31 December 2024

Tungsten West Plc
("Tungsten West", the "Company" or the "Group")

Half Year Results for the six months ended 30 September 2024

Tungsten West (LON:TUN), the mining company focused on restarting production at the Hemerdon tungsten and tin mine in Devon, UK (“Hemerdon” or the “Project”), is pleased to announce its half year results for the six months ended 30 September 2024 (the "Period").

Period and Post Period Overview:

- Environment Agency (“EA”) granted permit to operate Mineral Processing Facility (“MPF”)
- ADP Marine & Modular (“ADP”) appointed to undertake engineering on MPF
- Mining Plus appointed to complete select sections of the updated re-start economic assessment Feasibility Study
- £4.90 million convertible loan notes issued over two tranches
- Provisional agreement to place approximately an additional £2.8 million tranche of convertible loan notes
- The Company had cash reserves of £0.04 million at 30 September 2024
- Loss for the Period of £13.9 million
- In the post period, Jeff Court was appointed as CEO and Stephen Harrison was appointed as Non-Executive Chairman

Jeff Court, CEO of Tungsten West, commented:

“I was delighted to formally join Tungsten West in early October. The Company’s primary focus, following the major milestone of the Environment Agency granting the permit to operate the MPF, has been the updating of the Project’s re-start economic assessment, focusing on further de-risking the core project and making it more robust against a range of key external scenarios.

“We remain grateful to those key supporters who have kept the Company funded and have enabled us to progress the studies and engineering work required to update the MPF. The current national and international dialogue surrounding the essential nature of critical minerals supply chain security has highlighted the importance of Hemerdon to governments and other key stakeholders. This has given us confidence that the funding capital needed to bring Hemerdon back into production will be available to us following the completion of the Feasibility Study.

“Hemerdon will provide a globally significant and secure tungsten supply through a critical mineral resource that is strategically located in a highly developed country and geographically positioned for European and North American markets.”

Management

After the Period end, Jeff Court was appointed CEO on 8 October 2024. Jeff has over 30 years’ experience in the international mining sector, covering numerous roles from project feasibility and start-up, major Engineering, Procurement and Construction (“EPC”) and EPC Management (“EPCM”) and product mineral processing plant projects, mining operations and contract mining services, operational and business management.

On 4 December, David Cather stepped down from his role as Non-Executive Chairman, but continues to serves as a Non-Executive Director of the Company. Stephen Harrison was appointed as Non-Executive Chairman and brings significant experience with AIM listed and Main Market companies.

Funding

The convertible loan note facility (“CLN”) has, to date, raised £15.3 million. Post-Period, on 17 October 2024, the Company announced that it has raised £ 2.9 million under Tranche F to existing CLN holders. The core group of stakeholders, who have supported the Company over the past 18 months, have provisionally committed to provide a further £2.8 million by way of a Tranche G of the CLN. Tranche G is expected to be issued in two parts. The first part, of approximately £1.9 million, is expected to close in early January and the second part, of approximately £0.9 million, which will be subject to further conditions precedent, is expected to close in early February. These conditions precedent relating to the second part are expected to include the completion of the updated feasibility study, project economics and the preparation for a major capital raise from the beginning of Q2 2025. The CLN holders have further provisionally agreed to extend the conversion date of the CLN until 31 December 2025. This funding will allow the Company to complete its full Feasibility Study. The Tranche G funding is expected to complete before the calendar year end 2025. The Group previously notified CLN holders of multiple defaults of on the terms of the CLN agreement. A waiver was subsequently agreed and has been extended until 31 March 2025, in respect of all defaults.

The Company is pursuing several routes to allow it to move directly to front end engineering and design ("FEED"), including prior grant applications to the Defence Industrial Base Consortium.

As set out in Note 2 Going Concern, there remains uncertainty regarding further funding which would have an impact on the Group's ability to continue as a going concern. At the Period end, the Group had £0.04 million in cash reserves and £0.4 million at the end of November 2024 (which included the funds received under Tranche F of the CLN).

At the date of this report, there is not currently any formal commitment from the existing or new noteholders to purchase any Tranche G notes. If the Group fails to find purchases for the Tranche G notes, then, in absence of other new sources of finance, it is anticipated it would no longer be able to meet its liabilities as they fall due from January 2025.

