Aberdeen Minerals Ltd

(formerly Strategic Minerals Europe Ltd)

Annual Report

and

Consolidated Financial Statements

for the year ended 31 March 2023

Aberdeen Minerals Ltd
Registered in England & Wales No. 12652016
Registered office address: Goodwood House, Blackbrook Park Avenue, Taunton, Somerset, TA1 2PX

Contents of the Annual Report and Consolidated Financial Statements
for the Year Ended 31 March 2023

Company Information
for the Year Ended 31 March 2023

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Strategic Report

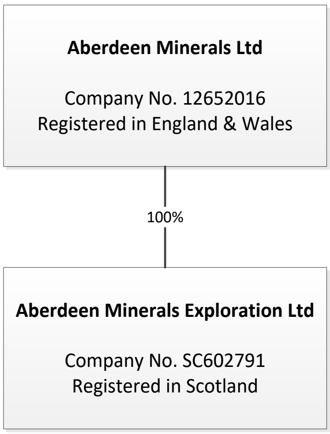
Introduction and Principal Activities

Aberdeen Minerals Ltd ("the Company") is a privately-owned company carrying out mineral exploration for battery metals in North-East Scotland, with a particular focus on **nickel**, **copper and cobalt**.

The Company's aim is to create value for shareholders and communities through the discovery and responsible development of mineral deposits capable of producing domestic supplies of metals essential to the energy transition in Scotland and the United Kingdom ("UK").

The Company operates its mineral exploration projects through Aberdeen Minerals Exploration Ltd, a 100% owned, Scotland registered subsidiary headquartered in Ellon, Aberdeenshire.

Together these companies form "the Group", whose structure chart is set out as below:



There is significant and growing demand for battery metals, including those targeted by the Group in North East Scotland. Recent and ongoing geopolitical events have highlighted the strategic importance of long term, responsibly sourced and secure supplies of the raw materials critical to the transition to a green economy in the UK and globally. North East Scotland is a recognised high value target for the "magmatic sulphide" type of nickel, copper and platinum group element ("PGE") mineralisation, and has historically attracted exploration investment from major mining companies including Rio Tinto, Consolidated Goldfields, AMAX and INCO.

The Group's flagship Arthrath Project is the largest known nickel deposit in the UK, and it is favourably classified by Aberdeenshire Council as an important mineral-safeguarded site, where other forms of development should not generally be allowed, to protect mineral deposits from sterilisation.

In addition to the Arthrath Project, the Group has identified potential for a district scale cluster of high value economic deposits across a large underexplored 10,000 square kilometre area within the Scottish county of Aberdeenshire. Opportunities include the Belhelvie Project, where limited historical drilling intersected shallow level, nickel-copper sulphides within serpentinised, ultramafic rocks but targets were not followed-up or effectively explored.

Since historical exploration was carried out in this region (mostly in the 1970s), mineral exploration techniques and the technologies applied have improved significantly. Recent global nickel orebody discoveries have changed interpretations of the geological setting of the mineralisation in North East Scotland. In light of this, and the growing demand for battery metals, the Group is applying updated geological understanding and newer geological models for these types of deposits, termed "conduit type". To be effectively explored, these models require a different targeting approach and more detailed data than was achieved in the past.

Therefore the Group is also applying the latest exploration technologies, such as SkyTEM's geophysical airborne survey, to look deeper with more granularity into the host geology and evidence the prospectivity of the region. Effective geophysics is particularly important because the vast majority of the region is covered by a blanket of glacial sediments.

To date, the Group has secured exploration rights and land access agreements with landowners over an area of approximately 75 square kilometres covering some of the most prospective geology within this region. The Group seeks to continually grow this land position to further consolidate its position as the pre-eminent base metals explorer in Scotland.

Business Review

Operational Highlights

The Group made major technical progress on its Aberdeenshire projects over the course of the year ended 31 March 2023 through geological, geochemical and geophysical surveys, culminating in the Group's maiden drilling programme at Arthrath which completed in April 2023:

- In April 2022, the limited historical Arthrath drill core held by the British Geological Survey (three holes) was relogged by Aurum Exploration, including collecting new magnetic susceptibility and portable XRF data, petrophysical analysis and completion of a petrological study. This work revealed supporting evidence of a dynamic magmatic system, a prospective setting for the concentration of high grade magmatic sulphides.
- Also in April, around 100 water samples were collected from various sources in the area surrounding Arthrath as a pilot to test whether the method could detect buried sulphide mineralisation in new areas. The results were positive and indicated potential for a methodology that may be adaptable to district-scale discovery programmes.
- In September 2022, a 2,000 line kilometre heliborne electromagnetic ("EM") and magnetic geophysical survey was completed by Danish company SkyTEM. This was the first survey of its type in the district in 50 years, and bringing the latest airborne EM technology to be flown at low level over a complex area was an ambitious and ground-breaking initiative. The programme delivered to the Group a unique, proprietary, geophysical dataset over the most prospective parts of Aberdeenshire's favourable geology.
- Interpretation of the SkyTEM data and plate modelling of the top ranking targets by the Group's adviser Alan King, a leading geophysicist in nickel exploration, has established a highly compelling pipeline of exploration projects across the district.
- At Arthrath, plate modelling of the SkyTEM data indicates a system becoming increasingly conductive with depth (increasing sulphides), with plates not tested by historical drilling.
- The year culminated with the commencement in February 2023 of a diamond drilling programme at Arthrath, the first mineral drilling in the district since 2005 and the first at the Arthrath locality since the 1970s. The programme had the following objectives to facilitate a modern appraisal of the known body of sulphide mineralisation:
    - Twin 1970s Rio Tinto holes to validate historical data
    - Build confidence in the geological model by carrying out section control, infill and step-out drilling
    - Generate the first multi-element geochemical dataset for modelling & vectoring
    - Provide core samples for a planned programme of mineral processing characterisation
    - Generate a maiden JORC Mineral Resource Estimate ("MRE") and / or Exploration Target.

The full 1,715 metre / seven hole drill programme was completed following the year-end, in April 2023.

Operational Outlook

In May 2023, the drill core assay and logging data were provided to CSA Global, an independent mining industry consultancy, to prepare a maiden JORC classified MRE and/or Exploration Target in accordance with the JORC Code 2012 Edition. This first modern standard model and report for the Arthrath Project will represent a major milestone for the business and is a key step towards accelerated exploration and development of its projects in North East Scotland.

The Group intends to raise further funds to advance the mineral resource potential at Arthrath and progress an exciting district-scale project pipeline to build its Aberdeenshire focused asset base. Plans include:

- deep penetrating, ground based geophysical surveys to effectively explore the full potential of the growing mineralised system at Arthrath
- Phase 2 exploration, infill and stepout drilling at Arthrath
- initial exploration of the Belhelvie Project, an historical target area with sulphides intersected in limited previous drilling
- ground based geophysical and geochemical follow-up on priority 1 SkyTEM targets
- target delineation work at priority 2 SkyTEM targets

- continuation of airborne geophysical surveys.

As the Arthrath Project advances, the Group also plans to carry out testwork to develop an effective mineral processing flowsheet. Work will be advanced to identify potential midstream refining strategies to accelerate project development, reduce the environmental impact of battery metal production, and supply domestic mineral products that can be used by UK manufacturing and contribute to the resilience of UK supply chains.

Financial Highlights

- Equity raised during the financial year: £1,129k at £0.075 per share (2022: £1,042k at £0.05 per share and £178k at £0.01 per share) through the placement of new shares to UK and international investors
- Expenditure on exploration activities during the financial year: £717k (2022: £263k)
- Cash and cash equivalents at 31 March 2023: £927k (2022: £849k)
- The Company is progressing plans to list its shares on an international stock exchange and to raise additional equity finance. This will raise the Company's profile, provide liquidity to existing shareholders, and facilitate access to new capital to invest in North East Scotland
- The long-term fundamentals remain strong for the Group's primary target metals: nickel, copper and cobalt.

The Group reviews grant funding opportunities on an ongoing basis to support its activities, and to-date has pursued applications to the UK's Automotive Transformation Fund and the Scottish Government's Just Transition Fund.

Local and Global Policy Environment

There have been major policy developments related to battery metals and critical minerals during the reporting period, both locally in the UK and internationally, all of which enhance the favourable outlook for the Group.

In July 2022, the UK government published its first Critical Minerals Strategy which seeks to improve the resilience of the country's critical minerals supply chains. The Strategy's very first stated aim is to "maximise what the UK can produce domestically, where viable for businesses and where it works for communities and our natural environment." Cobalt, platinum and palladium are included in the minerals with high criticality for the UK, and nickel is on its "watchlist" of minerals deemed to be increasing in criticality, alluding specifically to disruption to supplies of Class 1 nickel due to Russia's invasion of Ukraine.

The case seems to be clearer than ever for the potential at Arthrath and North East Scotland more generally to contribute to the domestic resilience targeted by the Strategy.

