, selling price of copper, expected yield and grade of ores. This had been performed by:
  - checking the consistency of the forecast with other areas of the audit including the Development asset impairment assessment;
  - assessing whether the assumptions were made were reasonable and appropriately severe, through our own independent assessment of the impact of the current macroeconomic environment, the competent person report (CPR) received as part of the acquisition of the assets and considering whether this contradicted any of the assumed revenue growth included in the management forecast.
- We reviewed the adequacy of the disclosures in respect of going concern including the uncertainties over the ability to raise additional funds.

#### **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.

The overall materiality applied to the group financial statements was set at £94,000, based on 4% of the group's net assets (2022: £39,000, based on 5% of the group's net assets). The overall materiality applied to the parent company financial statements was set at £60,000, based on 4% of the parent company net assets (2022: £39,000, based on 5% of the parent company's net assets) and capped to the component overall materiality allocated to the parent for purposes of the Group audit. In determining the group and parent company overall materiality we used our professional judgement and determined that net assets to be the principal benchmark within the financial statements as the group is not yet revenue generating and the group and parent company assets are key metrics to stakeholders.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our

## **CRITICAL METALS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC FOR THE YEAR ENDED 30 JUNE 2023**

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testing of account balances, classes of transactions and disclosures. The performance materiality for the group was set at £65,800 and £42,000 for the parent company, being 70% of overall materiality for the financial statements as a whole.

In determining performance materiality, we considered the following factors: the level of misstatements in the prior periods, the level of judgment required in respect of the key accounting estimates, the control environment and our overall risk assessment.

Each significant component of the group was audited to an overall materiality of £60,000, with performance materiality set at 70%.

We agreed with the audit committee that we would report all audit differences identified during the course of our audit in excess of £4,550 (2022: £2,010) for the group and £3,000 (2022:£1,985) for the parent company level, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We applied the concept of materiality in planning and performing our audit and in evaluating the effect of misstatement. No significant changes have come to light during the audit which required a revision of our materiality for the financial statements as a whole.

#### **Our approach to the audit**

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we focussed on areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimate and judgement included:

- the recoverability of intangible assets, loans to subsidiaries and investments in subsidiary undertakings, as the future exploration results are inherently uncertain;
- the valuation of warrants issued in the year which were assessed as an area which involved significant estimation by management.

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The scope of our audit was based on the significance of component's operations and materiality. Each component was assessed as to whether it was significant or not to the group by either their size or risk.

The subsidiaries Madini Occidental RDC (MO RDC) and Amani Mining Katanga SA (AMK) have been assessed as significant components of the group. The key balances held within these entities are exploration and evaluation assets and development assets.



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The audit of the group and parent company were principally performed in London, conducted by the group audit team, utilising a team with specific experience of auditing mining exploration entities and publicly listed entities.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
<p><b>The Group's capitalised development costs with a value of £3,774,098 represent significant asset on the consolidated statement of financial position. Management and the Directors are required to assess whether there are any potential impairment triggers in line with IAS 36 which would indicate that the carrying value of those assets have suffered an impairment loss.</b></p> <p><b>Given the judgement and estimation required by management in making this assessment, there is a risk that this assessment is not conducted appropriately and that intangible assets are materially overstated is also a risk that any additions in the year may not have been appropriately capitalised in accordance with IFRS 6.</b></p> <p><b>In addition, the directors have applied judgment on the timing of classifying exploration and evaluation expenditures to development costs. This key judgment will have a material impact on the classification of assets.</b></p>	<p>Our work on this area included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's methodology and controls in place over the valuation of exploration and evaluation assets.</li> <li>• We reviewed management's IAS 36 impairment indicator review paper and critically challenge the key judgements;</li> <li>• Verifying ownership of project licences to legal documentation and ensuring commitments and terms have been met in the current audit period;</li> <li>• We assessed the reasonableness of all key assumptions used by management in their forecast used within the impairment indicator assessment, with a particular focus on: <ul style="list-style-type: none"> <li>○ Reviewing management's internal production forecasts;</li> <li>○ Reviewing management's copper price assumptions against readily available market data and trends in order to challenge the validity of forecasted price on production. In addition, consideration of assumptions used against external market factors and the impact on the valuation of the producing assets held;</li> <li>○ Assessing any further management assumptions by reference to third party information, our knowledge of the group and industry and also</li> </ul> </li> </ul>



**CRITICAL METALS PLC**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC**

**FOR THE YEAR ENDED 30 JUNE 2023**

	<p>budgeted and forecast performance.</p> <ul style="list-style-type: none"> <li>Assessing management's judgment of the classification from exploration and evaluation to development asset; and</li> <li>Assessing whether management's presentation and disclosures relating to estimation uncertainty are adequate.</li> </ul> <p>Based on the procedures performed, we are satisfied that the carrying value of the exploration and evaluation and development assets in the financial statements is supported by the underlying operations, and the judgments and estimates applied to be reasonable.</p> <p>The future carrying value is dependent on the ability of the subsidiaries to fully realised the potential levels of extraction forecasted and a failure to achieve those targets would likely lead to an impairment of the assets.</p>
<b>Accounting acquisition of the subsidiaries and exploration project in the Democratic Republic of Congo (Note 13) (group)</b>	
<p>The acquisitions of Amani Minerals Katanga SARL and Madini Occidental RDC Sarlu occurred during the period. These acquisitions resulted in an Exploration and Evaluation asset to the value of £3,590,274 been recognised at the date of purchase as management concluded that the transaction should be accounted for as an asset purchase rather than a business combination.</p> <p>There is a risk that the judgment taken by management in determining the classification of the acquisition does not comply with the requirements of IFRS.</p>	<p><b>Our work on this area included:</b></p> <ul style="list-style-type: none"> <li>Obtained and evaluated management's assessment of the recognition and classification criteria to ensure the acquisition accounting has been accounted for correctly in accordance with IFRS and reviewed the accounting treatment of the acquisition in the consolidation accounts;</li> <li>Reviewed of the relevant purchase agreements and correspondence including minutes of Board meetings and RNS to ensure the assets were accounted for at the correct amounts; and</li> <li>Considering the appropriateness of the disclosures within the financial statements.</li> </ul> <p>Based on the procedures performed, we noted no material issues from our work.</p>
<b>Intercompany receivable recoverability (Note 14) – (parent)</b>	
<p>The carrying amount of the intercompany receivables of £2,805,705 represents the most material portion of the parent company's total assets.</p>	<p><b>Our work on this area included:</b></p> <ul style="list-style-type: none"> <li>Reviewed recoverability of intercompany receivables using management forecast and considering whether there indicators of</li> </ul>

**CRITICAL METALS PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC**  
**FOR THE YEAR ENDED 30 JUNE 2023**

<p><b>There is a risk of material misstatement regarding the recoverability of intercompany receivables in accordance with IAS 36.</b></p>	<p>impairment. Assessing and concluding on the appropriateness of the underlying assumptions within the forecast in order to ensure the appropriate valuation of intercompany receivables; and</p> <ul style="list-style-type: none"> <li>• Considering whether any other indicators of impairment are present under IAS 36 having reference to internal and external factors.</li> </ul> <p>Based on the procedures performed, we are satisfied that management's assessment of the recoverability of intercompany receivables are supported by the underlying models, and the judgements and estimates applied to be reasonable.</p> <p>The recoverability is dependent on the ability of the subsidiaries to fully realise the potential levels of extraction forecasted and a failure to achieve those targets would likely lead to an impairment of the intercompany receivables.</p>
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**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<sup>29</sup>. 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.