Outlook

The Board remains positive for the long-term prospects for the Hemerdon mine and the commodities it will produce and is committed to delivering the Project and recommencing operations.

The principal risks and uncertainties are outlined in the Company's most recent audited annual report and accounts which can be found at www.tungstenwest.com.

Jeff Court
Chief Executive Officer

Cautionary statement

This document contains certain forward-looking statements in respect of the financial condition, results, operations, and business of the Group. Whilst these statements are made in good faith based on information available at the time of approval, these statements and forecasts inherently involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are several factors that could cause the actual results of developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this document should be construed as a profit forecast.

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Further information on Tungsten West Limited can be found at **www.tungstenwest.com**

Overview of Tungsten West

Tungsten West is the 100 per cent owner and operator of the past producing Hemerdon tungsten and tin mine, located near Plymouth in southern Devon, England. The Hemerdon mine is currently the world's third largest tungsten resource, with a JORC (2012) compliant Mineral Resource Estimate of approximately 325Mt at 0.12 per cent. WQ3. The Company acquired the mine out of a receivership process in 2019 after its most recent operators, Wolf Minerals, stopped production in 2018. While it was operator, Wolf Minerals invested over £170 million into the development of the site, the development of significant infrastructure and processing facilities. Hemerdon was producing tungsten and tin materials, under Wolf Minerals, between 2015 and 2018, before the Company entered administration and placed the mine into receivership due to a number of issues that have since been identified and rectified by Tungsten West.

Consolidated Income Statement

	Note	**Unaudited Six months to 30-Sep-24**	Unaudited Six months to 30-Sep-23	Audited Year ended 31-Mar-24
		£	£	£
Revenue	4	**-**	722,036	722,036
Cost of sales		**(1,137,426)**	(780,649)	(2,099,895)
Gross loss		**(1,137,426)**	(58,613)	(1,377,859)
Administrative expenses		**(4,291,391)**	(8,037,199)	(8,966,124)
Other operating income		**1,800**	130	14,424
Other gains/(losses)		**-**	(117,953)	3,079,384
Operating loss	5	**(5,427,017)**	(8,213,635)	(7,250,175)
Finance income		**269,257**	102,004	200,175
Finance costs		**(8,766,277)**	(1,020,782)	(2,844,319)
Net finance cost		**(8,497,020)**	(918,778)	(2,644,144)
Loss before tax		**(13,924,037)**	(9,132,413)	(9,894,319)
Income tax credit		-	-	194,403
Loss for the Period		**(13,924,037)**	(9,132,413)	(9,699,916)
Loss attributable to:				
Owners of the Company		**(13,924,037)**	(9,132,413)	(9,699,916)

	Note	**Unaudited**	Unaudited	Audited
		£	£	£
Basic and diluted loss per share	12	**(0.074)**	(0.050)	(0.050)

There were no items of other comprehensive income in any period presented.

Consolidated Statement of Financial Position

	Note	**Unaudited Six months to 30-Sep-24 £**	Unaudited Six months to 30-Sep-23 £	Audited Year ended 31-Mar-24 £
Non-current assets				
Property, plant and equipment	6	**19,080,121**	19,811,546	19,266,279
Right-of-use assets	7	**1,781,187**	1,955,412	1,895,584
Intangible assets	8	**5,022,067**	5,096,005	5,058,686
Deferred tax assets		**1,390,346**	1,390,346	1,382,901
Escrow funds receivable	9	**11,329,495**	4,107,892	11,059,151
		38,603,216	32,361,201	38,662,601
Current assets				
Trade and other receivables		**3,350,737**	4,788,186	2,809,893
Inventories		**29,850**	29,850	29,850
Cash and cash equivalents		**43,357**	1,416,765	1,581,535
		3,423,944	6,234,801	4,421,278
Total assets		**42,027,160**	38,596,002	43,083,879
Equity and liabilities				
Equity				
Share capital	13	**1,887,313**	1,870,741	1,870,741
Share premium account		**51,949,078**	51,949,078	51,949,078
Share option reserve		**219,413**	412,831	256,278
Warrant reserve		**-**	740,867	-
Convertible loan note reserve		**-**	165,408	-
Retained earnings		**(46,688,104)**	(32,937,431)	(32,764,067)
Equity attributable to the owners of the parent		**7,367,700**	22,201,494	21,312,030
Non-current liabilities				
Loans and borrowings	11	**1,806,049**	1,927,165	1,803,533
Provisions	10	**5,299,502**	4,799,194	5,137,646
Deferred tax liabilities		**1,390,346**	1,390,346	1,382,901
		8,495,897	8,116,705	8,324,080
Current liabilities				
Trade and other payables		**3,038,618**	1,519,343	1,754,903
Loans and borrowings	11	**23,124,945**	6,758,460	11,692,866
		26,163,563	8,277,803	13,447,769
Total liabilities		**34,659,460**	16,394,508	21,771,849
Total equity and liabilities		**42,027,160**	38,596,002	43,083,879