The Strategy further states that the UK will:

- Signpost financial support that can accelerate the development of its capabilities
- Reduce barriers to domestic exploration and extraction of critical minerals
- Highlight the UK as a strategic location for refining and midstream materials manufacturing

"Critical Minerals Refresh" was launched in March 2023 by Nusrat Ghani MP, the UK's new Minister of State at the Department for Business and Trade, to reinforce the government's commitment to the Critical Minerals Strategy in light of a changing global landscape and sharpening of geopolitical competition. As part of this, the government established an independent Task & Finish Group on Critical Minerals Resilience for UK Industry which is due to deliver its findings at the end of 2023.

Also at the UK level of government, the newly formed Critical Minerals Intelligence Centre ("UKCMIC"), run by the British Geological Survey, in April 2023 published a national-scale assessment in its report on "Potential for Critical Raw Material Prospectivity in the UK". This report highlights North East Scotland as a primary search area for multiple raw materials which underpins the value of the Group's first mover advantage in the region.

At the Scotland level, in January 2023 the Scottish government released its Draft Energy Strategy and Just Transition Plan: a "draft route map of actions to deliver a flourishing net zero energy system that supplies affordable, resilient and clean energy to Scotland's workers, households, communities and businesses". The Plan's ambition is to adopt renewable energy sources at pace, but it does not make any reference to the critical role of resilient raw material supply. The Company submitted a response to the government's consultation call to highlight the importance of our mineral exploration in North East Scotland to secure the materials required to build the necessary infrastructure and to deliver the strategy's proposals.

Internationally, the landscape is becoming ever more competitive in what is described by some as an "arms race" for the raw materials and midstream processing capacity to support an energy transition. The US Inflation Reduction Act incentivises the production and processing of battery raw materials in North America or in a country with which the US has a free trade agreement. In March 2023, the EU announced its Critical Raw Materials Act, whose measures include the identification of Strategic Projects which would benefit from a streamlined permitting process and support in obtaining finance.

The Board expects the pace of these developments to continue to intensify, and support for domestic resource development to grow as policymakers increasingly recognise and appreciate the challenge of finding, financing and responsibly developing the new mines required to meet their energy transition goals.

<u>Health and Safety</u>
The Company reports zero injuries in the Group during the reported year and up to the date of this report. The Board has adopted a Health and Safety Policy and fully supports management in providing a safe and healthy working environment and promoting a safety-first, zero injury culture across the Group's activities.

The Group's work in this area includes:

- Provision of certificated Emergency First Aid at Work training for personnel and contractors
- Provision of comprehensive field first aid equipment and all necessary PPE
- Appointment of a drilling contractor with a comprehensive health and safety system and reputation for best practices and compliance
- Formal risk assessment of facilities and major work activities, including fire safety at its Ellon office and technical unit
- Day to day safety systems including hazard observation and recording, daily pre-start briefings, safety toolboxes, vehicle pre-start inspections and routine workplace safety and hygiene inspections.

In September 2022, an incident (no injuries) occurred during the airborne geophysical survey being carried out by SkyTEM. During a low-level turning manoeuvre, the SkyTEM system suspended from the helicopter struck a local power line, resulting in a short power cut in the Balmedie area. The low-level flying permit issued to SkyTEM's subcontracted helicopter operator was suspended by the Civil Aviation Authority for updated operating procedures to be reviewed and adopted. It was then decided to conclude the 2022 survey, in consideration of SkyTEM scheduling constraints, weather outlook and the completion of priority survey areas. A clear procedural framework has now been established to facilitate recommencement of airborne surveys as part of work programmes planned for the next 12-18 months.

The Group fosters a culture of continuous improvement and looks to adopt "lessons learned" wherever necessary across its activities.

<u>Environmental Protection</u>
The Group strives to minimise the environmental impact of its exploration activities and adopts measures across its activities to protect the natural environment. During the reporting period these included the following measures as part of its diamond drilling programme:

- Comprehensive screening report and groundwater risk assessment
- Compliance with the requirements of a Class 53 permitted development under The Town and Country Planning (General Permitted Development) (Scotland) Order 1992
- Compliance with General Binding Rule 3 of The Water Environment (Controlled Activities) (Scotland) Regulations 2011
- Obtaining and complying with a licence granted by the Scottish Environmental Protection Agency ("SEPA") for

construction and operation of deep boreholes (>200 metres vertical depth)

- Registration with SEPA for local drill supply water abstraction
- Baseline water quality sampling of the watercourses surrounding its drill sites
- Ultraviolet light and mixed media filtration of raw water supply for drill water, to prevent introduction of pathogens to groundwater sources
- Silt netting positioned in water courses downstream of drill sites as mitigation measures, regularly monitored for the duration of the drilling programme
- A programme of regular noise monitoring at receptor locations proximal to its drill sites.

The Board seeks to further minimise the Group's environmental impact in the future and will review potential measures to further reduce the impact of the business including opportunities to minimise emissions generated through its work.

Community and Stakeholder Engagement

The successful implementation of the Group's strategy relies on the consent of landowners, the local communities within or close to the Group's areas of operation, and local and national stakeholders.

Whilst the SkyTEM and similar types of airborne geophysical survey are commonplace in mineral and groundwater exploration around the world, this was the first of its kind within the area of Aberdeenshire in 50 years and therefore warranted a high level of community stakeholder engagement, both in the weeks ahead of the survey and during the work. In particular, this involved consulting with horse and livestock owners to ensure any concerns that they had about the effect that low-level flying may have on animal safety were understood and managed appropriately. The overall response to the survey was very positive, the Group received broad support from stakeholders and there were no animal-related incidents. The design of future airborne geophysical surveys carried out by the Group will be informed by stakeholder feedback from this first survey.

The drilling programme was successfully completed with only a very low and localised community impact. The Group engaged with Aberdeenshire Council to ensure any planning related requirements were understood and incorporated into the programme. The site team ensured that nearby residents were provided with advance notice of the planned activities and a point of contact for any enquiries, and the Group's CEO presented to the local Community Council at their invitation to provide an overview of the Group's work in the area.

A locally based Land Management Adviser has been recruited to assist with land related matters and rural affairs.

Media and Marketing Activities

The Company's management has worked to promote the interests of the business through positive engagement with media and by marketing the Company at selected investor conferences and other events.

In September 2022, a news feature on the SkyTEM survey was televised and radio broadcast nationally by BBC Scotland. The Company's work has been covered by The Press and Journal and Scottish Farmer, and featured strongly in a critical minerals focused article in The National newspaper. Following the release of UKCMIC's prospectivity report, in April 2023, Aberdeen Minerals led a prominent business feature in The Daily Telegraph.

In November 2022, the Company participated in the 121 Mining Investment London conference with a full schedule of investor meetings, and in December, exhibited at the UK Department of International Trade's pavilion at Mines and Money London, which included a meeting with Nigel Huddleston, Minister for International Trade. Each of these events provided an opportunity to build Aberdeen Minerals' profile amongst investors and policymakers.

Personnel

In July 2022, Fraser Gardiner was appointed to the Group as Chief Executive Officer to increase its management and in-house technical capabilities.

Following the year-end, in May 2023, the Group expanded the team through the appointment of:

- Cecelia Bradley as Project Geologist on a full-time basis. Cecelia has experience from grass roots exploration to advanced, near-mine exploration on a range of base and precious metals deposits. She has international experience in Australia (Rio Tinto), Africa (Elemental Altus) and Sweden (Boliden).

- Andrew Connon as Land Management Adviser on a part-time basis. Andrew lives and farms locally to the Group's project areas in Aberdeenshire. He has a background in agricultural business and sales and, as Vice President of National Farmers Union Scotland he is a strong advocate of farming and rural issues and a prominent member of the North East community.

Other Company Developments

On 22 February 2023, to consolidate the Group companies under the existing Aberdeen Minerals brand and reflect the Group's focus on mineral exploration in Aberdeenshire:

- the Company's name was changed from Strategic Minerals Europe Ltd to Aberdeen Minerals Ltd
- the name of the Company's operating subsidiary was changed to Aberdeen Minerals Exploration Ltd.

Section 172(1) Statement - Promotion of the Group for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s.172 of the Companies Act 2006. The requirements of s.172 are for the Directors to:

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

The Board's work in pursuit of the strategy, including a review of the business and its future developments, are described in this Strategic Report.

As the Group identifies new mineral deposits, obtains mineral rights, evidences the contained minerals, and demonstrates that they can be extracted responsibly and commercially, the Group's enterprise value is expected to increase.

The application of the s.172 requirements can be demonstrated in relation to the principal decisions made during the year to 31 March 2023:

- Pursuit of strategy to grow the number of exploration agreements
- Expansion of management team
- Airborne geophysical survey in Aberdeenshire
- Commencement of diamond core drilling programme

Management actively engages with the local communities in the relevant areas of Aberdeenshire, helping to educate as to the Group's activities and its desired approach to working alongside local communities in a manner which is informed and sensitive to both the short and long term economic, social and environmental impacts of its work.