**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

## **CRITICAL METALS PLC**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC FOR THE YEAR ENDED 30 JUNE 2023**

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- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.
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#### **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 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 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's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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:



**CRITICAL METALS PLC****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC  
FOR THE YEAR ENDED 30 JUNE 2023**

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- We obtained an understanding of the group and parent company and the sector in which they operates 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 and industry research.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the:
  - Companies Act 2006;
  - Listing Rules;
  - Disclosure and Transparency Rules;
  - QCA Code (voluntary adoption);
  - Anti-Bribery Legislation;
  - The Money Laundering and Terrorist Financing (Amendment) Regulations 2019;
  - The operating terms set out in the Small Mine Exploitation Permit in the Democratic Republic of the Congo (DRC);
  - Local industry regulations in the DRC; and
  - Local tax in the UK and the DRC.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - reviewing of legal expenses
  - conducting enquiries of management
  - reviewing board minutes and other correspondence from management
  - reviewing RNS publications
- 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, whether key management judgements could include management bias. The potential for bias was identified in relation to classification and valuation of the exploration and evaluation expenditures and development costs, and acquisition accounting of subsidiaries and exploration project and the intercompany receivable recoverability – parent company. We addressed these items as outlined in the Key Audit Matters section. The potential for management bias also existed in the:
  - Assessment of the carrying value of the investment in subsidiary undertakings and loans to subsidiaries; and
  - The valuation of warrants issued in the year.

Audit procedures were performed in this regard to review and challenge management's impairment and fair value assessments.

- As in all of our audits, 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.

**CRITICAL METALS PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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- Compliance with laws and regulations at the subsidiary level was ensured through enquiry of management, communication with the component auditor and reviewing correspondence for any instances of non-compliance.

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](http://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 19 June 2020 to audit the financial statements for the period ending 30 June 2020 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the year ended 30 June 2020 to 30 June 2023.

During the period subject to audit, a non-audit service was provided by the firm to the group. The Ethical Standard sets a cap on permitted non-audit service fees, other than those required by national legislation, of 70% of the average of audit fees for the preceding three-year period. The requirement does not apply retrospectively, and the cap applies from the fourth-year implementation of the Ethical Standard. The non-audit service provided is not subject to fee cap because the transaction took place in the third year of PKF Littlejohn acting as auditor.


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

**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.

**CRITICAL METALS PLC**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRITICAL METALS PLC**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**Mark Ling (Senior Statutory Auditor)**

**For and on behalf of PKF Littlejohn LLP**

**Statutory Auditor**

15 Westferry Circus

Canary Wharf

London E14 4HD

*2 November 2023*



**CRITICAL METALS PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Year ended 30 June 2023	Year ended 30 June 2022
		£	£
<b>Revenue</b>			
Revenue from continuing operations		-	-
		-	-
<b>Expenditure</b>			
Exploration & evaluation expenditure		(139,274)	-
Costs associated with the listing	4	-	(202,594)
Administrative expenses	4	(2,491,522)	(461,264)
Depreciation	10	(30,251)	-
		(2,661,047)	(663,858)
<b>Finance costs</b>			
Finance income/(expenses)		-	2,115
Interest expense	18	(39,179)	-
		(39,179)	2,115
<b>Loss on ordinary activities before taxation</b>		<b>(2,700,226)</b>	<b>(661,743)</b>
Taxation on loss on ordinary activities	8	-	-
<b>Loss on ordinary activities after taxation</b>		<b>(2,700,226)</b>	<b>(661,743)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations	5	43,490	-
<b>Loss and total comprehensive income for the year attributable to the owners of the Group</b>		<b>(2,656,736)</b>	<b>(661,743)</b>
Earnings per share (basic and diluted) attributable to the equity holders (pence)	9	(4.95)	(1.59)
<b>Loss attributable to:</b>			
Owners of the parent		(2,485,974)	(661,473)
Non-controlling interest		(214,252)	-
		<b>(2,700,226)</b>	<b>(661,743)</b>

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's loss for the financial period was £1,758,868 (2022 : £661,743).

The accompanying notes on pages 42 to 69 form an integral part of these consolidated financial statements.

**CRITICAL METALS PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Notes	As at 30 June 2023 £	As at 30 June 2022 £
<b>NON-CURRENT ASSETS</b>			
Loan notes	12	-	39,827
Property, plant & equipment	10,11	4,007,454	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,007,454</b>	<b>39,827</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	266,272	55,409
Cash at bank and in hand	15	411,696	824,251
<b>TOTAL CURRENT ASSETS</b>		<b>677,968</b>	<b>879,660</b>
<b>TOTAL ASSETS</b>		<b>4,685,422</b>	<b>919,487</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	1,528,340	110,890
Borrowings	18	805,729	-
<b>TOTAL LIABILITIES</b>		<b>2,334,069</b>	<b>110,890</b>
<b>NET ASSETS</b>		<b>2,351,353</b>	<b>808,597</b>
<b>EQUITY</b>			
Called up share capital	19	311,561	208,298
Share premium account	19	5,606,918	1,735,315
Share based payment reserve	20	271,260	45,838
Foreign exchange reserve	5	43,490	-
Retained earnings		(3,666,828)	(1,180,854)
<b>Equity attributable to equity holders of the parent</b>		<b>2,566,401</b>	<b>808,597</b>
Non-controlling interest		(215,048)	-
<b>TOTAL EQUITY</b>		<b>2,351,353</b>	<b>808,597</b>

The accompanying notes on pages 42 to 69 form an integral part of these consolidated financial statements  
The financial statements were approved by the board on 2 November 2023 and were signed on its behalf by:



Russell S. Fryer

Executive Chairman

**CRITICAL METALS PLC**  
**PARENT COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	Notes	As at 30 June 2023 £	As at 30 June 2022 £
<b>NON-CURRENT ASSETS</b>			
Intercompany receivables	14	2,805,705	-
Loan notes	12	-	39,827
Investment in subsidiary	16	10,000	10,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,815,705</b>	<b>49,827</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	13	233,942	55,409
Cash at bank and in hand	15	357,481	824,251
<b>TOTAL CURRENT ASSETS</b>		<b>591,423</b>	<b>879,660</b>
<b>TOTAL ASSETS</b>		<b>3,407,128</b>	<b>929,487</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	157,111	120,890
<b>TOTAL LIABILITIES</b>		<b>157,111</b>	<b>120,890</b>
<b>NET ASSETS</b>		<b>3,250,017</b>	<b>808,597</b>
<b>EQUITY</b>			
Called up share capital	19	311,561	208,298
Share premium account	19	5,606,918	1,735,315
Share based payment reserve	20	271,260	45,838
Retained earnings		(2,939,722)	(1,180,854)
<b>TOTAL EQUITY</b>		<b>3,250,017</b>	<b>808,597</b>