Consolidated Statement of Cash Flows

	Note	**Unaudited 30-Sep 2024 £**	Unaudited 30-Sep 2023 £	Audited 31-Mar 2024 £
Cash flows from operating activities				
Loss for the Period		**(13,924,037)**	(9,132,413)	(9,699,916)
Adjustments to cash flows from non-cash items				
Depreciation and amortisation	6,7	**332,743**	265,675	522,898
Loss on disposal of right-of-use asset		**-**	-	6,807
Loss on disposal of tangible asset		**-**	-	3,137
Loss on disposal of intangible asset		**-**	-	-
Impairment of asset under construction	6	-	1,841,039	2,157,923
Fair value (gains) losses on escrow account		-	1,133,447	(5,721,727)
Fair value gains on restoration provision		-	(1,015,494)	(889,126)
Finance income		**(269,257)**	(102,004)	(200,175)
Finance costs		**8,766,277**	1,020,782	2,844,319
Share based payment transactions		**(36,865)**	55,465	(101,088)
Impact of foreign exchange		**(7,453)**	(42,593)	(49,551)
Income tax credit		-	-	(194,403)
		(5,138,592)	(5,976,096)	(11,320,902)
Working capital adjustments				
Income tax received		-	-	458,975
(Increase)/decrease in trade and other receivables		**(540,843)**	1,375,407	3,353,698
Increase/(decrease) in trade and other payables		**1,283,718**	(811,260)	(840,270)
(Increase)/decrease in inventories		**-**	84,323	84,323
Net cash outflow from operating activities		**(4,395,717)**	(5,327,626)	(8,264,176)
Cash flows from investing activities				
Interest received		**(1,088)**	5,204	9,713
Acquisitions of property plant and equipment		**-**	(2,764,261)	(2,703,810)
Proceeds from disposals		**-**	2,088	-
Acquisitions of intangibles		**(750)**	(39,952)	(39,952)
Net cash outflow from investing activities		**(1,838)**	(2,796,921)	(2,734,049)
Cash flows from financing activities				
Interest paid		**(938)**	(2,971)	(9,793)
Proceeds from exercise of warrants		**-**	131,542	-
Proceeds from the issue of Ordinary Shares, net of issue costs		**16,572**	-	131,542
Proceeds from exercise of share options		-	-	-
Proceeds from convertible debt		**2,901,000**	6,038,428	9,241,830
Payments to hire purchase		**(14,757)**	(14,398)	(20,302)
New leases		-	-	-
Payment of lease liabilities		**(42,500)**	(49,307)	(201,535)
Net cash inflow (outflows) from financing activities		**2,859,377**	6,103,294	9,141,742
Net (decrease) in cash and cash equivalents		**(1,538,178)**	(2,021,253)	(1,856,483)
Opening cash and cash equivalents		**1,581,535**	3,438,018	3,438,018
Closing cash and cash equivalents c/f		**43,357**	1,416,765	1,581,535

