26 September 2024

Cadence Minerals plc

("Cadence Minerals", "Cadence", or "the Company")

Interim Results for the six months ended 30 June 2024

Cadence Minerals plc (AIM/AQX: KDNC) is pleased to announce its interim results for the six months ended 30 June 2024.

Despite the poor commodity and macro backdrop, our primary investment, the Amapá Iron Ore Project, has progressed well. The three targets we set for the year are either completed or scheduled to be completed by year-end.

Highlights for Amapá Project progress made in the period and post-period end include:

- The completion of optimisation studies resulting in a 20% increase of Post-tax Net Present Value ("NPV") to US$1.14 billion, with profit after tax of US$3.14 billion over the Life of Mine
- A 10% increase in average production after ramp-up to 5.82 million dry metric tonnes per annum ("Mtpa") of Fe concentrate, consisting of 4.81 Mtpa at 65.4% Fe and 1.01 Mtpa at 62% Fe concentrate.
- A 6% decrease in Free on Board C1 Cash Costs to US$33.5/dry metric tonne.
- The submission of required environmental studies and applications for the grant of the installation licenses at the Amapá Project.
- The completion of the design of a 67% iron ore concentrate flow sheet, with testing of the design currently underway.

The immediate focus of the Amapá Project is financing the next stage of development, a goal to which all the partners are fully dedicated. We believe this should be done via a trade sale or a joint venture with a highly experienced mining operator.

We are actively working towards this goal and are currently discussing with potential joint venture partners. These processes take time with extensive due diligence and contract negotiations, and we know that shareholders want to be informed about the detailed progress; however, for commercial reasons and listing rule requirements, we will only announce once a material contract has been executed.

Our other main investments are in the lithium sector. With lithium prices down some 80% over the last twelve months, we have seen a reduction in lithium equities, with the average producer down some 38% during the current year. As our investments are in either early-stage exploration or development assets, the decrease in equity price was the primary driver of our losses during the period.

Nonetheless, we see positive indications in the lithium market, with market commentators forecasting improvements in 2025 and supply shortfalls in the 2030s. However, it should be noted that we should not expect lithium prices to return to levels seen in 2022 in the short to medium term. Lithium demand is still growing significantly, so prices should improve over the coming year.

Investment Review
Cadence operates an investment strategy in which we invest in private projects via a private and public equity model. In both investment classes, we take either an active or passive role. We have reported in these segments below.

Private Investments, Active
The Amapá Iron Ore Project, Brazil (“Amapá” or “Project”)
Interest – 33.12% at 31/12/2023 and 34.14% at 30/06/2024

The Amapá Project is a large-scale iron ore mine with associated rail, port, and beneficiation facilities. It began operations in December 2007 but ceased in 2014 due to a geotechnical failure at the port facility, which limited iron ore export. Before closing, the Project made an underlying profit of US$54 million in 2012 and US$120 million in 2011. In 2008, the Project produced 712 thousand tonnes of iron ore concentrate, and production increased to 4.8 million tonnes in 2011 and 6.1 million tonnes in 2012.

Investment
In 2019, Cadence entered into a binding investment agreement to invest in and acquire up to 27% of the Amapá iron ore mine, beneficiation plant, railway, and private port owned by DEV Mineração S.A. ("DEV"). The agreement also gave Cadence a first right of refusal to increase its stake to 49%.

To acquire its 27% interest, Cadence invested US$6 million over two stages in a joint venture company, Pedra and Branca Alliance ("PBA"). This investment was completed in the first quarter of 2022. Since then, Cadence has invested another US$7.29 million for a further 7.14% equity. At the end of the period, Cadence Minerals had invested some US$13.8 million for 34.14% in the Project.

Operations Review
During the reporting period, we continued to develop the Amapá Project. Our main operational goals for this year were to complete our environmental applications, reduce capital expenditure, improve Project economics, and resume testing to produce a high-grade 67% iron ore concentrate.

These targets had been mainly achieved at the time of writing. Subsequently, we reported on capital costs and increased mining during the period, which delivered a 20% increase in the Project's Net Present Value. We also submitted all the required environmental license applications, which should be granted by the end of 2024.

We have started testing the flow sheet design we developed during the period, which we expect to be completed in the fourth quarter of this year.