The financial statements were approved by the board on 2 November 2023 and were signed on its behalf by:



Russell S. Fryer

Executive Chairman



**CRITICAL METALS PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Issued Share Capital	Share Premium	Share Based Payments Reserve	FCTR	Retained Earnings	NCI	Total Equity
	£	£	£	£	£	£	£
<b>As at 30 June 2021</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>-</b>	<b>(519,111)</b>	<b>-</b>	<b>1,470,340</b>
Loss for the year	-	-	-	-	(661,743)	-	(661,743)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(661,743)	-	(661,743)
Shares issued during the year	-	-	-	-	-	-	-
Share issue costs during the year	-	-	-	-	-	-	-
Warrants issued during the year	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
<b>As at 30 June 2022</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>-</b>	<b>(1,180,854)</b>	<b>-</b>	<b>808,597</b>
Loss for the year	-	-	-	-	(2,485,974)	(214,252)	(2,700,226)
Other comprehensive income	-	-	-	43,490	-	-	43,490
Total comprehensive loss for the year	-	-	-	43,490	(2,485,974)	(214,252)	(2,656,736)
Acquisition of subsidiary	-	-	-	-	-	(796)	(796)
Shares issued during the year	83,188	3,624,313	-	-	-	-	3,707,501
Share issue costs during the year	-	(130,885)	-	-	-	-	(130,885)
Warrants issued during the year	20,075	378,175	225,422	-	-	-	623,672
Total transactions with owners	103,263	3,871,603	225,422	-	-	(796)	4,199,492
<b>As at 30 June 2023</b>	<b>311,561</b>	<b>5,606,918</b>	<b>271,260</b>	<b>43,490</b>	<b>(3,666,828)</b>	<b>(215,048)</b>	<b>2,351,353</b>

**CRITICAL METALS PLC**  
**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Issued Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Total Equity
	£	£	£	£	£
<b>As at 30 June 2021</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>(519,111)</b>	<b>1,470,340</b>
Loss for the year	-	-	-	(661,743)	(661,743)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(661,743)	(661,743)
Share issued during the year	-	-	-	-	-
Warrants issued during the year	-	-	-	-	-
Share issue costs during the year	-	-	-	-	-
Total transactions with the owners	-	-	-	-	-
<b>As at 30 June 2022</b>	<b>208,298</b>	<b>1,735,315</b>	<b>45,838</b>	<b>(1,180,854)</b>	<b>808,597</b>
Loss for the year	-	-	-	(1,758,868)	(1,758,868)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(1,758,868)	(1,758,868)
Share issued during the year	83,188	3,624,313	-	-	3,707,501
Share issue costs during the year	-	(130,885)	-	-	(130,885)
Warrants issued during the year	20,075	378,175	225,422	-	623,672
Total transactions with the owners	103,263	3,871,603	225,422	-	4,200,288
<b>As at 30 June 2023</b>	<b>311,561</b>	<b>5,606,918</b>	<b>271,260</b>	<b>(2,939,722)</b>	<b>3,250,017</b>

**CRITICAL METALS PLC**  
**CONSOLIDATED STATEMENT OF CASHFLOW**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	30 June 2023 £	30 June 2022 £
<b>Cash from operating activities</b>			
Loss for the year		(2,700,226)	(661,743)
Adjustments for:			
Interest payable		38,993	-
Depreciation	10	30,251	-
Foreign exchange		335,122	26,095
Share-based payments	20	225,422	-
Operating cashflow before working capital movements		(2,070,438)	(635,648)
Decrease/ (increase) in trade and other receivables		297,037	(37,558)
Increase trade and other payables		64,648	79,835
<b>Net cash outflow from operating activities</b>		<b>(1,708,753)</b>	<b>(593,371)</b>
<b>Cash from financing activities</b>			
Proceeds on the issue of shares net of transaction costs		3,232,049	-
Proceeds on the exercise of warrants		398,250	-
<b>Net cash from financing activities</b>		<b>3,630,299</b>	<b>-</b>
<b>Cash from investing activities</b>			
Cash on acquisition of asset group	11	24,554	-
Payments for asset group	11	(1,582,907)	-
Payments for property, plant and equipment	10	(773,341)	-
Accrued interest income		-	(2,115)
Purchase of convertible loan notes		-	(37,712)
<b>Net cash outflow from investing activities</b>		<b>(2,331,695)</b>	<b>(39,827)</b>
Net decrease in cash and cash equivalents		(410,149)	(633,198)
Cash and cash equivalents at beginning of year		824,251	1,483,544
Foreign exchange		(2,406)	(26,095)
<b>Cash and cash equivalents at end of period</b>	15	<b>411,696</b>	<b>824,251</b>

The following were material non-cash items during the year:

- £ 161,452 relating to invoices settled through funds received for shares issued; and
- £178,938 shares issue outstanding at year end included within other receivables.

The accompanying notes on pages 42 to 69 form an integral part of these consolidated financial statements.



**CRITICAL METALS PLC**  
**PARENT COMPANY STATEMENT OF CASHFLOW**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	30 June 2023	30 June 2022
		£	£
<b>Cashflow from operating activities</b>			
Loss for the year		(1,758,868)	(661,743)
Adjustments for:			
Interest receivable		(92,138)	-
Foreign exchange		108,891	26,095
Share based payments		225,423	-
Operating cashflow before working capital movements		(1,516,692)	(635,648)
(Increase)/decrease in trade and other receivables		11,664	(37,558)
Increase in trade and other payables		188,499	79,835
Net cash outflow from operating activities		<b>(1,316,529)</b>	<b>(593,371)</b>
<b>Cashflow from financing activities</b>			
Proceeds of borrowings (interco)		8,281	-
Issue of funds to group companies		(2,788,821)	-
Proceeds on the issue of shares net of transaction costs	19	3,232,049	-
Proceeds on the exercise of warrants	19	398,250	-
Net cash from financing activities		<b>849,759</b>	<b>-</b>
<b>Cashflow from investing activities</b>			
Accrued interest income		-	(2,115)
Purchase of convertible loan notes		-	(37,712)
Net cash from investing activities		<b>-</b>	<b>(39,827)</b>
Net decrease in cash and cash equivalents		(466,770)	(633,198)
Cash and cash equivalents at beginning of year		824,251	1,483,544
Foreign exchange		-	(26,095)
<b>Cash and cash equivalents at end of period</b>	15	<b>357,481</b>	<b>824,251</b>

The following were material non-cash items during the year:

£ 161,452 relating to invoices settled through funds received for shares issued; and

£178,938 shares issue outstanding at year end included within other receivables .

The accompanying notes on pages 42 to 69 form an integral part of these consolidated financial statements

**CRITICAL METALS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**1. GENERAL INFORMATION**

Critical Metals plc and its subsidiary (the “Group”) looks to develop its existing asset’s and identify other 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 consolidated financial statements (“financial statements”) are set out below. These policies have been consistently applied unless otherwise stated.