Consolidated Statement of Changes in Equity

Audited	Share capital	Share premium account	Share option reserve	Warrant reserve	Convertible loan note reserve	Retained earnings	Total
	£	£	£	£	£	£	£
At 1 April 2023	1,805,516	51,882,761	357,366	740,867	-	(23,805,018)	30,981,492
Loss for the year	-	-	-	-	-	(9,699,916)	(9,699,916)
New shares subscribed	65,225	66,317	-	-	-	-	131,542
Expired warrants	-	-	-	(740,867)	-	740,867	-
Share options charge	-	-	85,138	-	-	-	85,138
Forfeiture of share options	-	-	(186,226)	-	-	-	(186,226)
At 31 March 2024	**1,870,741**	**51,949,078**	**256,278**	**-**	**-**	**(32,764,067)**	**21,312,030**
Unaudited							
At 1 April 2023	1,805,516	51,882,761	357,366	740,867	-	(23,805,018)	30,981,492
Loss for the Period	-	-	-	-	-	(9,132,413)	(9,132,413)
New shares subscribed	65,225	66,317	-	-	-	-	131,542
Issue of convertible loan	-	-	-	-	165,408	-	165,408
Share options charge	-	-	55,465	-	-	-	55,465
At 30 September 2023	**1,870,741**	**51,949,078**	**412,831**	**740,867**	**165,408**	**(32,937,431)**	**22,201,494**
Unaudited							
At 1 April 2024	1,870,741	51,949,078	256,278	-	-	(32,764,067)	21,312,030
Loss for the Period	-	-	-	-	-	(13,924,037)	(13,924,037)
New shares subscribed	16,572	-	-	-	-	-	16,572
Forfeiture of share options	-	-	(46,573)	-	-	-	(46,573)
Share options charge	-	-	9,708	-	-	-	9,708
At 30 September 2024	**1,887,313**	**51,949,078**	**219,413**	**-**	**-**	**(46,688,104)**	**7,367,700**

Notes to the interim accounts

1. Basis of Preparation

These unaudited condensed consolidated interim accounts have been prepared in accordance with the recognition and measurement principles of International Accounting Standards as adopted in the United Kingdom ("UK-adopted IAS") using the accounting policies that are expected to apply in the Company's next annual report.

The accounting policies applied are consistent with those disclosed in the Company's last statutory financial statements.

The interim accounts are in compliance with IAS 34, Interim Financial Reporting.

The interim accounts do not comprise the Company's statutory accounts. The information for the year ended 31 March 2024 is not the Company's statutory accounts. The Company's financial statements for that year have been filed with the registrar of companies. The independent auditor's report on those financial statements was unqualified but drew attention to a material uncertainty relating to going concern. The independent auditor's report did not contain statements under s498(2) or s498(3) of the Companies Act 2006.

2. Going concern

The Group is still in the pre-production phase of operations and meets its day-to-day working capital requirements by utilising cash reserves from investment made in the Group. Over the last year this has been dependent on raising funds via issues of CLNs. There is no signed commitment from investors to provide further funds under the existing CLN agreement. The Group previously notified CLN holders of multiple defaults of on the terms of the CLN agreement. A waiver has been agreed in respect of all defaults and remains in place until 31 March 2025. For the Group to remain a going concern, it is reliant on the continued support of the CLN holders by not exercising their rights under the defaults.

At the Period end, the Group had £0.04 million in cash reserves and £0.4 million at the end of November 2024. The Group is in the process of finalising the documentation in respect of approximately £2.8 million Tranche G funding round with its existing CLN holders. The Group has very limited cash reserves and is reliant upon this Tranche G funding being received. If the Group did not receive the Tranche G funding or it was delayed, these limited cash reserves are forecast to be exhausted in January 2025.

In addition to the expected issue of Tranche G, going concern is also reliant on further funding being secured by the end of June 2025, without which the Group would be unable to pay its liabilities as they fall due beyond this point.

In addition to short-term financing via the CLNs, the Group still requires additional funding to complete the MPF rebuild and is in discussions with financing partners to provide the additional capital. The quantum of financing will be determined at the completion of front end engineering and design (“FEED”).

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern.

Until the additional capital is secured, the Group will continue to proceed by utilising existing cash reserves and drawing on the CLN facility. The Board will not commit to significant further capital expenditure until the full finance package is in place to complete the rebuild.