The Board takes seriously its ethical responsibilities to the communities and environment in which it works and the Group's staff and contractors abide by the local and relevant UK laws on anti-corruption & bribery. As the Group matures, it is able to formalise the policies appropriate for its stage of development.

The Group adopted an Anti-Corruption and Bribery Policy in October 2022.

The interests of all those who work on the Group's behalf are a primary consideration for the Board. Personal development opportunities are supported, and a formal health and safety policy has been adopted.

Key performance indicators (KPIs)

In the 2022 Annual Report, the Board introduced financial KPIs which are routinely monitored to assess the Group's financial performance: cash and cash equivalents, and future cash flows. An update is reported in the table below.

The Board has set an additional KPI for the next financial year: to grow the Group's mineral tenure in North East Scotland measured as land area under agreement.

Key Performance Indicator	What we measure and why	FY22-23 performance
Funds raised	The Group's business model involves incurring costs for a significant period of time before revenues and positive cash flow can be generated. The availability of sufficient cash to sustain the Group's operations is critical to our ability to deliver on our strategy.	Equity raised during the financial year: £1,129k at £0.075 per share (2022: £1,042k at £0.05 per share and £178k at £0.01 per share)
Land area under agreement	The Group's mineral tenements comprise numerous private access and exploration agreements with landowners in Aberdeenshire. Considering the underexplored nature of the region, a larger tenement area increases the exploration and discovery opportunity. The Board has a strategy to increase the Group's tenement area based on prospective geology to underpin its growth.	New KPI. Total area under agreement on 31 March 2023 was approximately 75 square kilometres. Up to 30% growth in this land area focused on prospective geology is targeted for the next financial year.

As the Group develops the Board will consider additional appropriate KPIs to monitor the financial and non-financial performance of the Group and its activities.

Principal risks and uncertainties

The Board has identified various risk factors which taken individually or together may have a materially adverse effect on the Group's business. The principal risks and how they are managed are as follows:

Exploration risks

Investments in the exploration and mining sector are impacted by various global factors, including supply and demand, which are key drivers of globally traded commodity prices, and the prevailing geopolitical environment. Such factors are beyond the control of the Group. Mineral exploration by its nature is a high-risk business and there can be no guarantee that mineralization, once discovered, will result in an ore reserve estimation or go on to be an operating mine.

The Group has recruited skilled and experienced minerals geologists to design and manage its work programmes, supported by globally renowned technical consultants and advisors. At each stage of the exploration process, geoscientific results are carefully appraised by the Group's advisors, management and board to determine if further exploration expenditure is warranted, ensuring that funds are only applied to the most prospective target areas.

Mineral title risk

Mineral rights in the United Kingdom, with the exception of oil, gas, coal, gold and silver, vest in landowners rather than the State. This is similar to the United States where minerals commonly remain in private ownership.

There is no legal requirement to register mineral rights in Scotland. Information on land ownership in Scotland, including mineral rights, is generally held by the Land Register of Scotland. Since the introduction of the Land Registration (Scotland) Act 2012, all property transfers and standard securities must be recorded in the Land Register. Landowners can also voluntarily register their property. However many rural properties and long owned lands remain unrecorded in the Land Register. In such cases, property transfers may only be recorded in the older, deeds based General Register of Sasines ("GRS"). The GRS is available for public viewing in Edinburgh and each property has a search sheet listing all recorded deeds for that property.

It is possible for ownership of minerals to become separated from the surface land and be held by a different owner if the minerals have been excepted or reserved as part of a property transaction. Such mineral rights may have become divorced from the registered property titles without having been registered. Therefore, there is a risk of unforeseen third-party claims over mineral rights within current or future tenements of the Company which may impact on the Company's ability to explore for and extract minerals over the tenement areas concerned.

The Company mitigates this risk by:

- securing a landowner warranty relating to surface land and minerals ownership in its Prospecting Agreements;
- carrying out title due diligence commensurate with the level of exploration agreement (Missive or Prospecting Agreement) and planned exploration activities;
- only carrying out advanced exploration activities such as drilling where a Prospecting Agreement is in place and minerals ownership is strongly assured; and
- only reporting JORC-compliant mineral resource estimates where minerals are under agreement and ownership is strongly assured.

The risk of any claim having a material impact on the Company's business is further mitigated by the Mines (Working Facilities and Support) Act 1966 ("1966 Act"), which provides a course of action if minerals ownership cannot be identified or is disputed. Application is made to the Secretary of State, and if successful, the application is referred to the Court of Session, which, if satisfied that a right should be granted and is in the national interest, grants it on such terms and subject to such conditions and for such period as it thinks fit. The court also determines any compensation or amount payable for the rights granted.

Any recourse to the courts using the 1966 Act may lead to a material delay in the exploration or development of the Minerals within the property concerned.

Mineral lease option and extraction right

The Group's Prospecting Agreements currently in place grant Aberdeen Minerals Exploration Ltd ("AMEL") an exclusive option to negotiate a Mineral Lease with landowners, and specify the key commercial terms including term, rent rate and royalty. Under the terms of these agreements, each landowner undertakes to negotiate in good faith and use best endeavours to agree the grant of an exclusive lease in favour of AMEL.

There is a risk that commercial terms negotiated with landowners, individually or collectively over an area containing a mineral deposit, will not allow the Group to extract minerals economically.

Further, there is a risk that, if the Group exercises its option, its commercial negotiations with landowners individually or collectively may be unsuccessful and detailed terms and conditions of a Mineral Lease may not be reached. This risk is mitigated by:

- the landowners being the primary beneficiaries of the development and commercialisation of the minerals through rents and royalties (rather than the State, as is typical in other jurisdictions), therefore having a direct interest in supporting the successful exploration and exploitation of the minerals;
- strong support for the Company's work expressed by landowners;
- maintaining open and positive relations with the Group's contracted landowners throughout the exploration phase to build trust and mutual understanding; and
- the 1966 Act, which provides a legal course of action if it is not possible to obtain a right by private arrangement and it can be demonstrated that the granting of the right would be in the national interest.

Mine development planning risk

The development of an operating mine at any of the Group's projects will require planning permission from the mineral planning authority, Aberdeenshire Council. If an application is unsuccessful the Group may not be able to develop a mine at the project and realise value from its exploration activities.

The risk of an unsuccessful application is mitigated by the following factors:-

- the Arthrath Project is identified in Aberdeenshire Council's Local Development Plan as an "important mineral safeguarded site", therefore mineral development at the site is already recognised as a future possibility and other forms of development are restricted to avoid sterilisation of the Minerals,
- multiple mines have been developed elsewhere in Scotland
- multiple surface quarrying operations are currently active across Aberdeenshire, some being of substantial scale.
- no Special Protection Areas or Special Areas of Conservation are located within the Group's project areas;
- the projects are located where current land use is industrial agriculture, heavily affected by human impact and no pristine natural environments occur. There are no known sites of archaeological value within the project areas;
- pro-active and transparent engagement with local communities, landowners and stakeholder groups from the early exploration stage of the project;
- awareness of the Group's activities within the mineral planning authority and environmental regulators through early engagement on the drilling programme; and
- UK Government support for developing domestic mineral potential expressed in its Critical Minerals Strategy.

Tenement renewal risk

Some of the Group's landowner agreements are in the form of Missive Agreements which grant a two year, exclusive "Prospecting Period", extendable at the Group's option for one additional year, during which period the Group has an exclusive right to negotiate a Prospecting Agreement. The risk that a Prospecting Agreement or some other form of continuing exploration agreement may not be agreed prior to the expiry of the Prospecting Period is mitigated by:

- continued positive engagement with landowners to maintain their support for the Group and ensure they are aware of the project's objectives and benefits,
- the positive profile of the Group in North East Scotland as a first mover and partner of choice in mineral exploration; and
- a compelling offer to landowners to get extra value from their land and participate commercially in a mineral exploration venture increasingly being recognised as having an important role locally and nationally in the energy transition.

Land access risk

In common with any exploration in an active agricultural area, there is a risk that the Group may not be able to access properties at certain times to undertake planned exploration activities due to landowners denying access as a result of agricultural activities, or for other reasons outside the Group's control. This risk is mitigated by:

- landowners' contractual obligations in Missive and Prospecting Agreements to grant the Group a right to access the Prospecting Area for the purpose of prospecting and exploring for minerals;
- the incentive to landowners to support exploration provided by the rents and royalties payable from any eventual mining operation;
- dialogue with landowners to understand their farming and land use plans and practices;
- planning exploration activities to coordinate them around farming activities wherever practical and reasonable; and
- ensuring the Group meets all of its obligations and causes minimal interference, disturbance, nuisance or annoyance to landowners and communities.