Updated Pre Feasibility Study (“PFS”)-level economic study
In March this year, the Amapá Project announced the results of the optimisation study, which delivered material capital savings to the Project. The Amapá Project carried out an updated PFS-level economic analysis based on these results.

Updated Mining Schedule
As part of the optimisation work, engineering consultants identified higher availability at the processing plant, which increased the annual run-of-mine feed rate to the processing plant. As a result, the mining and other related engineering disciplines had to be re-examined, and in particular, the mine schedule had to be recalculated to optimise the Project's NPV.

As a result, a new life of mine production plan was scheduled. This revised schedule allows for 15 years of production with the current economic values and a cut-off of 25% Fe. The resultant life of the mine strip ratio is approximately 0.4:1 (tonnes waste: tonnes ore), and the average ore mine delivered to the plant is 13 million metric tonnes per annum.
Project Financial Analysis

An updated PFS financial model, which included the updated mining schedule, lower capex, and lower operational costs, was developed to evaluate the Project's economics. All other aspects of the financial analysis remained the same as per the PFS published in January 2023. Summary results from the economic model outputs are presented in the table below. The financial model considers 100% equity funding for the Project, although the financing of the Project will be a mix of debt and equity. A summary of the key financial information is presented below, alongside the 2023 PFS data.

Table 1.1 Key Project Metrics (100% Project basis)

Metric	Unit	2023 PFS Data	2024 PFS Data
Total ore feed to the plant	Mt (dry)	176.88	176.93
Life of Mine	Years	16	15
Fe grade of ore feed to the plant	%	39.34	39.34
Recovery	%	76.27	76.27
62.0% iron ore concentrate production	Mtpa	0.89	0.95
65.4% iron ore concentrate production	Mtpa	4.23	4.51
C1 Cash Costs FOB *	US$/DMT	35.53	33.50
C1 Cash Costs CFR **	US$/DMT	64.23	52.20
Pre-Production capital investment***	US$M	399	343
Sustaining capital investment over LOM****	US$M	245	245
Post-tax NPV (10%)	US$M	949	1,145
Post-tax IRR	%	34	42
Project payback	Years	4	4
Total profit after tax (net operating profit)	US$B	2.96	3.14

* Means operating cash costs, including mining, processing, geology, OHSE, rail, port and site G&A, divided by the tonnes of iron ore concentrate produced. It excludes royalties and is quoted on a FOB basis (excluding shipping to the customer).

** Means the same as C1 Cash Costs FOB; however, it includes shipping to the customer in China (CFR).

*** Includes direct tax credit rebate over 48 months

**** Includes both sustaining CAPEX and deferred capital expenditure, specifically, improvements to the railway and the installation of conveyor belt and mine site to rail load out

Project Permitting

As announced in September 2023 (News Release Here), the Amapá Project has agreed with the Amapá State Environmental Agency ("SEMA") to an expedited environmental licensing process, given that the Project was previously operating and had been granted all required licenses.

The Amapá Project owns the required Mining Concessions; however, it must obtain a Mine Extraction and Processing Permit ("Mining Permit") to begin operation. To obtain this permit, the Amapá Project must obtain an Installation License ("LI") to begin construction and, when constructed, an Operational License ("LO"). An LI and LO are also required to build and operate the railway and port.

In April, the Amapá Project submitted the required environmental studies and applications for the Amapá mine and railway. This application was in the form of the Environmental Control Plan, "PCA" (Plano de Controle Ambiental), and an Environmental Control Report, "RCA" (Relatório de Controle Ambiental). This was followed in early September when The Project submitted the required environmental studies and application for the LI grant for the iron ore port.

Our joint venture has continued engaging with SEMA and other relevant authorities, who have indicated that the LI for the rail and mine remain on schedule for the grant this year. Given the impact that the railway's restart will make on local communities, the installation license for the railway is anticipated to have some conditions precedent. This is expected in any project of this nature. The Amapá Project management team always anticipated this as part of the required licensing requirements to redevelop the Amapá Iron Ore Project. Our understanding from SEMA is that, based on the current timeline, all the LIs will be granted by the end of 2024.

Secured Bank Settlement Iron Ore Shipments

As per the settlement agreement announced in December 2021 here, the net proceeds of the one shipment carried out in 2022, along with approximately half of the net proceeds from the shipments in 2021, have been used to pay the secured bank creditors.