Model 1 – Funding to Complete Feasibility Study and Obtain Financing

This scenario models management’s expectation of cash required to complete the ongoing feasibility study and general and administrative expenses, including maintaining the existing mine permits. This does not include any expenses related to FEED, or capital expenditures to restart operations. The Company is in discussion with a number of parties regarding financing of operations to complete FEED and capital raising operations.

As a result, the Board intends that the Group is able to operate as a going concern for the foreseeable future. Consequently, the Board continue to adopt the going concern basis in preparing these financial statements despite the material uncertainty referred to above.

3. Asset and liabilities held at fair value

Escrow funds

These funds are held with a third party to be released to the Group as it settles its obligation to restore the mining site once operations cease. The debtor has been discounted to present value assuming the funds will be receivable in 27 years' time which assumes one year of set up and a 27-year useful life of mining operations. The key assumptions that would lead to significant changes in the escrow account fair value are the discount rate and the useful life of the mine.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material. This includes a provision for the obligation to restore the mining site once mining ceases.

The restoration provision is the contractual obligation to restore the mining site back to its original state once mining ceases. The provision is equal to the expected outflows that will be incurred at the end of the mine's useful life discounted to present value. As the restoration work will predominantly be completed at the end of the mine's useful life, these calculations are subject to a high degree of estimation uncertainty. The key assumptions that would lead to significant changes in the provision are the discount rate, useful life of the mine and the estimate of the restoration costs.

Convertible loan notes

Convertible loan notes which entitle the holder to convert into a fixed number of shares for a fixed amount of cash contain both the features of a financial liability and an equity instrument. The initial fair value amount of the liability is calculated as the present value of all future payments and interest (at the rate determined by the instrument) all being discounted at a market rate of interest for a similar loan without a conversion option. The amount of the equity component is residual balance after deducting the initial fair value amount of the liability from the proceeds of the convertible loan issue. Issue costs are assigned to the liability component.

Subsequently, interest is calculated on the liability component under the effective interest method.

The present value of the liability cash-flows has been estimated with reference to management's judgement of the most likely cash-flows, as permitted under IFRS9. Under the terms of the convertible loan notes, if the Group breaches the terms of the agreement or an exit event occurs, the initial capital can be called in for repayment at a premium of 100%. As management judge this unlikely, it has not been accounted for in the fair value of the liability at Period end. Were this clause to be enacted, the capital repayment due, on loan notes drawn to Period end, would be increased from £13 million to £26 million.

4. Revenue

Revenue by product comprised the following:

	Unaudited Six months to 30 September 2024	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Tungsten	**-**	286,964	497,388
Tin	-	435,072	224,648
	-	722,036	722,036

5. Operating loss

Operating loss is stated after the following:

	Unaudited Six months to 30 September 2024	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Depreciation of property, plant and equipment	**180,977**	164,452	331,335
Depreciation of right of use assets	**114,397**	67,260	120,281
Loss on disposal of ROU asset	**-**	-	6,807
Loss on disposal of tangible fixed assets	**5,181**	-	3,137
Impairments of assets under construction and deposits	**-**	3,388,284	3,531,469
Amortisation of intangibles	**37,369**	33,963	71,282
Staff costs	**1,181,481**	1,950,849	3,352,821