<u>Liquidity risk</u>

The Board currently considers the Group's principal risk to be a liquidity risk, which is inherent in the strategy and business model of early-stage mineral exploration companies. The Group has no revenue at the present time and, until such time as sufficient revenue streams have been generated, is therefore dependent upon the availability of additional equity finance, which is described in further detail in note 1 to the financial statements under the *going concern* section of the accounting principles. The Group manages liquidity risk by seeking to ensure the presence of adequate reserves and by continuously monitoring the forecast and actual cash flows. Cash flow forecasts are regularly prepared and reviewed to identify the liquidity requirements of the Group.

Dependence on key personnel

The Group is dependent upon the executive management team and key technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff and services. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

In light of the Group's liquidity risk, the Group operates with minimal personnel, and this is therefore within the Group's risk appetite.

Transaction risk

The Group's strategy includes seeking opportunities to acquire the rights to carry out mineral exploration and to extract minerals. Any such transactions would carry an element of risk with the need to expend resources in identifying opportunities and carrying out due diligence thereon. Such activities therefore increase the pressure on the Group's cash reserves and are therefore monitored closely and conservatively.

Mineral rights in the United Kingdom, with certain exceptions including gold and silver, vest in landowners rather than the State. Such mineral rights may have become separated from the registered property titles without having been registered, which could result in unforeseen claims arising. The Board mitigates this risk through the performance of due diligence on each title.

Internal controls and risk management

The directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified promptly and dealt with appropriately.

In carrying out their responsibilities, the directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practicable. The directors keep under constant review, the effectiveness of the internal financial controls, with a strong focus on monitoring the cash position and future cash flows of the business.

Environmental, social and governance ("ESG")

The directors are mindful of the wellbeing of all those working on behalf of the Group, and of the local communities within or close to the Group's areas of operation, the support of whom is critical to the Group's strategy. Therefore the Group and all its directors, management and staff are motivated to maintain the highest possible standards in health and safety and operate in accordance with best practice ESG principles.

Despite the business currently being at an early stage of development with limited environmental and social impacts, the directors recognise the importance of laying solid foundations, and seek to embed the best ESG practices from the outset.

The Group's significant work in these areas is detailed in the Business Review section of this report. As the business grows and the ESG landscape evolves, the directors will continue to monitor compliance requirements and community and stakeholder expectations, to ensure that the Group meets its obligations and remains committed to the highest standards.

Through its activities, the Group hopes to make a significant contribution towards the economic development of the North-East Scotland region. The Group will work to educate and promote the value of mineral exploration for local communities, and will continue to focus on strong communications and engagement with all stakeholders, including landowners, local councils and other government or community bodies.

Financial instruments

Details of the use of financial instruments are contained in note 19 to the Financial Statements on page 38.

Outlook and future developments

The Company began its 2023-24 financial year with a strong balance sheet, which allows the Company to build on the success of the September 2022 airborne geophysical survey and subsequent diamond core drilling programme, a vital step towards understanding the underlying mineralisation.

Initial results from this drill programme support the reports from historical drilling in the area, which adds confidence to the reliability of the historical data.

The results from the Company's existing drill programme are expected to lead to the delineation of a JORC-compliant model, and prove the continuation of mineralisation, including at depth.

Going concern

The Board has assessed the prospects of the Group over a period of 12 months from the date of approval of these financial statements, involving a review of the Group's cash flow forecast prepared up to 31 December 2024 and taking account of the Board's intentions for future activities after that date. The Board, taking into consideration the Group's merits, its principal risks, and the Board's track record in raising additional funding, has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next 12 months. The Board considers this period of assessment to be appropriate because it contextualises the Group's financial position, business model and strategy. However, as at the date of approval of the financial statements, the cash flow forecast indicated that additional cash resources will be required in order to meet the strategic aims of the Group and the directors therefore acknowledge this represents a material uncertainty as to the Company's and Group's ability to continue as a going concern. This is a common situation for early-stage exploration companies, and is factored into the Group's business model.

The Board's assessment of the going concern statement is further described in note 1 to the accounts.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards (referred to as "IFRS") 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 Company and the Group and of the profit or loss of the Group for that period. In preparing these 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 that the financial statements comply with UK-adopted International Accounting Standards;
- 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 Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

The auditors, UHY Hacker Young LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

Corporate governance statement

The Board believes that a sound corporate governance policy is essential to the Group's success. The application of such a policy enables key decisions to be made by the Board as a whole, and for the Group to function in a manner that takes into account all stakeholders in the Group, including employees, suppliers and business partners.

The Board periodically reviews and updates its policies and practices to ensure its corporate governance framework is commensurate with the anticipated development and growth of the Group and the requirements of its stakeholders.

The Company's Corporate Governance Statement is available on the Group's website www.aberdeenminerals.com.

By order of the Board

David Taylor
Company Secretary

12 June 2023

Directors' Report

The directors present their report together with the audited financial statements for the twelve-month period ended 31 March 2023.

Results and dividend

The Group statement of comprehensive income is set out on page 20 and shows the loss for the period.

The directors do not recommend the payment of a dividend nil (2022: nil).

Board of directors

The directors who held office at any time during the year ended 31 March 2023 and up to the date hereof, are as follows:

Name	Date of appointment	Date of resignation
Patrick Murphy	8 June 2020	n/a
Thomas Todd	8 June 2020	n/a

The Board of Directors is responsible for overseeing the long-term success and strategic direction of the Group, and for monitoring the activities of the executive management.

Patrick Murphy   Non-Executive Chair

Mr Murphy is a co-founder of Aberdeen Minerals Ltd. He holds Bachelor of Commerce (Hons) and Bachelor of Law (LLB) degrees and has a 15+ year career as a mining investment professional. He currently serves as Managing Director at AMCI Group, a privately held, US headquartered group that invests in and operates industrial businesses focused on natural resources, transportation, infrastructure, metals and energy. His is a non-executive director on four listed board: Jupiter Mines Ltd (ASX:JMS), Juno Minerals Ltd (ASX:JNO), Green Technology Metals Ltd (ASX:GT1) and Grid Metals Corp (TSXV:GRDM). He also sits on a number of private boards including Chilean copper producer, Minera Las Cenizas S.A..

Prior experience includes 11 years in the global investment group at Macquarie as a Managing Director in its Mining Finance, Commodities & Global Markets division, with international experience having been located in New York and Sydney.

Thomas Todd   Non-Executive Director

Mr Todd is a co-founder of Aberdeen Minerals Ltd. He holds a BSc (Hons) degree in Physics and is an experienced mining executive with 19 years in the industry. Mr Todd qualified as a Chartered Accountant (ICAEW) with PricewaterhouseCoopers in London before moving to Australia where he commenced his career in the mining industry. He worked in the Energy Financial Services group for GE Capital in Sydney responsible for structured finance to the oil and gas and mining industries. He then joined an entrepreneur and established a private company which acquired a world class coal project before listing on the ASX and financing the development.

He was formerly Chief Financial Officer and Director of Aston Resources Ltd (which was subsequently acquired by Whitehaven Coal), Custom Mining Ltd, and non-executive director of Prairie Mining Ltd (AIM & ASX).

Directors' interests in shares

The directors' beneficial interests in the shares of Aberdeen Minerals Ltd (including the beneficial interests of their immediate family and other connected persons) were as follows:

	No. shares held at 31 March 2023	**No. shares held at 31 March 2022**
Patrick Murphy[1]	9,733,333	9,000,000
Thomas Todd	9,733,333	9,000,000

[1] Held by Red Dog Group Holdings Pty Ltd

Following the year-end (as further disclosed in note 18), the directors were allotted shares following their exercise of Series A share warrants; their resulting interest in shares is set out below.

During the year ended 31 March 2023, neither director took fees nor was paid a salary (2022: nil). Details of directors' remuneration is further disclosed in note 5, and directors' interests in share options and warrants are set out in note 17.

Significant shareholders

As at 9 June 2023, the Company had been notified that the following shareholders were beneficially interested in 3% or more of the Company's ordinary share capital.

Shareholder name	Number of Ordinary shares at date of notification	Shareholding percentage at date of notification
Anton Moser	10,577,083	13.28%
Red Dog Group Holdings Pty Ltd[(1)]	10,577,083	13.28%
Thomas Todd	10,577,083	13.28%
DITM Holdings Pty Ltd	10,327,083	12.96%
Aurum Discovery Ltd	4,375,000	5.49%

[(1)] Red Dog Group Holdings Pty Ltd is a company controlled and beneficially owned by Patrick Murphy.

Senior management

Fraser Gardiner   Chief Executive Officer

Mr Gardiner was appointed as CEO of Aberdeen Minerals in July 2022 and has subsequently supervised the Group's exploration programmes in Aberdeenshire. He is a Scotland-based minerals geologist and mining industry executive with a 25 year international career, including senior technical and leadership roles in junior & major mining companies in the UK, Eastern Europe, Southeast Asia, Middle East, North Africa and Spain. He was formerly Country Exploration Manager – Saudi Arabia of Barrick Gold Corp, the Exploration Manager – Laos of a private business and the Chief Operating Officer of AIM quoted Ormonde Mining plc.