In early 2024, we reached an in-principle agreement on a one-time settlement amount with the secured creditors and had a financing solution to make this payment. However, we could not crystallise the financing due to a longer-than-expected approval process from the secured creditors and unfavourable iron ore prices. We remain optimistic that as the iron ore price improves, we will be able to secure the funding needed to make this one-time payment.

Development Plan for the Amapá Project
The goal is to bring this Project back into production. Based on the positive results derived from the updated economic assessment at a PFS level, we are now testing the 67% iron ore concentrate product flow sheet. Once the flow sheet is proven to the PFS level, this revised flow sheet will form the basis of an amended economic assessment of the Project.

Alongside this, and based on discussion with SEMA, we expect the grant of the LIs by the end of the year, allowing the commencement of construction and the recommissioning of the Project in 2025. Of course, this will be subject to the Project securing appropriate debt and equity financing.

Cadence, along with its joint venture partner, has agreed that the lowest risk and currently the best commercial approach for our investment in the Project should be either a trade sale or a joint venture with a highly experienced mining operator. We are actively working towards this goal and discussing it with potential joint venture partners. The funding of debt and equity for the recommissioning and construction of the Project is anticipated to occur at the asset or joint venture level.

Private Investments, Passive
Ferro Verde Iron Ore, Brazil
Interest - 1% on 31/12/2023 and 30/06/2024

In 2022, Cadence invested a small amount (£0.21 million) in an advanced iron ore deposit in Brazil the previous year. The Ferro Verde Deposit is in the southern portion of the state of Bahia, in the northeastern region of Brazil, next to the town of Urandi, some 700 km southwest of Salvador, the state of Bahia. The project is currently progressing with its Definitive Feasibility Study (DFS). It has a historic inferred resource of 284 million tonnes of iron ore at 31% Fe. The intent is to produce 4.5 Mtpa of 67% Fe. Our intended exit strategy is either when the asset is listed or the owners carry out a trade sale.

Private investments, Passive
Sonora Lithium Project, Mexico
Interest – 30% on 31/12/2023 and 30/06/2024

Cadence holds an interest in the Sonora Lithium Project through a 30% stake in the joint venture interests in Mexalit S.A. de CV ("Mexalit") and Megalit S.A. de CV ("Megalit).

In April 2022 and May 2023, the Mexican Government made changes to its Mining Law, which included prohibiting lithium concessions, declaring lithium a strategic sector, and giving a state-owned entity exclusive rights for lithium mining operations. Despite existing concessions, including those held by Mexilit and Megalit, being supposedly unaffected, the General Directorate of Mines ("DGM") started reviewing nine lithium concessions held by Mexican subsidiaries. Mexilit and Megalit submitted evidence of compliance with minimum investment obligations, but these concessions were still cancelled.

Ganfeng and Cadence believe the cancellations violate Mexican and international law and have filed administrative review recourses. Cadence also issued a Request for Consultations and Negotiations to the Government of Mexico under the United Kingdom-Mexico Bilateral Investment Treaty regarding the revocation of mining concessions for the Sonora Lithium Project.

In their Request, Cadence and REMML have identified various BIT obligations that Mexico has breached, including Mexico's obligation not to unlawfully expropriate the investments of UK investors such as Cadence and REMML and its obligation to treat such investments fairly and equitably.

In accordance with Article 10 of the BIT, Cadence and REMML have requested consultations and negotiations with Mexico to resolve the dispute amicably. The BIT provides for disputes to be resolved by international arbitration if they cannot be resolved through consultation and negotiation.

The affected concessions include those granted to Mexilit S.A. de CV ("Mexilit") and Minera Megalit S.A. de CV ("Megalit"), which are joint venture companies in which Cadence holds a 30% stake through REMML.

Public Investments

The public equity investment segment is composed of passive investment. The trading portfolio consists of investments in listed mining entities that the board believes possess attractive underlying assets. The focus is to invest in mining companies that are significantly undervalued by the market and where there is substantial upside potential through exploration success and/or the development of mining projects for commercial production. Ultimately, the aim is to make capital gains in the short to medium term. Investments are considered individually based on various criteria and are typically traded on the TSX, ASX, AIM or LSE.

The movement in public portfolio values during the year is summarised below.