6. Property, plant and equipment

	Land and buildings	Furniture, fittings and equipment	Computer equipment	Motor vehicles	Other property, plant and equipment	Asset Under Construction	Total
Unaudited	£	£	£	£	£	£	£
Cost							
At 1 April 2024	5,189,361	114,762	312,363	141,500	251,181	16,411,032	22,420,199
Additions	-	-	-	-	-	-	-
Disposals	-	-	(23,478)				(23,478)
At 30 September 2024	5,189,361	114,762	288,885	141,500	251,181	16,411,032	22,396,721
Depreciation							
At 1 April 2024	445,117	35,298	183,574	82,130	140,931	2,266,870	3,153,920
Charge for Period	67,602	10,481	51,673	23,349	27,872	-	180,977
Disposal	-	-	(18,297)	-	-	-	(18,297)
At 30 September 2024	512,719	45,779	216,950	105,479	168,803	2,266,870	3,316,600
Unaudited							
Cost							
At 1 April 2023	5,189,361	114,709	313,400	141,500	243,455	13,717,101	19,719,526
Additions		61	2,101		6,053	2,756,046	2,764,261
Transfer			(2,088)				(2,088)
At 30 September 2023	5,189,361	114,770	313,413	141,500	249,508	16,473,147	22,481,699
Depreciation							
At 1 April 2023	339,688	14,494	82,329	35,435	83,769	108,947	664,662
Impairment	-	-	-	-	-	1,841,039	1,841,039
Charge for Period	52,723	11,980	49,720	23,349	26,680	-	164,452
At 30 September 2023	392,411	26,474	132,049	58,784	110,449	1,949,986	2,670,153
Audited							
Cost							
At 1 April 2023	5,189,361	114,709	313,400	141,500	243,455	13,717,101	19,719,526
Additions	-	53	2,100	-	7,726	2,693,931	2,703,810
Disposals	-	-	(3,137)	-	-	-	(3,137)
At 31 March 2024	5,189,361	114,762	312,363	141,500	251,181	16,411,032	22,420,199
Depreciation							
At 1 April 2023	339,688	14,494	82,329	35,435	83,769	108,947	664,662
Charge for year	105,429	20,804	101,245	46,695	57,162	-	331,335
Disposals	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	2,157,923	2,157,923
At 31 March 2024	445,117	35,298	183,574	82,130	140,931	2,266,870	3,153,920
At 30 September 2024	4,676,642	68,983	71,935	36,021	82,378	14,144,162	19,080,121
At 30 September 2023	4,796,950	88,296	181,364	82,716	139,059	14,523,161	19,811,546
At 31 March 2024	4,744,244	79,464	128,789	59,370	110,250	14,144,162	19,266,279

7. Right-of-use asset

	Unaudited Six months to 30 September 2024	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Opening net book value	**1,895,584**	2,022,672	2,022,672
Additions	-	-	-
Write off	-	-	(6,807)
Depreciation	**(114,397)**	(67,260)	(120,281)
Net disposals	-		
Closing net book value	**1,781,187**	1,955,412	1,895,584

8. Intangible assets (net book value)

	Unaudited Six months to 30 September 2024	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Goodwill	**1,075,520**	1,075,520	1,075,520
Mining rights	**3,844,333**	3,844,333	3,844,333
Software	**102,214**	176,152	138,833
Closing net book value	**5,022,067**	5,096,005	5,058,686

9. Escrow Funds

Escrow Funds	**Unaudited Six months to 30 September 2024**	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Carrying amount	**11,329,495**	4,107,892	11,059,151

The funds held in escrow with a third party will be released back to the Company on the cessation of mining once restoration works have been completed. The amounts have been discounted to present value over the expected useful life of the mine. During the Period, there was no gain in the discount rate of 4.4% (30 September 2023: 4.7%) (31 March 2024: 4.4%) resulting in a gain of £0.2 million in the six months to September 2024 (loss in Period to 30 September 2023: £1.0 million) (Gain in year to 31 March 2024: £5.7 million). The actual funds held in escrow at the Period end were £14,067,911 (30 September 2023: £13,468,004) (31 March 2024: £13,740,012).

10. Provisions

Restoration provision	**Unaudited Six months to 30 September 2024**	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Carrying amount brought forward	**5,137,646**	5,701,771	5,701,771
Change in inflation and discount rate	**-**	(1,015,494)	(889,126)
Unwinding of discount	**161,856**	112,917	325,001
Closing net book value	**5,299,502**	4,799,194	5,137,646

This provision is for the obligation to restore the mine to its original state once mining operations cease, discounted back to present value based on the estimated life of the mine. Prior to discounting, the Directors estimate the provision at current costs to be £13.2 million (30 September 2023: £13.2 million) (31 March 2024: £13.2 million).

The provision has been discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The ultimate costs to restore the mine are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates.