**2.1. Basis of preparation**

The financial statements for the period ended 30 June 2023 have been prepared by Critical Metals Plc in accordance with UK adopted International Accounting Standards (“IFRS”) and with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. The functional currency of the parent company is Pounds Sterling (£) as this is the currency that finance is raised in. The functional currency of its subsidiaries is US Dollars (USD) as this is the currency that mainly influences labour, material and other costs of providing services. The Group has chosen to present its consolidated financial statements in Pounds Sterling (£), as the Directors believe it is the most relevant presentational currency for users of the consolidated financial statements. Foreign operations are included in accordance with the policies set out at note 2.4.

**2.2. Going concern**

The Group commenced mine development and processing operations at the Molulu project in the first half of 2023 and is currently continuing development activities. The Group expects its first sales of ore to occur in Q4 of 2023.

The Group’s financial statements have been prepared on the going concern basis, which contemplates that the Group will be able to realise its assets and discharge liabilities in the normal course of business. Despite this, there can be no assurance that the Group will either achieve or maintain profitability in the future and financial returns arising therefrom, may be adversely affected by factors outside the control of the Group.

The Group has had recurring losses since incorporation, and its continuation as a going concern is dependent on the Group’s ability to successfully fund its operations by generating sufficient cash flow from operations, and where required obtaining additional financing from equity injections and / or the raising of cash through bank loans or other debt instruments, to meet any working capital deficits and fund the Group’s exploration activities and new mine developments.

This indicates that a material uncertainty exists that may cast significant doubt over the Group’s ability to continue as a going concern and therefore their ability to realise their assets and discharge their liabilities in the normal course of business.

Whilst acknowledging this material uncertainty, the directors consider it appropriate to prepare the consolidated financial statements on a going concern basis for the following reasons:

- The Group has commenced mining and processing operations at the Molulu project and is forecasting positive operating cashflow to be generated from that project in Q4 of 2023;



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- The Group has received committed funding from a leading financial institution for \$3,000,000 USD to fund future exploration activities and corporate working capital requirements. This amount is sufficient to cover all budgeted discretionary expenditure;
- The Group is not required to pay back the loan from Baobab Asset Management LLC for at least 12 months after the signing of the accounts;
- The Group has no committed exploration expenditure on its granted mining licenses in the Molulu and has the ability to reduce all spend in the event that it needs to conserve cash balances; and
- The Group's Board of Directors have significant experience in the debt and equity capital markets and specifically have a successful track record in funding mining operations, new mine development and exploration activities and are further considered capable of securing ongoing debt and equity capital financing for the Group.

The consolidated financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within 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. A material amount of cash and cash equivalents is held with alternative financial institutions. These funds are fully unrestricted.

### **2.4. Foreign currency translation**

The financial statements are 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.

### **2.5. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;



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- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

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

The Group recognises any non-controlling interest in the acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

*Asset Acquisition*

During the year, the Company, through its subsidiary Critical Metals Mauritius Limited, acquired the entire share capital of Madini Occidental Limited and the remaining 43% , which hold 70% of Amani Minerals Katanga SARL. In assessing the acquisition, the Group determined that the activities and assets acquired did not have the required inputs, processes and outputs to constitute as a business under IFRS 3, hence considered it to be an asset acquisition.

**2.6. Property, Plant & Equipment**

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

Plant and equipment	- 20%
Roads and Buildings	- 20%
Motor vehicles	- 20%

Due to the tough conditions in the DRC, The Group has reduced the useful life of the Property, Plant & Equipment to better reflect the lifecycle of the assets.

A lease liability is recognized in accordance with requirements of IFRS 16. It requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. As at 30 June 2023 the Group has not entered into any leases with a term greater than 12 months.

**Exploration and evaluation**

Intangible assets represent exploration and evaluation assets (IFRS 6 assets), being the cost of acquisition by the Group of rights, licences and other associated items. Such expenditure requires the immediate write-off

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of exploration and development expenditure that the Directors do not consider to be supported by the existence of commercial reserves.

All costs associated with mineral exploration and investments, are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads and these assets are not amortised until technical feasibility and commercial viability is established. If an exploration project is successful, the related expenditures will be transferred to "mining assets" and amortised over the estimated life of the commercial ore reserves on a unit of production basis.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

Exploration and evaluation assets shall no longer be classified as such when the technical feasibility and commercial viability of extracting mineral resources are demonstrable. When relevant, such assets shall be assessed for impairment, and any impairment loss recognised, before reclassification to "Mine development".

**Mine development**

Mine development costs are included within property, plant and equipment. These costs include the costs attributable to the establishment of mining and processing operations, groundworks and site preparation.

Whilst the mine is under development no depreciation will be recognised until such time that production commences.

**2.7. Investment in subsidiary**

The consolidated financial statements incorporate the results of subsidiaries using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

**2.8. Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs. After initial recognition, loans are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are included in the initial recognition of the loan note.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability or at least 12 months after the end of the reporting period

**2.9. Trade and other receivables**

Trade and other receivables are measured at amortised cost, using the effective interest method, less any impairment loss. An allowance for impairment of trade and other receivables is established based on the twelve month expected credit losses unless the credit quality has deteriorated since inception, in which case it is based on lifetime losses.

**2.10. Financial instruments**

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

a) Classification



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The Group 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 Group'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 Group 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 Group 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 Group has transferred substantially all the risks and rewards of ownership.

**c) Measurement**

At initial recognition, the Group 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 Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other income when the Group'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 Group 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 Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



### **2.11. 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, other than those warrants that were issued in relation to the listing which have been recorded against share premium in equity. 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.

### **2.12. 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 statements 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group 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 Group intends to settle its current tax assets and liabilities on a net basis.

### **2.13. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the period and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that the actual outcomes could differ from those 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. The significant accounting judgements and key sources of estimation uncertainty affecting the Group are disclosed below.

#### *Estimation of fair value of warrants issued in the year*

The fair value of the warrants issued during the period have been calculated using a Black Scholes model which requires a number of assumptions and inputs, see Note 20 below.

#### *Recoverable value of exploration and development asset*

Costs capitalised in respect of the Group's mining assets are required to be assessed for impairment under the provisions of IFRS 6. Such an estimate requires the Group to exercise judgement in respect of the indicators of impairment and also in respect of inputs used in the models which are used to support the carrying value of the assets prior to reclassification from exploration and evaluations assets to developments assets. Such inputs include estimates of mineral reserves, production profiles, commodity prices, capital expenditure, inflation rates, and pre-tax discount rates that reflect current market assessments of (a) the time value of money; and (b) the risks specific to the asset for which the future cash flow estimates have not been adjusted. As at year end the Group performed an impairment assessment over both asset classes. The Directors concluded that there was no impairment as at 30 June 2023.

#### *Capitalisation of development assets*

Development expenditure is transferred from 'Exploration and evaluation assets' to 'Development Assets' once the work completed to date supports the future development of the property and such development receives appropriate approvals. There is significant judgement around the date in which the exploration expenditure can be transferred to the development asset.

#### *Impairment loans to subsidiaries*

The Group and the Company assess at each reporting date whether there is any objective evidence that loans to subsidiaries are impaired. To determine whether there is objective evidence of impairment, a considerable amount of estimation is required to determine future credit losses over the 12 month period of life time of the loan.