David Taylor   Chief Financial Officer and Company Secretary

Mr Taylor is a fellow of the Chartered Governance Institute and has significant senior management experience in governance and finance roles within public listed companies. He currently serves as Company Secretary to a number of public and private companies, including Pathfinder Minerals plc (AIM:PFP) and Kazera Global plc (AIM:KZG), and is a director of a corporate services firm, Regulation Management Ltd.

Directors and officers indemnities

The Company has agreed to indemnify its directors and officers against claims against them by reason of the fact that they are or were a director or officer of the Company, and the Company has in place a directors and officers insurance policy.

Research and development

The directors consider that the Group's exploration for and evaluation of mineral resources ("E&E") constitutes research and development ("R&D") because its projects require innovation and scientific development to advance from an unknown location and amount of mineralisation to the demonstration of the technical feasibility and commercial viability of extracting a mineral resource.

Scientific and technological uncertainty are inherent in mineral exploration. The search for mineral deposits and determination of their quantity, quality and processing properties is a challenging and complex scientific field and requires the daily application of multi-disciplinary geoscientific research by the Group's technical team and world class advisers. It requires the systematic collection and interpretation of new data through application of geological, geochemical and geophysical techniques, including the use of the latest technological developments such as airborne and deep penetrating geophysical systems, mineralogical analysis and advanced three-dimensional computer modelling, to succeed in areas where historical exploration may have been ineffective.

Mineral processing methods must also be developed for the Group's projects. Although certain conventional methods used in other mineral projects and operating mines can be used as a reference, each mineral deposit's properties are unique, requiring rigorous test-work to develop an effective "flowsheet" to evidence the technical and economic feasibility of extracting and purifying the target minerals. The Group is looking to develop innovative mineral processing techniques for its projects to accelerate their development, reduce the environmental impact of battery metal production and supply domestic mineral products that can be used by UK manufacturing and make UK supply chains more resilient.

Exploration for and evaluation of mineral resources expenditure is accounted for in accordance with IFRS 6.

Related party transactions
Any related party transactions are disclosed in note 16.

Political donations and expenditure
No charitable or political contributions were made during the current or previous year.

Overseas branches
The Group has no overseas branches.

Financial instruments and financial risk management
The Group's financial instruments consist entirely of cash that arises directly from financing activities undertaken to fund the business. The main purpose of these financial instruments is to fund the Group's operations as well as to manage working capital, liquidity and invest surplus funds. It is, and has been throughout the period under review, the Group's policy not to enter into derivative transactions and no trading in financial instruments has been undertaken.

Information regarding the Group's financial risk management is described in note 19.

Events after the reporting date
Any relevant events after the reporting date are described in note 18 on page 38.

Future developments
Future developments in the business of the Group are described within the Strategic Report, which commences on page 2.

Statement as to disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board

David Taylor
Company Secretary

12 June 2023

Independent auditors' report to the members of Aberdeen Minerals Ltd

Opinion

We have audited the financial statements of Aberdeen Minerals Ltd (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity, Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group's and Parent Company's financial statements is applicable law and UK adopted International Accounting Reporting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's loss and cash flows for the year then ended;
- the Group and Parent Company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which states that the forecasts consider current cash resources and assumptions around intended additional fundraising, whereby significant additional funding will be generated for newly issued ordinary shares. Whilst management are confident that sufficient funds will be obtained through equity fundraising, a failure to obtain such funding would require significant scaling back of the current operations of the Group. These conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the 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 responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities on page 12 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Group which were contrary to applicable laws and regulations including fraud and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, environmental protection laws and regulations and relevant laws on anti-corruption and bribery We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks were management override of controls.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Harriet Hodgson-Grove
(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

UHY Hacker Young
4 Thomas More Square
London E1W 1YW

12 June 2023

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2023

	Note	**Year ended 31 March 2023 £**	Year ended 31 March 2022 £
CONTINUING OPERATIONS			
Revenue		**-**	-
Administrative expenses	4, 5	**(1,144,021)**	(437,152)
Other operating income		**-**	10,604
OPERATING LOSS		**(1,144,021)**	(426,548)
Finance costs		**(3,185)**	-
Finance income		**4**	-
LOSS BEFORE INCOME TAX		**(1,147,202)**	(426,548)
Income tax	6	**-**	-
LOSS FOR THE YEAR		**(1,147,202)**	(426,548)
Total comprehensive loss for the year attributable to equity holders of the parent		**(1,147,202)**	(426,548)
Loss per share from continuing operations in pence per share:	7		
Basic and diluted		**(1.79) p**	(1.70) p

The notes on pages 27 to 39 form part of these financial statements

Consolidated Statement of Financial Position
for the Year Ended 31 March 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
NON-CURRENT ASSSETS			
Tangible fixed assets	10	**86,377**	-
		86,377	-
CURRENT ASSETS			
Trade and other receivables	11	**77,483**	2,166
Cash and cash equivalents	12	**926,650**	849,179
		1,004,133	851,345
TOTAL ASSETS		**1,090,510**	851,345
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company:			
Share capital	13	**759,049**	608,485
Share premium	13	**1,795,358**	833,940
Warrant reserve		**45,348**	17,510
Accumulated deficit		**(1,826,465)**	(679,262)
TOTAL EQUITY		**773,290**	780,672
NON-CURRENT LIABILITIES			
Lease liabilities		**69,896**	-
		69,896	
CURRENT LIABILITIES			
Trade and other payables	14	**232,618**	70,673
Lease liabilities		**14,706**	-
		247,324	70,673
TOTAL LIABILITIES		**317,220**	70,673
TOTAL EQUITY AND LIABILITIES		**1,090,510**	851,345

The financial statements were approved for issue by the Board of Directors on 12 June 2023 and were signed on its behalf by:

Thomas Todd
Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Share premium £	Warrant reserve £	Accumulated deficit £	Total equity £
Balance at 1 April 2021 Unaudited	**222,223**	**-**	**-**	**(252,715)**	**(30,492)**
Loss for the year	-	-	-	(426,548)	(426,548)
Total comprehensive loss for the year	-	-	-	(426,548)	(426,548)
Issue of share capital	386,262	833,940	-	-	1,220,202
Warrant based payments	-	-	17,510	-	17,510
Balance at 31 March 2022	608,485	833,940	17,510	(679,263)	780,672
Balance at 1 April 2022	**608,485**	**833,940**	**17,510**	**(679,263)**	**780,672**
Loss for the year	**-**	**-**	**-**	**(1,147,202)**	**(1,147,202)**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**
Issue of share capital	**150,564**	**961,418**	**-**		**1,111,982**
Warrant based payments		**-**	**27,838**	**-**	**27,838**
Balance at 31 March 2023	**759 049**	**1,795,358**	**45,348**	**(1,826,465)**	**773,290**

The notes on pages 27 to 39 form part of these financial statements

Consolidated Statement of Cash Flows
for the Year Ended 31 March 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Cash flows from operating activities			
Loss before tax		**(1,147,202)**	(426,548)
Adjustments for:			
Warrant-based payments	17	**27,838**	17,510
Services settled in shares		**-**	27,425
Depreciation		**12,745**	-
Finance costs		**3,181**	-
Net cash flow from operating activities before changes in working capital		**(1,103,438)**	(381,613)
Changes in working capital:			
Movement in trade and other receivables	11	**(75,317)**	(1,752)
Movement in trade and other payables	14	**161,945**	23,076
Net cash flow used in operating activities		**(1,016,810)**	(360,290)
Purchase of plant and machinery		**(14,521)**	-
Net cash used in investing activities		**(14,521)**	-
Cash flow from financing activities			
Proceeds arising as a result of the issue of ordinary shares	13	**1,111,982**	1,192,777
Interest paid		**(3,181)**	-
Net cash flow from financing activities		**1,108,801**	1,192,777
Net increase in cash and cash equivalents in the year		**77,470**	832,487
Cash and cash equivalents at beginning of the year		**849,179**	16,692
Cash and cash equivalents at end of the year	12	**926,650**	849,179

Company Statement of Financial Position
for the Year Ended 31 March 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
NON-CURRENT ASSETS			
Investments	9	**-**	-
CURRENT ASSETS			
Trade and other receivables	11	**809,578**	814,672
Cash and cash equivalents	12	**-**	-
TOTAL ASSETS		**809,578**	814,672
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company:			
Share capital	13	**759,048**	608,485
Share premium	13	**1,795,358**	833,940
Warrant reserve		**45,348**	17,510
Accumulated deficit		**(1,826,465)**	(679,263)
TOTAL EQUITY		**773,289**	780,672
CURRENT LIABILITIES			
Trade and other payables	14	**36,289**	34,000
TOTAL LIABILITIES		**36,289**	34,000
TOTAL EQUITY AND LIABILITIES		**809,578**	814,672

The Company has taken exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss after tax of the parent company for the year was £1,147,202 (2022: £457,041).