Management has considered these risks and used a discount rate of 6.4% (30 September 2023: 6.7%) (31 March 2024: 6.4%), an inflation rate of 2% to 7.5% over the life of the Project (30 September 2023: 2.5% to 7%) (31 March 2024: 2% to 7.5%) and an estimated mining period of 27 years (30 September 2023: 27 years) (31 March 2024: 27 years).

11. Borrowings

Borrowings comprised:

	Unaudited Six months to 30 September 2024	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Current			
Lease liabilities	**103,031**	82,665	105,645
Convertible debt	**23,021,914**	6,675,795	11,587,221
	23,124,945	6,758,460	11,692,866
Non-current			
Lease liabilities	**1,806,049**	1,927,165	1,803,533
	1,806,049	1,927,165	1,803,533

The Group issued convertible loan notes in two tranches as follows:

On 23 July 2024 - £2.975 million of Tranche E notes

After the end of the Period, on 17 October 2024, the Company issued a further tranche of the CLN - £2.9 million of Tranche F notes

IFRS 13 requires the provision of information about how the Company establishes the fair values of financial instruments. Valuation techniques are divided into three levels based on the quality of inputs:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included in level 1 that are observable, directly or indirectly.

Level 3 inputs are unobservable.

The Group's convertible loan notes are measured at fair value of £23,021,914 (Sept 2023: £6,675,795) (March 2024: £11,587,221). These are classified as level 3. They are valued based on a scenario pricing model. A number of inputs, such as the market value of shares, are observable inputs but there are also significant unobservable inputs such as the discount rate and the probabilities assessed for each scenario.

Interest on the convertible loan notes in the form of payment in kind notes (PIK notes) is 20%. The final termination date of the convertible loan notes is 31 January 2025. The normal conversion price of the loan notes is £0.03 per share however under an equity raise (excluding equity raised to certain qualifying shareholders, on a normal conversion of the loan notes or on an issue of shares in relation to warrants and share options) the conversion price is equal to the issue price on the equity raise less a discount of 50%.

Under the terms of the convertible loan notes, if the Company breaches the terms of the agreement or an exit event occurs, the initial capital can be called in for repayment at a premium of 100%.

The Company was at Period end and remains in breach of the terms of the CLN Agreement. In each case the Note Holders waived the breaches such that the Company was not in breach of the Agreement.

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis.

12. Basic and diluted loss per share

	Unaudited Six months to 30 September 2024	Unaudited Six months to 30 September 2023	Audited Year ended 31 March 2024
	£	£	£
Loss for the year	**(13,924,037)**	(9,132,413)	(9,699,916)
	Number	Number	Number
Weighted average number of ordinary shares in issue	**188,266,298**	184,472,241	185,755,355
Basic and diluted loss per share	**(0.074)**	(0.050)	(0.050)

The diluted loss per share calculations excludes the effects of share options, warrants and convertible debt on the basis that such future potential share transactions are anti-dilutive.

Were the Company's options and warrants to be converted, a potential further 23,956,451 ordinary shares of between £0.01 to £0.60 would be issued. Information on share options and warrants is disclosed in Note 14. This figure excludes the conversion of any CLN's in Note 11.

There were no shares issued subsequent to the end of the interim period.

13. Share capital

	Unaudited Six months 30 September 2024	Unaudited Six months 30 September 2023	Audited Year ended 31 March 2024
Number of shares allotted	**Number**	Number	Number
Ordinary Shares of £0.01 each	**188,731,307**	187,074,111	187,074,111
Nominal value	£	£	£
Ordinary Shares of £0.01 each	**1,887,313**	1,870,741	1,870,741

Share issues during the Period

During the Period ended 30 September 2024 the following share transactions took place:

- The Company issued 1,657,196 ordinary shares of £0.01 each for consideration of £0.01 per share. These shares were issued under the Founder Share agreement disclosed in the Company's AIM Admission Documentation.

14. Share options and warrants

Founder share incentives

The founder shareholders have a right to receive shares at a nominal value once certain milestones are met.