#### *Business combination*

The acquisition of the Madini group required that management make an assessment on whether the purchase involved identifiable assets, such as specific equipment, intellectual property rights, or a particular division, without the concurrent acquisition of processes, workforce, or other essential inputs required for a going concern under IFRS 3. Additionally, they must verify that the acquired set of activities does not constitute a business as defined by IFRS 3, which includes inputs, processes applied to those inputs, and outputs, resulting in returns to investors. Management determined that the purchase did not have the required characteristics above and was classified as an asset purchase.



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**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 have not yet been adopted by the UK):

<b>Standard</b>	<b>Impact on initial application</b>	<b>Effective date</b>
Annual Improvements	2018-2020 Cycle	1 January 2023
Amendments to IAS 12: Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single	1 January 2023
Amendments to IAS 1	Classification of liabilities as Current or Non-current, effective from 1 January	1 January 2024
Amendments to IFRS 16 Leases	Lease Liability in a Sale and Leasebacks	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements	Non-current Liabilities with Covenants	1 January 2024

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.

The directors are evaluating the impact that these standards may have on the financial statements of the Group.

**3. SEGMENTAL ANALYSIS**

The Group has two reportable segments, Mining and Corporate, which are the Group's strategic divisions. For each of the strategic divisions, the Board reviews internal management reports on a regular basis.

The Group's reportable segments are:

Mining: the mining operating segment is presented as an aggregate of all the DRC related activity and the associated Mauritian holding companies.

Corporate: the corporate segment is the UK head company and the costs in respect of managing the Group. This includes the cost of director share options granted by the Company.

The Group generated no revenue during the year ended 30 June 2023 (2022:£0).

Segmental results are detailed below:

For the year ended 30 June 2023:

	<b>Mining</b>	<b>Corporate</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Operating loss from continued operations per reportable segment	(941,358)	(1,758,868)	(2,700,226)
Reportable segment assets	4,094,001	591,421	4,685,422
Reportable segment liabilities	2,176,959	157,110	2,334,069
<b>Net assets</b>	<b>1,917,042</b>	<b>434,311</b>	<b>2,351,353</b>



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And for the year ended 30 June 2022:

	Exploration	Corporate	Total
	£	£	£
Operating loss from continued operations per reportable segment	-	(661,743)	(661,743)
Reportable segment assets	-	919,487	919,487
Reportable segment liabilities	-	110,890	110,890
Net assets	-	808,597	808,597

**4. OPERATING LOSS**

This is stated after charging:

	30 June 2023	30 June 2022
	£	£
Consultancy fees	(398,099)	(42,399)
Employment costs	(497,938)	(126,000)
Subcontractors	(248,249)	-
Insurance	(5,488)	(17,652)
Costs associated with the re-listing	-	(202,594)
Professional fees	(676,317)	(128,195)
Travel expenditure	(200,517)	(53,508)
Foreign exchange	(190,442)	26,096
Administrative expenses	(274,472)	(119,606)
	<b>(2,491,522)</b>	<b>(663,858)</b>

**5. OTHER COMPREHENSIVE INCOME**

Items credited/(charged) to the other comprehensive income line of the statement of comprehensive income relate to the translation of foreign operations. The corresponding movement is offset against the foreign exchange reserve in the statement of financial position.

	30 June 2023	30 June 2022
	£	£
<b>Opening Balance</b>	-	-
Foreign exchange impact	43,490	-
<b>Closing Balance</b>	<b>43,490</b>	-

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**6. EMPLOYEES**

The average number of persons employed by the Group (including directors) during the period ended 30 June 2023 was:

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>No of</b>	<b>No of</b>
	<b>employees</b>	<b>employees</b>
Directors	3	3
Employees	-	-
	<b>3</b>	<b>3</b>

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	281,833	126,000
Share-based payments	214,165	-
National insurance	1,940	2,528
	<b>497,938</b>	<b>128,528</b>

**7. AUDITORS REMUNERATION**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor for the audit of parent company and consolidated group financial statements:	70,000	25,800
Reporting accountant fee	60,000	52,000
	<b>130,000</b>	<b>77,800</b>

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**8. TAXATION**

	As at 30 June 2023	As at 30 June 2022
	£	£
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	(2,700,266)	(661,743)
Tax credit at the applicable rate of 24.7% (2022: 19%)	(666,955)	(125,731)
Expenditure disallowable for taxation	53,192	-
Tax losses on which no deferred tax asset has been recognised	613,763	125,731
<b>Total tax (charge)/credit</b>	-	-

The weighted average applicable tax rate of 24.7% (2022: 19.0%) used is a combination of the 25% standard rate of corporation tax in the UK (2022:19%), 28% standard rate of corporation tax in the DRC (2022: 28%) and nil corporation tax rate in Mauritius (2022: nil).

The Group has total carried forward losses of £3,203,095 (2022 £715,638). The taxed value of the unrecognised deferred tax asset is £791,164 2022: (£224,362) and these losses do not expire. No deferred tax assets in respect of tax losses have 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.

**9. 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

	2023	2022
	£	£
Loss for the year from continuing operations	(2,700,226)	(661,743)
Weighted number of ordinary shares in issue	54,520,971	41,659,735
<b>Basic earnings per share from continuing operations – pence</b>	(4.95)	(1.59)

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.



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**10. PROPERTY, PLANT & EQUIPMENT**

<b>Group</b>	<b>Plant and equipment</b>	<b>Buildings</b>	<b>Development</b>	<b>Exploration &amp; Evaluation</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
Opening balance – 1 July 2022	-	-	-	-	-
Acquisition of Madini Group	-	-	-	3,590,274	3,590,274
Additions	241,906	33,227	356,367	141,841	773,341
Foreign exchange	(11,386)	(1,564)	(16,773)	(297,611)	(327,334)
Transfer	-	-	3,434,504	(3,434,504)	-
At 30 June 2023	<b>230,520</b>	<b>31,663</b>	<b>3,774,098</b>	<b>-</b>	<b>4,036,281</b>
<b>Depreciation</b>					
Opening balance – 1 July 2022	-	-	-	-	-
Charge for the period	30,113	138	-	-	30,251
Foreign exchange	(1,418)	(6)	-	-	(1,424)
At 30 June 2023	<b>28,695</b>	<b>132</b>	<b>-</b>	<b>-</b>	<b>28,827</b>
Net book value 1 July 2022	-	-	-	-	-
<b>Net book value 30 June 2023</b>	<b>201,825</b>	<b>31,531</b>	<b>3,774,098</b>	<b>-</b>	<b>4,007,454</b>

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**Company**

	Plant and equipment	Buildings	Development	Exploration & Evaluation	Total
	£	£	£	£	£
<b>Cost</b>					
Opening balance – 1 July 2022	-	-	-	-	-
Additions	-	-	-	-	-
Foreign exchange	-	-	-	-	-
Transfer	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
<b>Depreciation</b>					
Opening balance – 1 July 2022	-	-	-	-	-
Charge for the period	-	-	-	-	-
Foreign exchange	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
Net book value 1 July 2022					
<b>Net book value 30 June 2023</b>	-	-	-	-	-

Development assets relate specifically to commercial interests held by Critical Metals PLC and its subsidiaries. The Group currently operates in 1 area of interest via its subsidiaries or commercial interests being the Molulu project in the Democratic Republic of the Congo.