	Commentary	£,000
Portfolio value on 31 December 2023		**4,162**
Disposal of public Investments during the year	Disposal of investments held in European Metals & Hastings Technologies	(1,321)
Realised and Unrealised loss on portfolio value for the year	Realised and unrealised loss on European Metals & unrealised loss on Evergreen due to decrease in equity price	(1,902)
Portfolio value on 30 June 2024		**939**

As of 30 June 2024, our public equity stakes consisted of the following:

Company	**30-Jun-24 £'000**	**31-Dec-23 £'000**	**30-Jun-23 £'000**	**31-Dec-22 £'000**
European Metals Holding Ltd	359	2,339	5,207	4,882
Evergreen Lithium Ltd	567	1,481	2,738	-
Hastings Technology Metals Ltd	-	321	1,570	-
Charger Metals NL	-	-	187	301
Eagle Mountain Mining Ltd	-	-	20	37
Miscellaneous	13	21	17	24
Total	**939**	**4,162**	**9,740**	**5,244**

Public Equity, Passive
European Metals Holdings Limited ("European Metals")
Interest – 7.0% at 31/12/2023 and 2.96% on 30/06/2024

European Metals owns 49% of Geomet s.r.o. with 51% owned by České Energetické Závody, a.s. ("CEZ"). Geomet s.r.o. owns 100% of the Cinovec lithium deposit, which hosts a globally significant hard-rock lithium deposit with a total Indicated Mineral Resource of 372.4Mt at 0.45% Li2O and an Inferred Mineral Resource of 323.5Mt at 0.39% Li2O. This is a combined resource of 7.22 million tonnes of lithium carbonate equivalent. The Cinovec lithium deposit contains a Probable Ore Reserve of 34.5Mt at 0.65% Li2O, which covers the first 20 years of mining at an output of 22,500tpa of battery-grade lithium carbonate.22,500tpa of Lithium Carbonate).

The Cinovec lithium project has achieved key milestones, including the successful production of lithium carbonate and lithium hydroxide from the pilot programme – both to battery grade, the granting of extensions to our exploration licenses, and the selection of a significantly superior site for the lithium processing plant. It's important to note that there have been delays in the definitive feasibility study. However, EMH's work on important processing enhancements is expected to improve the project's economics significantly.

Public Equity, Passive
Evergreen Lithium Limited (“Evergreen”)
Interest – 8.74% at 31/12/2023 and 8.74% on 30/06/2024

In 2023, Evergreen was listed on the Australian Stock Exchange, and Cadence's equity stake in Evergreen was reduced to 8.74% from 13.16% due to the IPO and associated fundraising. Further shares in Evergreen are due to Cadence upon achieving certain performance milestones.

Evergreen is the 100% owner of three exploration tenements, including the Bynoe Lithium Project, Fortune Lithium Project, and Kenny Lithium Project. The Bynoe Lithium Project, located contiguous to Core Lithium's Finnis hard rock lithium project, is considered Evergreen's flagship prospect, offering significant exploration potential.

During the period Evergreen continued its exploration of the Byone projects, the main highlights included approving the mine management plan, which enabled drilling to commence. This was announced in July 2024, with an auger sampling program drilling short holes over areas identified as high-priority targets. Samples generated from this program will be analysed at an offsite laboratory. Results from this work will be used in conjunction with surface soil sample results to target LCT pegmatites in the future. In addition, RAB/Air Core drilling began, testing geochemical, geophysical and other targets identified in the previous exploration programmes. This drilling programme has intersected shallow pegmatites along strike from Core Lithium's BP33 deposit. Given the early success of the current air-core drill program, RC drill planning is currently underway. RC drilling will be used to test pegmatites at depth and along strike.

FINANCIAL RESULTS:

During the period, the Group made a loss before taxation of £2.53 million (6 months ended 30 June 2023: £1.95 million, year ended 31 December 2023: £3.02 million). There was a weighted basic loss per share of 1.392p (30 June 2023: 1.163p, 31 December 2023: 1.762p). The total assets of the group decreased from £19.97 million at 31 December 2022 to £17.79 million.

During the period, our net cash outflow from operating activities was £0.32 million, and we raised gross proceeds of £0.47m via the issue of shares and a further £1.33m from the sale of our investments. Most of the capital raised was reinvested (£1.01m), with £0.55m used to pay down existing debt. As a result, our net cash position was reduced from £0.22 million to £0.13 million.