The movements in the number of incentives during the year were as follows:

	Unaudited Six months to 30 September 2024 Number	Unaudited Six months to 30 September 2023 Number	Audited Year ended 31 March 2024 Number
Outstanding at beginning of Period	**18,229,148**	18,229,148	18,229,148
Granted during the Period	-	-	-
Terminated on admission to AIM	-	-	-
Replacement share awards following admission to AIM		-	-
Exercised during the year	**(1,657,196)**		
Outstanding at end of Period	**16,571,952**	18,229,148	18,229,148

The founder options meet the definition of equity in the financial statements of the Company on the basis that the 'fixed for fixed' condition is met. No consideration was received for the founder options at grant date, therefore no accounting for the issue of the equity instruments is required under IFRS. On exercise, the shares are recognised at the fair value of consideration received, being the option price of £0.01.

Share Options - Employees

EMI and ESOP

Share options have been issued to key employees as an incentive to stay with the Company. These options can be exercised within one and ten years following the grant date once the option has vested.

The movement on the number of share options issued by the Company during each period presented was as follows.

	Unaudited Six months to 30-Sep-24 Number	Unaudited Six months to 30-Sep-23 Number	Audited Year ended 31-Mar-24 Number
Outstanding at beginning of Period	**400,002**	1,533,333	1,533,335
Granted during the Period	**-**	40,910	-
Forfeited during the year	-	**-**	(1,133,333)
Outstanding at end of Period	**400,002**	1,574,243	400,002

The exercise price of share options outstanding is £0.45 (30 September 2023: between £0.30

and £0.45) (31 March 2024: between £0.01 and £0.45) and their remaining contractual life was 15 months (30 September 2023: 9 years) (31 March 2024: 10 months to 30 months).

CSOP share options

Share options have been issued to key employees as an incentive to stay with the Company. These options can be exercised within three and ten years following the grant date once the option has vested.

	Unaudited Six months to 30 September 2024 Number	Unaudited Six months to 30 September 2023 Number	Audited Year ended 31 March 2024 Number
Outstanding at beginning of Period	**333,330**	2,583,316	2,583,316
Exercised/lapsed during the Period	-	(474,236)	(2,249,986)
Outstanding at end of Period	**333,330**	2,109,080	333,330

The exercise price of share options outstanding at 30 September 2024 was £0.275 and their remaining contractual life was 1 year.

The exercise price of share options outstanding at 31 March 2024 was £0.275 and their remaining contractual life was 1 year and 6 months.

Warrants

Warrants have been issued to certain shareholders and intermediaries as commission for introducing capital to the Company. Warrants can be exercised at any point before the expiry date for a fixed number of shares.

The movement on the number of warrants issued by the Company during each period presented was as follows.

	Unaudited Six months to 30 September 2024 Number	Unaudited Six months to 30 September 2023 Number	Audited Year ended to 31 March 2024 Number
Outstanding at beginning of Period	**-**	**2,170,740**	**2,170,740**
Granted during the Period			
Exercised during the Period			
Expired during the Period		(126,760)	(2,170,740)
Outstanding at end of Period	**-**	2,043,980	-

At 30 September 2024, the exercise price of warrants was Nil and their remaining contractual life Nil months.

At 31 March 2024, the exercise price of warrants was Nil and their remaining contractual life Nil months.

15. Commitments

Capital commitments

As at 30 September 2024, the Group had contracted to purchase property, plant and machinery amounting to £1,746,455. (30 September 2023: £2,329,060). (31 March 2024: £1,746,455). An amount of Nil (31 March 2024: Nil) (30 September 2023: £123,320) is contingent on the commencement of mining operations.

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £8,329,000 (30 September 2023: £9,329,000) (31 March 2024: £9,329,000) payable on the commencement of mining operations and represented contractual amounts due to the mining contractor and further committed payments to the funds held in the escrow account under the escrow agreement.

Included within other financial commitments is £3,000,000 (30 September 2023: £4,000,000) (31 March 2024: £4,000,000) which is considered to be payable annually.

16. Events after the end of the interim reporting period

On 17 October 2024, the Company announced that it had raised a further £2.0 million by way of Tranche F of the CLN. In addition, the CLN holders waived any and all breaches of the CLN such that the Company was not in breach of the terms of the CLN.

Jeff Court was appointed as CEO on 8 October 2024, and Stephen Harrison was appointed as Chairman on 3 December 2024 following the Company's Annual General Meeting.