The Group has begun the development of the mine site for the Molulu project. Costs relating to the physical construction of the site have been capitalised. Once the mine has been completed the amount will be amortised over the mine life of the area.

# 11. ACQUISITION OF AMANI MINING KATANGA SA (AMK) AND MADINI OCCIDENTAL GROUP

On 12 September 2022, Critical Metals PLC via its 100% owned subsidiary, Critical Metals Mauritius acquired 57% of the equity instruments of Madini Occidental (MO) a Mauritian based company. Within the same period Critical Metals Mauritius subsequently acquired the remaining share capital of MO . On the same date as the above MO via its 100% owned subsidiary, MO RDC, acquired 70% of the share capital of Amani Mining Katanga SA (AMK) which has the rights to the Molulu Project in the DRC.

This brings Critical Metals indirect ownership of the project to 70%. Both acquisitions were assessed as being in-line with the Groups aim to be a producer of critical metals and commodities.

Under IFRS 3, a business must have three elements: inputs, processes and outputs to constitute a business combination.

At acquisition AMK and Madini Occidental Group were dormant exploration companies with little underlying assets. Whilst AMK had the title to mineral properties this could not be considered inputs because of their early stage of development.

Additionally AMK and the Madini Group had no processes including a workforce to produce outputs and had not completed a feasibility study or a preliminary economic assessment on any of its properties and had no infrastructure or assets that could produce outputs. Therefore, the Directors conclusion was that the transaction was an asset acquisition and not a business combination.

The details of Critical Mauritius's acquisition of MO are as follows

<b>Net asset group acquired</b>	<b>£</b>
Exploration assets	3,590,274
Cash and cash equivalents	24,554
Other current liabilities	(1,060,059)
Borrowing	(561,055)
Other	5,648
<b>Total</b>	<b>1,999,362</b>

<b>Total purchase price</b>	<b>£</b>
Amount settled in cash	1,582,907
Deferred consideration	416,455
<b>Total</b>	<b>1,999,362</b>



**CRITICAL METALS PLC**  
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**12. LOAN NOTES**

	<b>30 June 2023</b>		<b>30 June 2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
Convertible loan notes	-	-	39,827	39,827
	-	-	<b>39,827</b>	<b>39,827</b>

In the prior year the Company entered into an agreement to purchase loan notes in Madini Occidental Ltd. These notes have a long stop date of 30 September 2022 and in the event that they have not been redeemed by this date the noteholders have the option to convert their notes into equity. Interest is payable on the notes at a rate of 10% per annum and Madini Occidental may redeem the paid amount of the notes in full or part subject to first serving 5 business days prior written notice to the noteholders. As at balance date the notes have not been converted to equity.

**13. TRADE AND OTHER RECEIVABLES**

	<b>30 June 2023</b>		<b>30 June 2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
Prepayments	19,934	16,917	9,592	9,592
Other debtors	233,414	204,101	10,000	10,000
VAT receivable	12,924	12,924	35,817	35,817
	<b>266,272</b>	<b>233,942</b>	<b>55,409</b>	<b>55,409</b>

Included in other debtors is an amount of £178,939 (2022: nil) which represents shares that have been issued but remain unpaid at year end. Subsequent to year end the full amount was collected.

**CRITICAL METALS PLC**  
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**14. INTERCOMPANY RECEIVABLES**

	<b>30 June 2023</b>		<b>30 June 2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
Intercompany loan-Critical Metals Mauritius	-	2,805,705	-	-
	<b>-</b>	<b>2,805,705</b>	<b>-</b>	<b>-</b>

Intercompany receivables represents an intra-group loan facility from Critical Mauritius PLC to its subsidiary Critical Metals Mauritius Ltd. The loan is denominated in USD and attracts interest at 8% per annum. The loan becomes repayable when the excess cashflows from operations exceed a certain threshold agreed upon by both parties.

The Group has recognised a loss of £Nil in the profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

**15. CASH AT BANK AND IN HAND**

	<b>30 June 2023</b>		<b>30 June 2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
Cash at bank	411,696	357,481	824,251	824,251
	<b>411,696</b>	<b>357,481</b>	<b>824,251</b>	<b>824,251</b>

Majority of the entities cash at bank is held with alternative financial institutions.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

	<b>30 June 2023</b>		<b>30 June 2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Group</b>	<b>Company</b>	<b>Group</b>	<b>Company</b>
UK Pounds	341,687	341,686	634,501	634,501
US Dollars	64,557	10,343	183,398	183,398
South African Rand	1,175	1,175	3,651	3,651
Euro	4,277	4,277	2,701	2,701
	<b>411,696</b>	<b>357,481</b>	<b>824,251</b>	<b>824,251</b>

**CRITICAL METALS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**16. INVESTMENT IN SUBSIDIARIES**

	30 June 2023	30 June 2022
	£	£
	Company	Company
Critical Metal Mauritius Ltd	10,000	10,000
	<b>10,000</b>	10,000

As at 30 June 2023, the Group owned interests in the following subsidiary undertakings, which are included in the consolidated financial statements:

Name	Incorporation date	Holding	Business activity	Country of incorporation	Registered address
Critical Metal Mauritius Ltd	14 September 2021	100% Critical Metals Plc	Holding	Mauritius	The Broadgate Tower, 20 Primrose street, London, EC2A 2EW
Madini Occidental Ltd	27 March 2019	100% Critical Metals Mauritius Ltd	Holding	Mauritius	3 <sup>rd</sup> Floor, Tower A, 1 Cybercity, Ebene, Mauritius 72201
Madini Holding RDC SARL	14 March 2019	100% Madini Occidental Ltd	Dormant	Democratic Republic of the Congo	Local 7, 4 Eme Niveau, C/Gombe, V/Kinshasa, P/Kinshasa
MO RDC SA	22 September 2019	100% Madini Occidental Ltd	Holding	Democratic Republic of the Congo	Conseil, 60 Avenue Uvira, Immeuble Aimee Tower, 11 eme Etage, Gombe, Kinshasa
Minière Molulu SARL	5 April 2019	100% MO RDC SA	Dormant	Democratic Republic of the Congo	Local 7, 4 Eme Niveau, C/Gombe, V/Kinshasa, P/Kinshasa



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Amani Minerals Katanga SA	7 August 2019	70% MO RDC SA	Mining & Exploration	Democratic Republic of the Congo	33132 Ave Colonel Mondjiba, Quartier Basoko, Ngaliema, Kinshasa, DRC
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**17. TRADE AND OTHER PAYABLES**

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Trade payables	757,603	111,379	78,010	78,010
Other payable and accruals	100,749	45,732	32,880	42,880
Deferred consideration	585,741	-	-	-
Provision for option relinquishment	84,247	-	-	-
	<b>1,528,340</b>	<b>157,111</b>	<b>110,890</b>	<b>120,890</b>

Deferred consideration relates to \$733,588 USD payable for the acquisition of the Madini Group. As at report date the amount has not been paid.