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Director
26 September 2024

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Cautionary and Forward-Looking Statements

Certain statements in this announcement are or may be considered forward-looking. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will", or the negative of those variations or comparable expressions including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the company's future growth results of operations performance, future capital, and other expenditures (including the amount, nature, and sources of funding thereof) competitive advantages business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. Many factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes actions by governmental authorities, the availability of capital markets reliance on crucial personnel uninsured and underinsured losses and other factors many of which are beyond the control of the company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions. The company cannot assure investors that results will be consistent with such forward-looking statements.

The company deems the information contained within this announcement to constitute Inside Information as stipulated under the Market Abuse Regulation (E.U.) No. 596/2014, as it forms part of U.K. domestic law under the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement via a regulatory information service, this information is considered to be in the public domain.

CADENCE MINERALS PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	**Unaudited Period ended 30 June 2024**	Unaudited Period ended 30 June 2023	Audited Year ended 31 December 2023
		£'000	£'000	£'000
Income				-
Unrealised loss on financial investments		**(1,126)**	(1,319)	(3,101)
Realised loss on financial investments		**(776)**	(213)	(2,793)
		(1,902)	(1,532)	(5,894)
Share based payments		**-**	(25)	(25)
Impairment of intangibles		**-**	-	(905)
Loan from subsidiary written off		**-**	-	4,810
Other administrative expenses		**(630)**	(768)	(1,302)
Total administrative expenses		**(630)**	(793)	2,578
Operating profit/(loss)		**(2,532)**	(2,325)	(3,316)
Foreign exchange (losses)/gains		**(1)**	407	297
Finance cost		**-**	(36)	-
Loss before taxation		**(2,533)**	(1,954)	(3,019)
Taxation		**-**	-	**-**
Loss attributable to the equity holders of the Company		**(2,533)**	(1,954)	(3,019)
Total comprehensive loss for the period, attributable to the equity holders of the Company		**(2,533)**	(1,954)	**(3,019)**
Loss per share				
Basic (pence per share)	*3*	**(1.392)**	(1.163)	(1.762)
Diluted (pence per share)	*3*	**n/a**	n/a	n/a

CADENCE MINERALS PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

	Share capital	Share premium account	Share-based payment reserve	Investment in own shares	Retained earnings	Total equity
	£'000	£'000	£'000		£'000	£'000
Balance at 1 January 2023	**2,144**	**37,612**	**252**	**(64)**	**(18,623)**	**21,321**
Share based payments	**-**	**-**	**25**	**-**	**-**	25
Issue of share capital	82	42	**-**		-	124
Transactions with owners	82	42	25	-	-	149
Loss for the period	-	-	-		(1,954)	(1,954)
Total comprehensive loss for the period	-	-	-		(1,954)	(1,954)
Balance at 30 June 2023 (unaudited)	**2,226**	**37,654**	**277**	**(64)**	**(20,577)**	**19,516**
Transfer on lapse of warrants	-	-	(19)		19	0
Transactions with owners	-	0	(19)	0	19	0
Loss for the period	-	-	-		(1,065)	(1,065)
Total comprehensive loss for the period	-	-	-	-	(1,065)	(1,065)
Balance at 31 December 2023	**2,226**	**37,654**	**258**	**(64)**	**(21,623)**	**18,451**
Issue of share capital	167	333	-		-	500
Costs of share issue		(35)				(35)
Transactions with owners	167	298	0	0	0	465
Loss for the period	-	-	-	-	(2,533)	(2,533)
Total comprehensive loss for the period	-	-	-	-	(2,533)	(2,533)
Balance at 30 June 2024 (unaudited)	**2,393**	**37,952**	**258**	**(64)**	**(24,156)**	**16,383**

CADENCE MINERALS PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		Unaudited	Unaudited	Audited
		30 June 2024	30 June 2023	31 December 2023
Assets	**Notes**	**£'000**	£'000	£'000
Non-current				
Financial Assets		**11,857**	10,530	11,660
		11,857	10,530	11,660
Current assets				
Trade and other receivables		**3,903**	3,978	3,937
Financial Assets		**1,901**	10,702	4,162
Cash and cash equivalents		**133**	577	215
Total current assets		**5,937**	15,257	8,314
Total assets		**17,794**	25,787	19,974
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables		**561**	348	288
Borrowings		**850**	565	933
Total current liabilities		**1,411**	913	1,221
Liabilities due after one year				
Borrowings		**-**	611	302
Amounts owed to subsidiaries		**-**	4,747	-
Total liabilities		**1,411**	6,271	**1,523**
Equity				
Share capital	*4*	**2,393**	2,226	2,226
Share premium		**37,952**	37,654	37,654
Share based payment reserve		**258**	277	258
Investment in own shares		**(64)**	(64)	(64)
Retained earnings		**(24,156)**	(20,577)	(21,623)
Total equity attributable to owners of the company		**16,383**	19,516	18,451
Total equity and liabilities		**17,794**	25,787	19,974