The financial statements were approved and authorised for issue by the Board of Directors on 12 June 2023 and were signed on its behalf by:

Thomas Todd
Director

The notes on pages 27 to 39 form part of these financial statements

**Company Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Share premium £	Share based payment reserve £	Warrant reserve £	Accumulated deficit £	Total equity £
Balance at 1 April 2021 (Unaudited)	**222,223**	**-**	**-**	**-**	**(222,222)**	**1**
Loss for the year	-	-	-	-	(457,041)	(457,041)
Total comprehensive loss for the year	-	-	-	-	(457,041)	(457,041)
Issue of share capital	386,262	833,940	-	-	-	1,220,202
Warrant based payments	-	-	-	17,510	-	17,510
Balance at 31 March 2022	608,485	833,940	-	17,510	(679,263)	780,672
Balance at 1 April 2022	**608,485**	**833,940**	**-**	**17,510**	**(679,263)**	**780,672**
Loss for the year	**-**	**-**	**-**	**-**	**(1,147,202)**	**(1,147,202)**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(1,147,202)**	**(1,147,202)**
Issue of share capital	**150,564**	**961,418**	**-**	**-**	**-**	**1,111,982**
Warrant based payments	**-**	**-**	**-**	**27,838**	**-**	**27,838**
Balance at 31 March 2023	**759,049**	**1,795,358**	**-**	**45,348**	**(1,826,465)**	**773,290**

The notes on pages 27 to 39 form part of these financial statements

Company Statement of Cash Flows
for the Year Ended 31 March 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Cash flows from operating activities			
Loss before tax		**(1,147,202)**	(457,041)
Adjustments for:			
Impairment of fixed asset investments	9	**-**	177,778
Impairment of amounts owed by group undertakings		**1,041,905**	224,360
Share-based payments	17	**27,838**	17,510
Net cash flow from operating activities before changes in working capital		**(77,459)**	(37,393)
Changes in working capital:			
Movement in trade and other receivables	11	**(1,036,811)**	(983,037)
Movement in trade and other payables	14	**2,288**	5,430
Net cash flow used in operating activities		**(1,111,982)**	(1,015,000)
Cash flow from investing activities			
Acquisition of an investment	9	**-**	(177,777)
Net cash flow from investing activities		**-**	(177,777)
Cash flow from financing activities			
Proceeds arising as a result of the issue of ordinary shares	13	**1,111,982**	1,192,777
Interest paid		**-**	-
Net cash flow from financing activities		**1,111,982**	1,192,777
Net increase in cash and cash equivalents in the year		**-**	-
Cash and cash equivalents at beginning of the year		**-**	-
Cash and cash equivalents at end of the year		**-**	-

The notes on pages 27 to 39 form part of these financial statements

Notes to the Financial statements

1. ACCOUNTING POLICIES

General information
Aberdeen Minerals Ltd (formerly Strategic Minerals Europe Ltd), a private company limited by shares, is incorporated in England and Wales under the Companies Act 2006.

The Company's registered office is Goodwood House, Blackbrook Park Avenue, Taunton, Somerset, TA1 2PX, United Kingdom.

Statement of compliance and basis of preparation
As a result of the UK leaving the EU, the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/685) require all companies with accounting periods beginning on or after 1 January 2021 to apply UK-adopted IAS.

The Group has adopted UK-adopted International Accounting Standards (referred to as "IFRS") with effect from 1 April 2020 (see basis of consolidation below).

The financial statements have been prepared under the historical cost convention as described in the accounting policies set out below.

The presentation currency used in the financial statements is sterling rounded to the nearest pound (£).

New standards, amendments and interpretations adopted by the Group
At the date of authorisation of these financial statements, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard	Effective date, annual period beginning on or after
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (February 2021)	1 January 2023
Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes	1 January 2023
Classification of liabilities as current or non-current (Amendments to IAS 1)*	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16*	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)*	1 January 2024

*None of these have been endorsed for use in the UK and will not be adopted until such time as endorsement has been confirmed.

The adoption of these standards is not expected to have any material impact on the financial statements of the Group.

Notes to the Financial statements

1. ACCOUNTING POLICIES *(continued)*

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2023.

On 22 June 2020, the company acquired the entire share capital of Aberdeen Minerals Exploration Ltd. As a result of satisfying the conditions for applying merger accounting (book-value method of consolidation), the consolidated financial statements report the results and financial position of the Group as if the Group structure has always been in place.

The profit and loss account and cashflow statement included within these accounts therefore record activity for the year ended 31 March 2023 with the year ended 31 March 2022 as comparatives.

The consolidated financial statements incorporate those of Aberdeen Minerals Ltd and its subsidiary Aberdeen Minerals Exploration Ltd.

Business combinations involving entities under common control

The Company acquired its subsidiary by means of a share-for-share exchange which has resulted in a business combination involving entities under common control, where no acquirer is identified. As the Company acquired another company, by means of such a share-for-share exchange, resulting in a business combination involving entities under common control and where no acquirer is identified, the "pooling of interests" or "merger" method of consolidation has been used. Therefore, the difference between the purchase consideration and the carrying value of the share capital and reserves acquired is adjusted to equity and the comparative consolidated figures are stated on a combined basis.

All financial statements are made up to 31 March 2023. All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated upon consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

No profit and loss account is presented for the Company, as permitted.

Going concern

The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The directors' determination of the going concern status has principally been determined by examining the Group's cash position, determining which proportion of expenditure is discretionary, and assessing its future prospects for raising funds. In making this assessment, the directors have considered the likely impacts of future COVID-19 related restrictions and potential future delays to work schedules. The directors have also considered the likely impact of the war in Ukraine and continuing hostilities between Russia and other western nations, and the likely impact on demand, supply and market sentiment towards minerals exploration in Scotland.

The directors maintain cash flow forecasts looking ahead for periods not less than 12 months. As at the year-end, the Group's cash balance was £926,650 (2022: £849,179). However, as at the date of approval of the financial statements, the cash flow forecast indicated that additional cash resources will be required in order to meet the strategic aims of the Group and the directors therefore acknowledge this represents a material uncertainty as to the Company's and Group's ability to continue as a going concern. This is a common situation for early-stage exploration companies, and is factored into the Group's business model. Investor sentiment towards investment in early-stage mineral exploration projects in the UK is therefore a key determinant as to the Group's ability to continue as a going concern.

Notes to the Financial statements

1. ACCOUNTING POLICIES *(continued)*

Going concern (*continued*)
The Board and the Group have a successful track record in having raised finance in the past, but no assurance can be given that any additional funding will be available should it become required, or if such funding was available, that it would be offered on reasonable terms, albeit the founding shareholders and management team have indicated their likely support in providing additional funding to the Group.

Notwithstanding the above, the directors consider the Group and the Company to be a going concern and therefore have prepared these financial statements on a going concern basis.

Foreign currencies
Transactions entered into by the Group in a currency other than the currency of the primary economic environment in which they operate (their “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Finance income and costs
Finance costs includes interest expenses and similar charges. Interest expense is recognised on a time proportionate basis using the effective interest method.

Exploration and evaluation expenditure
Exploration and evaluation expenditure comprises costs that are directly attributed to:

- Researching and analysing exploration data: conducting geoscientific studies, exploratory drilling and sampling;
- Examining and testing extraction and treatment methods; and/or
- Compiling pre-feasibility and feasibility studies.

Exploration expenditure relates to the initial search for deposits with economic potential.

Evaluation expenditure relates to a detailed assessment of deposits or other projects that have been identified as having economic potential. Capitalisation of evaluation expenditure commences when there is a high degree of confidence that the Group will determine that a project is commercially viable, that is the project will provide satisfactory return relative to its perceived risks and therefore it is considered probable that future economic benefits will flow to the Group.

Share-based payments & share warrants
The Company has issued share warrants, and may in the future issue further warrants and share options, each of which provide for an agreed number of shares to be acquired at a future date at a certain price, should the warrantholder or optionholder choose to exercise their warrant or option. The fair value of equity-settled share-based payments is determined at the date of the grant and is expensed on a straight-line basis over the vesting period based on the Company's estimate of warrants or options that will eventually vest. Full disclosure of the calculation model is given in note 16.

Taxation
Taxes payable is based on taxable profit for the year which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the statement of financial position date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the statement of financial position and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature. Deferred tax assets are reviewed for recoverability at every statement of financial position date, and the amount probable of recovery is recognised.

Notes to the Financial statements

1. ACCOUNTING POLICIES *(continued)*

Taxation (*continued*)

Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognised in Other Comprehensive Income or resulting from a business combination or disposal.

Changes resulting from amendments and revisions in tax laws and tax rates are recognised when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognised in the financial statements based on management's expectations.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority.