**18. BORROWINGS**

	30 June 2023		30 June 2022	
	£	£	£	£
	Group	Company	Group	Company
Loan from related party	633,127	-	-	-
Accrued interest	172,602	-	-	-
	<b>805,729</b>	<b>-</b>	<b>-</b>	<b>-</b>

Borrowings consist of an \$800,000 USD loan to Madini Occidental from Baobab investments LLC, an entity controlled by the CEO Russell Fryer. Refer to note 24 for further information. The loan is unsecured and payable within 12 months of signing. An interest charge of £39,179 (2022:nil) was recorded in the Statement of Comprehensive Income.

**CRITICAL METALS PLC**  
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**19. SHARE CAPITAL AND SHARE PREMIUM**

	Number of Shares on Issue	Share Capital £	Share Premium £	Total £
<b>Balance at 1 July 2021</b>	<b>41,659,735</b>	<b>208,298</b>	<b>1,735,315</b>	<b>1,943,613</b>
<b>Balance at 30 June 2022</b>	<b>41,659,735</b>	<b>208,298</b>	<b>1,735,315</b>	<b>1,943,613</b>
Shares issued at re-listing at £0.20	9,000,000	45,000	1,755,000	1,800,000
£0.10 warrants exercised	3,150,000	15,750	299,250	315,000
Adviser shares issued	37,500	188	7,313	7,501
Placement at £0.25	5,200,000	26,000	1,274,000	1,300,000
£0.05 Warrants Exercised	15,000	75	675	750
£0.10 Warrants Exercised	600,000	3,000	57,000	60,000
£0.10 Warrants Exercised	200,000	1,000	19,000	20,000
£0.05 Warrants Exercised	50,000	250	2,250	2,500
Fundraise - £0.6m @ £0.25	2,400,000	12,000	588,000	600,000
Cost of share issues	-	-	(130,885)	(130,885)
<b>Balance at 30 June 2023</b>	<b>62,312,235</b>	<b>311,561</b>	<b>5,606,918</b>	<b>5,918,479</b>

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.

**CRITICAL METALS PLC**  
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**20. SHARE BASED PAYMENTS RESERVE**

<b>Group and Company</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Opening balance	45,838	45,838
Directors warrants issued <sup>1</sup>	214,164	-
LEJ & Broker warrants issued <sup>2</sup>	11,258	-
<b>At 31 December</b>	<b>271,260</b>	<b>45,838</b>

1- On 12 September 2022 upon the successful re-admission to the LSE 2,750,000 warrants were issued to the directors of the Company. The warrants vest immediately with further details below.

2- On 12 September 2022 upon the successful re-admission to the LSE 3,233,200 warrants were issued to brokers and third parties who assisted in the admission. The warrants vest immediately with further details below.

The fair value of the services received in return for the warrants granted are measured by reference to the fair value of the warrants granted. The estimate of the fair value of the warrants granted is measured based on the Black-Scholes valuations model. Measurement inputs and assumptions are as follows:

	<b>Director warrants</b>	<b>LEJ and Broker warrants</b>
Issue date	12 Sep 2022	12 Sep 2022
Time to expiry	3 years	3 years
Share price at date of issue of warrants	£0.20	£0.20
Exercise price	£0.05	£0.20
Expected volatility	46.5%	46.5%
Risk free interest rate	3.4%	3.4%

During the year 11,400,000 warrants were issued alongside share placements. As the warrants were issued as 'free and attaching' they are considered part of the underlying share and fall outside the scope of IFRS 2 and have not been valued.



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	2023		2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at the beginning of the year	8.1p	9,240,714	8.1p	9,240,714
Exercised during the year (Share options)	-	(4,015,000)	-	-
Granted during the year (Share options)	40p	9,000,000	-	-
Granted during the year (Share options)	40p	2,400,000	-	-
Granted during the year (Share options)	5p	2,750,000	-	-
Granted during the year (Share options)	20p	323,200	-	-
Outstanding at the end of the year	26p	19,698,914	8.1p	9,240,714
Exercisable at the end of the year	26p	19,698,914	8.1p	9,240,714

During the year the Company extended the last exercise date of the £0.05 and £0.10 warrants that were expiring on 28 September 2022 to 31 March 2023 and then to 30 September 2023 and subsequent to year end, these were further extended to 31 December 2023.

## **21. RISK MANAGEMENT**

### **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 Group's competitiveness and flexibility. Further details regarding these policies are:

#### *Policy on financial risk management*

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, loan notes and trade and other payables. The Group'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 Group 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 Group 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 scope and level of operations that the Group is undertaking has increased in the current year and will continue to increase in years to come. With the acquisition of an asset based in the Democratic Republic of Congo the Group will also increase its exposure to foreign currency risk. Despite the increase in exposure the directors believe that it is within a reasonable threshold that it does not materially adversely affect the operations of the Group and hence they have not entered into any strategies to mitigate the risk at this stage. In the current period the impact of foreign currency movement is limited to the impact it has on the relatively small denominations of currency that the Group holds in foreign currencies.

**CRITICAL METALS PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group'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 Group 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 Group's principal financial assets are cash and cash equivalents, loan notes and trade and other receivables. Cash equivalents include amounts held on deposit with financial institutions.

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

No financial assets have indicators of impairment.

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

As at 30 June 2023 the foreign currency risk exposure of the Group was comprised of the following:

	As at 30 June 2023 GBP
<b>CURRENT ASSETS</b>	
Other current assets	32,329
Cash at bank and in hand	64,557
<b>TOTAL ASSETS</b>	<b>96,886</b>
<b>NON-CURRENT LIABILITIES</b>	
Borrowings	805,729
<b>CURRENT LIABILITIES</b>	
Trade and other payables	1,371,232
<b>TOTAL LIABILITIES</b>	<b>2,176,961</b>
<b>NET POSITION</b>	<b>(2,080,075)</b>

**CRITICAL METALS PLC**  
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*Borrowings and interest rate risk*

The Group currently has an unsecured loan to Baobab Asset Management LLC. The loan compounds interest at 6% per annum and has no fixed repayments. The Group has no other borrowings. The Group's principal financial assets are cash and cash equivalents, loan notes and trade 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 2023 and year ended 30 June 2022, the Group 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 Group's operations.

In managing liquidity risk, the main objective of the Group is to ensure that it has the ability to pay all of its liabilities as they fall due. The Group 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 Group's financial liabilities on the basis of their earliest possible contractual maturity.

For the Group:

	<b>Total £</b>	<b>Within 2 months £</b>	<b>Within 2-6 months £</b>
<b>At 30 June 2023</b>			
Trade payables	757,603	757,603	-
Other payable and accruals	100,749	100,749	-
Deferred consideration	585,741	585,741	-
Provision for option relinquishment	84,247	-	84,247
	<b>1,528,340</b>	<b>1,444,093</b>	<b>84,247</b>
	<b>Total £</b>	<b>Within 2 months £</b>	<b>Within 2-6 months £</b>
<b>At 30 June 2022</b>			
Trade payables	78,010	78,010	-
Other payable and accruals	32,880	32,880	-
	<b>110,890</b>	<b>110,890</b>	<b>-</b>



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And for the Company:

	<b>Total £</b>	<b>Within 2 months £</b>	<b>Within 2-6 months £</b>
<b>At 30 June 2023</b>			
Trade payables	111,379	111,379	-
Other payable and accruals	45,732	45,732	-
	<b>157,111</b>	<b>157,111</b>	-

	<b>Total £</b>	<b>Within 2 months £</b>	<b>Within 2-6 months £</b>
<b>At 30 June 2022</b>			
Trade payables	78,010	78,010	-
Other payable and accruals	32,880	32,880	-
	<b>110,890</b>	<b>110,890</b>	-

**Capital management**

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the consolidated statement of changes of equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, commodity and liquidity risks. The management of these risks is vested to the board of directors.