CADENCE MINERALS PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 30 JUNE 2024

	Unaudited Period ended 30 June 2024	Unaudited Period ended 30 June 2023	Audited Year ended 31 December 2023
	£'000	£'000	£'000
Cash flows from operating activities			
Operating loss	**(2,532)**	(2,325)	(3,316)
Net realised/unrealised loss on financial investments	**1,902**	1,532	5,894
Impairment of investments	**-**		905
Write off of loan from subsidiary	**-**		(4,810)
Equity settled share-based payments	**-**	25	25
(Increase)/decrease in trade and other receivables	**34**	(21)	20
Increase/(decrease) in trade and other payables	**273**	31	(29)
Net cash outflow from operating activities	**(323)**	(758)	(1,311)
Taxation	**-**	-	-
Cash flows from investing activities			
Receipts on sale of current investments	**1,321**	935	2,150
Payments for non-current financial investments	**(1,001)**	(975)	(2,088)
Net cash inflow from investing activities	**320**	(40)	62
Cash flows from financing activities			
Proceeds from issue of share capital	**500**	124	-
Share issue costs	**(35)**	-	-
Borrowings	**-**	1,187	1,400
Loan repayments	**(557)**	-	-
Finance cost	**-**	(12)	-
Net cash (outflow)/inflow from financing activities	**(92)**	1,299	1,400
Net increase/(decrease) in cash and cash equivalents	**(95)**	501	151
Foreign exchange movements on cash and cash equivalents	**13**	(34)	(46)
Cash and cash equivalents at beginning of period	**215**	110	110
Cash and cash equivalents at end of period	**133**	577	215

Material non-cash transactions

There were no material non-cash transactions in the period to 30 June 2024.

During the period to 30 June 2023 the Company acquired 2,452,650 shares in Hastings Technology Metals Ltd from its wholly owned subsidiary Mojito Resources, at a cost of AUD$ 9m (£5.152m). This amount was not paid in cash but treated as a intercompany loan from Mojito Resources. This has been treated as a non-current liability.

NOTES TO THE INTERIM REPORT
FOR THE PERIOD ENDED 30 JUNE 2024

1 BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention. The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified.

The principal accounting policies of the Group are consistent with those detailed in the 31 December 2023 financial statements, which are prepared under the historical cost convention and in accordance with UK adopted International Accounting Standards (IAS).

GOING CONCERN

The Directors have prepared cash flow forecasts for the period ending 30 September 2025. The forecasts demonstrate that the Group has sufficient funds to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the accounts have been prepared on a going concern basis.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results

2 SEGMENTAL REPORTING

The Company operates a single primary activity to invest in businesses so as to generate a return for the shareholders.

3 EARNINGS PER SHARE

The calculation of the earnings per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	Unaudited six months ended 30 June 2024	Unaudited six months ended 30 June 2023	Audited year ended 31 December 2023
	£'000	£'000	£'000
Profit/(loss) on ordinary activities after tax (£'000)	**(2,533)**	(1,954)	(3,019)
Weighted average number of shares for calculating basic profit/loss per share	**188,388,620**	174,360,940	177,693,153
Less: shares held by the Employee Benefit Trust (weighted average)	**(6,380,000)**	(6,380,000)	(6,380,000)
Weighted average number of shares for calculating basic (loss)/profit per share	**182,008,620**	167,980,940	171,313,153
Share options and warrants exercisable	n/a	n/a	n/a
Weighted average number of shares for calculating diluted profit per share	n/a	n/a	n/a
Basic profit/(loss) per share (pence)	**(1.392)**	(1.163)	(1.762)
Diluted profit per share (pence)	**n/a**	n/a	n/a

4 FINANCIAL INVESTMENTS

Financial assets at fair value through profit or loss:

	£'000 Level 1	£'000 Level 2	£'000 Level 3	£'000 Total
Fair value at 31 December 2022	5,244	-	12,327	17,571
Additions	5,152	-	2,048	7,200
Transfers on listings	1,810	-	(1,810)	-
Fair value changes	(3,101)	-	-	(3,101)
Impairment of assets	-	-	(905)	(905)
Loss on disposals	(2,793)	-	-	(2,793)
Disposal	(2,150)	-	-	(2,150)
Fair value at 31 December 2023	4,162	-	11,660	15,822
Additions	-	-	1,159	1,159
Fair value changes	(1,126)	-	-	(1,126)
(Loss)/Gains on disposals	(776)	-	-	(776)
Disposal	(1,321)	-	-	(1,321)
Fair value at 30 June 2024	939	-	12,819	13,758

Losses on investments held at fair value through profit or loss				
Fair value loss on investments	(1,319)	-	-	(1,319)
Realised loss on disposal of investments	(213)	-	-	(213)
Net loss on investments held at fair value through profit or loss	(1,532)	-	-	(1,532)
Non-current	-	-	10,530	10,530
Current	9,740	-	962	10,702
	9,740	-	11,492	21,232

5 SHARE CAPITAL

	Unaudited	Unaudited	Audited
	30 June 2024	30 June 2023	31 December 2023
	£'000	£'000	**£'000**
Allotted, issued and fully paid			
173,619,050 deferred shares of 0.24p (30 June and 31 December 2023: 173,619,050)	**417**	417	417
197,637,704 ordinary shares of 1p (30 June 2023 and 31 December 2023 180,971,037 ordinary shares of 1p)	**1,976**	1,809	1,809
	2,393	2,226	2,226

6 LOANS

BORROWINGS

During the year ended 31 December 2023, the Company entered into a Mezzanine Loan Facility to finance its investment in the Amapá Project.

The Mezzanine Loan Facility ("Loan Facility") involves an unconditional and committed initial tranche by the Investors of US$ 2 million and a further conditional Loan Facility amount of US$ 8 million, subject to agreement by the Investors. The Loan Facility is valid for three years.

The First Tranche of US$ 2 million, drawn down in 2023, has a 24-month term ("Maturity Date"). It has a six month principal repayment holiday, followed by 18 equal monthly cash repayments thereafter to the maturity Date. The Loan Facility has an effective annual interest rate of 9.5% and has a 5% implementation on the value of the First Tranche.

If the Company elects not to settle a monthly payment in cash (each being a "Missed Payment"), they will automatically grant a right for the Missed Payment to be settled in shares as per the non-cash repayment terms contained in the Loan Facility Agreement ("Non-Cash Repayment"). Following a Non-Cash Repayment, the Investors will be automatically granted conversion rights over such principal and interest balances due concerning the Missed Payment. The Investors will then have the right for 12 months to convert such amounts either at a price equal to 12.7 pence (representing a 30% premium to the closing price on 25/05/2023) or at a 7% discount to the average of the five daily VWAPs chosen by the Investors in the 20 trading days preceding its conversion notice or at the price the Company issues further equity if lower than the existing conversion price.

Cadence has provided a security package to the Investors as part of the Loan Facility. This package includes a floating charge over the Company's investments, placing its holding in European Metals Holdings into escrow and the issue of new ordinary shares to the Investors ("Initial Issued Shares"). The Initial Issued Shares represent 50% of the value of the First Tranche, or 8,251,224 new ordinary shares. These initial Issued Shares will be used as part of any Non-Cash Repayments if applicable. On the Maturity Date, the Company can utilise the Initial Issued Shares to pursue its investment strategy or for working capital purposes. If it has settled all amounts in cash and these Initial Issued Shares revert to the Company.

As part of the Loan Facility, the Company has agreed to grant 8,251,224 warrants to subscribe for ordinary shares in the Company at an exercise price of 13.2 pence (representing roughly a 35% per cent premium to the share price of the Company's Shares at the date of grant.) with a 48-month term.

During the period to 30 June 2024 £557,000 ($698,000) of capital and interest was repaid in cash. During the year ended 31 December 2023, £1,622,000 ($2,000,000) less costs was drawn down. £124,000 ($153,000) was repaid through the issue of the Initial Issued Shares. The borrowing costs (and resulting fx) have been capitalised under IAS23, as the sole purpose of the loan was to finance the Amapá Project.