Tangible fixed assets

Tangible assets are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Right-of-use assets are carried under the cost model. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

Depreciation is provided at the following annual rates in order to write off each asset over its finite estimated useful life.

Plant and machinery	- 25% straight line basis
Right of use assets	- shorter of the useful life or the lease term, on a straight-line basis

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment

At each reporting date, the Group reviews the carrying amounts of its fixed assets to determine whether there is any indication that they are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Any impairment loss is recognised as an expense within profit or loss immediately.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been previously recognised for that asset. A reversal of an impairment loss is recognised as a gain within profit or loss immediately.

Leased assets

At inception of the contract, the Group assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee unless the lease is considered to be low value or a short-term lease where Payments made under these type of leases are charged to profit or loss on a straight-line basis over the period of the lease.

The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

Notes to the Financial statements

1. ACCOUNTING POLICIES *(continued)*

Leased assets (*continued)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate which was assessed to be 5.25%. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made on or before the commencement day, less any lease incentives received and plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses (cost model as described above). Impairment is assessed as described above.

Trade and other receivables

Trade and other receivables where payment is due within one year do not constitute a financing transaction and are recorded at the undiscounted amount expected to be received, less attributable transaction costs. Any subsequent impairment is recognised as an expense in profit or loss.

If payment is due after more than one year or if there is any other indication of a financing transaction, trade and other receivables are recorded initially at fair value less attributable transaction costs. In this situation, fair value is equal to the amount expected to be received, discounted at a market-related interest rate.

All trade and other receivables are subsequently measured at amortised cost, net of impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade and other payables

Trade and other payables are initially recognised at fair value less attributable transaction costs. They are subsequently measured at amortised cost.

Financial instruments

<u>Financial instruments at amortised costs</u>

The Group has only recognised basic financial instruments as defined in IFRS. The financial assets and financial liabilities of the Group are as follows:

Financial assets – trade and other debtors, accrued income, amounts owed by Group undertakings and other debtors are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

The basic financial assets are assessed annually for impairment. The general approach incorporates a review of any significant increase in counterparty credit risk since inception. The review includes assumptions about the risk of default and expected loss rates. Any impairment or reversal of a prior impairment is expensed within the profit and loss.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, amounts owed to Group undertakings, bank loans, accrued expenses and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security and corporation tax creditors are not included in the financial instruments disclosure definition.

<u>Financial instruments at fair value through profit or loss ("FVPL")</u>

As noted above the Group has only recognised basic financial instruments. The Group has the option to negotiate exclusivity rights over certain leases and the right to negotiate for a prospecting access agreement which will include an option for an exclusive mineral rights agreement.

Notes to the Financial statements

1. ACCOUNTING POLICIES *(continued)*

Financial instruments (*continued*)

At the year-end it has not been deemed appropriate to recognise an asset at fair value in relation to these agreements because, although the agreements confer certain rights to carry out exploration activities, the agreements are of an initially short-term nature and further agreement would be required before more substantive exploration work can be carried out.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the financial statements the directors make certain critical estimates and assumptions. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share based payments

Where equity-settled share options or warrants are awarded or granted, the fair value of the options or warrants at the date of grant is charged to the Consolidated Statement of Comprehensive Income.

Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options or warrants are modified before they vest, the change in the fair value of the options, measured immediately before and after the modification, is also charged to the Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees for goods and services received, the fair value of goods and services received is recognised in either the Statement of Comprehensive Income or the Statement of Financial Position in accordance with the Group’s relevant accounting policies. Where it is not possible to reliably value the goods or services received, the fair value is measured by valuing the equity instruments granted using an option an option pricing model. The probability of non-vesting conditions being satisfied are included in the fair value recognised at the measurement date.

On lapse of the share options or warrants, the cumulative fair value registered in the Share Based Payment Reserve and Warrant Reserve respectively is transferred to Retained Earnings.

3. SEGMENTAL REPORTING

The Group has one activity only. The whole of the value of the Group's and the Company's net assets in their respective financial statements at 31 March 2023 and 2022 was attributable to UK assets and liabilities.

4. OPERATING LOSS

Group and Company

	2023	2022
	£	£
Loss from operations has been arrived at after charging:		
Directors’ fees	**-**	-
Share based payment charge	**27,838**	17,510
Fees payable to the Company’s auditor for the audit of the Group and Company’s financial statements	**25,200**	28,000

Notes to the Financial statements

5. EMPLOYEES AND DIRECTORS

The average number of persons employed by the Group in the financial year (including directors) was 2 (2022: 2).

The key management personnel of the Group are the directors and the CEO.

The following tables set out and analyse the remuneration of the key management personnel, and thereby the employees of the Group for the years ended 31 March 2023 and 2022.

For the year ended 31 March 2023:

	Salary	Fees	Total emoluments	Contribution to Pension schemes	Share Based Payments	Total remuneration
	£	£	£	£	£	£
Key management	**-**	68,000	-	-	18,076	**86,076**
	-	**68,000**	**-**	**-**	**18,076**	**86,076**

For the year ended 31 March 2022:

	Salary	Fees	Total emoluments	Contribution to Pension schemes	Share Based Payments	Total remuneration
	£	£	£	£	£	£
Key management	-	-	-	-	17,510	17,510
	-	-	-	-	17,510	17,510

Share based payments set out in the tables above reflect the fair value attributed to share warrants awarded to the directors only; expenses relating to share based payments are further disclosed in note 17.

No share options were granted to, or were exercised by the directors, and no shares were received or receivable by any director in respect of qualifying services under a long-term incentive scheme.

Save for the award of share options/warrants, which the Group may award to key management personnel, the Group does not currently operate any other long term incentive plans.

No termination payments were made during the years ended 31 March 2023 or 2022.

6. INCOME TAX

The charge for the year is made up as follows:

	2023	2022
	£	£
Current tax	**-**	-
Tax charge for the year	**-**	-

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2023 nor for the year ended 31 March 2022. No deferred tax asset has been recorded on tax losses carried forward.

Notes to the Financial statements

6. INCOME TAX *(continued)*

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Loss on ordinary activities before tax	**(1,147,202)**	(426,548)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	**(217,968)**	(81,044)
Effects of:		
Non-deductible expenses	**-**	-
Income not chargeable to tax	**-**	-
Unrelieved tax losses carried forward	**217,968**	81,044
Tax expense	**-**	-

7. LOSS PER SHARE

Basic loss per share is calculated, as set out in the tables below, by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

In accordance with IAS 33, as the Group is reporting a loss for both this and the preceding year the share warrants are not considered dilutive because the exercise of these would have the effect of reducing the loss per share.

As at 31 March 2023:

	Loss £	**Weighted average number of shares**	**Per-share amount, pence**
Basic loss attributable to the ordinary shareholders	(1,147,202)	63,931,886	(1.79) p

As at 31 March 2022:

	Loss £	**Weighted average number of shares**	**Per-share amount, pence**
Basic loss attributable to the ordinary shareholders	(426,548)	24,991,342	(1.70) p

8. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £1,147,202 (2022: £457,041).

Notes to the Financial statements

9. INVESTMENTS

Parent company	**Shares in group undertakings**
	£
COST	
At 31 March 2022	400,000
Additions	-
At 31 March 2023	**400,000**
PROVISION FOR IMPAIRMENT	
At 31 March 2022	(400,000)
Impairment	-
At 31 March 2023	**(400,000)**
NET BOOK VALUE	
At 31 March 2023	**-**
At 31 March 2022	-

At 31 March 2022, the Company reviewed the carrying amount of its fixed asset investment in Aberdeen Minerals Exploration Ltd, determining that currently the recoverable amount of its investment was lower than the carrying amount; an impairment loss was recognised as an expense during the year ended 31 March 2022. The carrying value was reviewed for the year ended 31 March 2023 and it was concluded that the impairment should not be reversed at that time.

Subsidiaries

Aberdeen Minerals Exploration Ltd

Registered office:	Unit 8 Castle Street, Castlepark Industrial Estate, Ellon, Scotland, AB41 9RF
Nature of business:	Exploration and mining
Class of shares:	Ordinary
Holding:	100.00%

10. TANGIBLE ASSETS

	Right of use assets	**Plant and machinery**	**Total**
	£	**£**	£
COST			
Balance at 1 April 2022	-	-	**-**
Additions	97,658	1,464	**99,122**
Disposals	-	-	**-**
Balance at 31 March 2023	**97,658**	**1,464**	**99,122**
ACCUMULATED DEPRECIATION			
Balance at 1 April 2022	-	-	**-**
Depreciation charge for the year	12,379	366	**12,745**
Depreciation on disposal/revaluations	-	-	**-**
Balance at 31 March 2023	**12,379**	**366**	**12,745**
NET BOOK VALUE			
At 31 March 2023	**85,279**	**1,098**	**86,377**
At 31 March 2022	-	-	-

Notes to the Financial statements

10. TANGIBLE ASSETS *(continued)*

Right-of-use assets

The right-of-use assets relate to leased property. At 31 March 2023, the company was committed to £84,602 (2022: £nil) in future lease payments, none of which relates to short-term leases. The carrying amount of the lease liabilities approximates the fair value. Of these commitments £18,300 (2022: £nil) was due within 1 year and £66,302 (2022: £nil) is due after more than one year. No amount was due in more than 5 years. In line with the accounting policy the liability recognised within the financial statements reflects the net present value of the future lease payments with £14,706 being recognised as due within one year and £69,896 being recognised as due over 1 year.