**CRITICAL METALS PLC**  
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**22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

For the Group:

<b>2023</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
<b>Financial assets / liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other receivables	-	246,338	-	246,338
Cash and cash equivalents	-	411,696	-	411,696
Trade and other payables	-	-	(942,601)	(942,601)
Borrowings	-	-	(805,729)	(805,729)
Deferred consideration	-	-	(585,741)	(585,741)
	-	<b>658,034</b>	<b>(2,334,071)</b>	<b>(1,676,037)</b>

<b>2022</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
<b>Financial assets / liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other receivables	-	55,409	-	55,409
Loan Notes	-	39,827	-	39,827
Cash and cash equivalents	-	824,251	-	824,251
Trade and other payables	-	-	(120,890)	(120,890)
	-	<b>919,487</b>	<b>(120,890)</b>	<b>798,597</b>

For the Company:

<b>2023</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
<b>Financial assets / liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other receivables	-	217,025	-	217,025
Cash and cash equivalents	-	357,481	-	357,481
Trade and other payables	-	-	(111,379)	(111,379)
	-	<b>574,506</b>	<b>(111,379)</b>	<b>463,127</b>

**CRITICAL METALS PLC**  
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<b>2022</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at amortised cost</b>	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
<b>Financial assets / liabilities</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other receivables	-	55,409	-	55,409
Loan Notes		39,827		39,827
Cash and cash equivalents	-	824,251		824,251
Trade and other payables	-	-	(110,890)	(110,890)
	-	<b>919,487</b>	<b>(110,890)</b>	<b>808,597</b>

**23. RECONCILIATION OF NET CASHFLOWS TO MOVEMENT IN NET DEBT**

For the Group:

	<b>As at 1 July 2022</b>	<b>Cash flows</b>	<b>Acquisition</b>	<b>Non cash charges</b>	<b>As at 30 June 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash and cash equivalents</b>					
Cash	824,251	(434,703)	24,554	(2,406)	411,696
<b>Borrowings</b>					
Loan	-	-	(561,055)	(244,674)	(805,729)
<b>Total</b>	<b>824,251</b>	<b>(434,703)</b>	<b>(536,501)</b>	<b>(247,080)</b>	<b>(394,033)</b>

For the Company:

	<b>As at 1 July 2022</b>	<b>Cash flows</b>	<b>Acquisition</b>	<b>Non cash charges</b>	<b>As at 30 June 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cash and cash equivalents</b>					
Cash	824,251	(466,770)	-	-	357,481
<b>Total</b>	<b>824,251</b>	<b>(466,770)</b>	<b>-</b>	<b>-</b>	<b>357,481</b>



## 24. RELATED PARTY TRANSACTIONS

Details of directors' remuneration during the year are given in Directors' Report on page 18 to 19.

### *Provision of Services*

During the year, £45,180 (2022: £18,360) was incurred for the provision of administrative and corporate accounting services from Orana Corporate LLP, an entity related to director Anthony Eastman. £11,688 (2022: 1,848) was owing at year end and is included in trade payables – note 17.

### *Purchase of Share Capital of Madini Occidental Limited*

During the year the Group acquired the remaining 21.5% of the share capital of Madini Occidental from the Chief Executive Officer, Russell Fryer. Total consideration was £450,000 in cash paid on completion and a further £200,000 was due on or before 1 October 2023, to be paid in Critical Metals PLC shares at a price equal to the 10 day volume weighted average or cash, at the Company's election. The amount has not been paid as at the date of this report.

### *Loan to Baobab Asset Management LLC*

As part of the acquisition of Madini Occidental the Group acquired a \$800,000 USD loan from Baobab Asset Management LLC, a company controlled by the CEO Russell Fryer, to Madini Occidental. The loan accrues interest at 6%, compounds annually and is payable on demand.

### *Issue of warrants*

In the current year the directors were awarded the following warrants:

Russell Fryer – 1,500,000  
Anthony Eastman – 750,000  
Marcus Edwards-Jones – 500,000

As part of the re-admission 226,750 warrants were issued to Lloyd Edwards-Jones, a related party of Marcus Edwards-Jones, for fundraising consulting work. Further details can be found in note 20.

## 25. COMMITMENTS AND CONTINGENCIES

There were no capital commitments or contingent liabilities at 30 June 2023 (2022 nil).

## 26. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no controlling or ultimate controlling party of the Company.

## 27. EVENTS SUBSEQUENT TO YEAR END

### *Exercise of warrants and term extension*

On 11<sup>th</sup> September 2023 the Company has received warrant exercise notices to subscribe for a total of 2,814,286 new ordinary shares of £0.005 each in the capital of the Company split between 1,100,000 Ordinary Shares at an exercise price of £0.10 per Ordinary Share and an additional 1,714,286 Ordinary Shares at an exercise price of £0.05 per Ordinary Share. A total of 2,814,286 Warrant Shares have been exercised resulting in total gross proceeds to the Company of £195,714.30.

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Additionally the exercise period of a total of 9,000,000 warrants, which are exercisable on or before the 11 September 2023 at 40 pence per share were extended to 31 March 2024, and a total of 2,171,428 warrants held by the Directors which are exercisable on or before 30 September 2023 to 31 December 2023.

*Finance agreement*

On 18 September 2023 the Company entered into a non-dilutive finance agreement. The debt term is for 9 months from the date of execution of the agreement for the first US\$500,000 instalment, with a committed further tranche of US\$500,000 available at the Company's election following the satisfaction of the funding conditions (being committed sales for the existing stockpiles). The Company also has the ability to request further funds are available up to the maximum utilisation of US\$3 million.

The key funding terms are:

- 15% fixed coupon for the term;
- The second tranche is available for 150 days after the first tranche;
- Repayable at any time at the election of the Company;
- Personal guarantee from Russell Fryer by way of the pledge of his ordinary shares in the Company; and
- Grant of 2,000,000 warrants over ordinary shares in the Company.

*Revenue offtake agreement*

On 9<sup>th</sup> October the Company announced that it had entered into an offtake agreement with OM Metal & Resources S.A.R.L for the sale of a minimum of 20,000 tonnes of copper oxide ore from the Group's Molulu copper/cobalt project in the Democratic Republic of Congo.

The Agreement is valid from 4 October 2023 to 31 December 2023 and can be renewed on mutual agreement from both parties. During the contract, and where possible, Critical Metals will provide the Buyer with copper ore with an average minimum acid soluble copper grade of 1.5%.

There have been no other events subsequent to year end.