A depreciation charge of £12,379 (2022: £nil) has been recognised in profits in relation to right-of use assets.

An interest expense of £3,185 (2022: £nil) has been recognised in profits in relation to right-of use assets.

11. TRADE AND OTHER RECEIVABLES

	Group		Parent Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
VAT	**68,424**	2,166	**1,938**	-
Prepayments	**9,059**	-	**300**	-
Amounts owed by group undertakings	**-**	-	**807,340**	814,672
	77,483	2,166	**809,578**	814,672

At 31 March 2023, the Company determined to impair the amount owed by group undertakings, by £1,266,266 of which £1,041,905 relates to this period.

12. CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Bank accounts	**926,650**	849,179	**-**	-

13. SHARE CAPITAL

a) Called up, allotted and fully paid share capital

	No. Ordinary shares	**Allotment price (£s)**	**Share Capital (£s)**	**Share Premium (£s)**
Total as at 31 March 2022 - £1.00 each	60,848,494		608,485	833,940
Share issue - £0.01 each	12,008,037	£0.075	120,081	780,522
Share issue - £0.01 each	3,048,332	£0.075	30,483	198,141
Share issue costs offset	-	-	-	(17,245)
Total as at 31 March 2023 - £0.01 each	**75,904,863**		**759,049**	**1,795,358**

All Ordinary shares of the Company are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

Notes to the Financial statements

13. SHARE CAPITAL *(continued)*

b) Share warrants in issue

Series	Exercise price	Expiry date	At 1 April 2022	Issued/(lapsed)	At 31 March 2023
A	£0.015	26/10/2026	3,750,000	-	3,750,000
B	£0.015	15/11/2024	2,100,000	770,000	2,870,000
Total			**5,850,000**	**770,000**	**6,620,000**

Series B share warrants were granted to the founding shareholders and management personnel; the Series B Warrant Instrument provided for a maximum of 3 million Series B share warrants to be issued.

The series B warrants issued to directors and other founding shareholders vest only upon an initial public offering, reverse takeover, or other public market liquidity event at a share price of £0.075 per share or more, completed on or before 30 November 2024. Series B warrants issued to other management personnel may be subject to different performance hurdles.

See also note 18 for further information in connection with changes that took place after 31 March 2023.

14. TRADE AND OTHER PAYABLES

	Group		Parent Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade creditors	**196,152**	36,673	**3,865**	-
Lease liabilities	**14,706**	-	**-**	-
Accruals and deferred income	**36,466**	34,000	**32,424**	34,000
	247,324	70,673	**36,289**	34,000

15. LEASES

At inception of a lease contract, the Group assesses whether a contract is, or contains, a lease. At the year end the Group, having assessed its lease contracts considered them to be low value and/or a short-term and so have not recognised either an asset or liability at the year end.

The Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Not later than 1 year	35,350	22,800	**-**	-
Later than 1 year and not later than 5 years	64,450	25,394	**-**	-
	99,800	48,194	**-**	-

16. RELATED PARTY DISCLOSURES

Details of directors' remuneration are given in note 5.

On 21 October 2021, the Company and its subsidiary Aberdeen Minerals Exploration Ltd, entered into a tripartite agreement with Dalmunzie Investments Ltd, a company wholly owned by Thomas Todd. Under the terms of that agreement, as consideration for the cash receipt of £12,724, Aberdeen Minerals Exploration Ltd granted to Dalmunzie Investments Ltd ("Dalmunzie") a 1.0% net smelter royalty ("NSR") over the Group's Aberdeenshire project, covering the area of Scotland to the north and east of the location 57° 00' 00.0" N 3° 30' 00.000" W. The underlying interest in the NSR is shared equally amongst the five founding shareholders of the Company. Each of the present directors of the Company is a founding shareholder of the Company.

Notes to the Financial statements

16. RELATED PARTY DISCLOSURES *(continued)*

Under the terms of the Dalmunzie agreement, the Company agreed to act as guarantor for Aberdeen Minerals Exploration Ltd, for the benefit of Dalmunzie.

17. SHARE BASED PAYMENTS

As at 31 March 2023, the Company had granted warrants over unissued shares of the Company. The warrants entitled the holder to acquire a number of the Company's shares at a predetermined value.

The fair values of these warrants at the date of grant have been measured using the Black-Scholes pricing model, which takes into account factors such as the option life, share price volatility and the risk-free rate.

Each share warrant vested and, subject to the meeting of performance conditions (where applicable) was exercisable immediately upon grant. The share-based expense relating to each share warrant was recognised in full on the date of grant.

Share warrants

Series	Date of grant	Share price	Exercise price	Risk Free Rate[1]	Expected life of options	Expected yield	Expected volatility[2]	Fair value per option
A	26 October 2021	£0.01	£0.015	0.05%	5	0%	53%	£0.00337
B	15 November 2021	£0.01	£0.015	0.05%	3	0%	53%	£0.00337
B	12 December 2022	£0.01	£0.015	2.93%	1.9	0%	53%	£0.00362

[1] Daily sterling overnight index average (SONIA) rate at the date of grant was adopted as the effective risk-free rate.
[2] Expected volatility is based on management's estimate of the expected volatility

During the year ended 31 March 2023, the Company granted warrants over 770,000 of its shares, all of which remained outstanding at 31 March 2023 (2022: 5,850,000). As at 31 March 2023, all of the Series A warrants were exercisable (2022: 3,750,000); none of the vesting conditions of the Series B warrants had been met (2022: nil); no warrants lapsed during the year (2022: nil). The weighted average exercise price per share was £0.015.

The directors' beneficial interests (including those held by their connected persons) in the share options and warrants of the Company as at 31 March 2023 are as follows:

Director	Number of options	Number of warrants	Exercise price per share	Latest exercise date
Patrick Murphy[1]	-	843,750	£0.015	26/10/2026
Patrick Murphy[2]	-	750,000	£0.015	15/11/2024
Thomas Todd[1]	-	843,750	£0.015	26/10/2026

[1] Series A warrants
[2] Series B warrants

18. EVENTS AFTER THE REPORTING PERIOD

In May 2023, 3,750,000 new Ordinary shares were issued at a price of £0.015 upon the exercise of Series A Warrants.

19. FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise cash and cash equivalents and other receivables/payables. The Group's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in note 1. The Group does not use financial instruments for speculative purposes.

Notes to the Financial statements

19. FINANCIAL INSTRUMENTS *(continued)*

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	Group		Parent Company	
	2023	2022	**2023**	2022
Financial assets at amortised cost	**£**	£	**£**	£
Cash and cash equivalents	926,650	849,179	**-**	-
Prepayments and accrued income	9,059	-	300	-
Financial liabilities at amortised cost				
Trade payables and accruals	317,220	70,673	300	34,000

a) Financial risk management objectives and policies

The Group's major financial instruments include bank balances and amounts payable to suppliers. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

b) Commodity price risk

The Group is carrying out exploration activities, seeking to delineate deposits of copper, nickel and/or cobalt. Market sentiment for companies involved in exploration activities for these metals is influenced by the current market price, as well as the forecast price, of these commodities. Therefore the price at which the Company is able to raise additional finance is impacted by the price of these commodities.

c) Cash flow risk

The directors are obliged to pursue the stated strategy of the Group, which requires the investment of funds in its stated activity. As the Group has no recurring revenues, the pursuit of the strategy results in the depletion of cash resources, and future exploration is therefore dependent on the availability of additional funding.

d) Liquidity risk

Liquidity risk arises from the Group's management of working capital and funding arrangements.

The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Directors have considered the liquidity risk as part of their going concern assessment (see note 1). Controls over expenditure are carefully managed in order to maintain its cash reserves whilst it targets a suitable transaction. Financial liabilities are all due within one year.

e) Credit risk

The Group's credit risk is wholly attributable to its cash balance. The credit risk from its cash and cash equivalents is limited because the counterparties are banks with high credit ratings and have not experienced any losses in such accounts.

f) Interest risk

The Group's exposure to interest rate risk is the interest received on the cash held, which is immaterial.

g) Capital risk management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The Group has no borrowings. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

h) Fair value of financial assets and liabilities

There are no material differences between the fair value of the Group's financial assets and liabilities and their carrying values in the financial information.

20. ULTIMATE CONTROLLING PARTY

The directors believe there is no ultimate controlling party.