

Company Registration Number: 02401127

KENDRICK RESOURCES PLC

ANNUAL REPORT

29 DECEMBER 2024

CONTENTS

	<i>Page</i>
Directors and advisers	2
Chairman's Statement	3
Operational Financial Corporate and Strategy Reviews	5
Strategic Report	9
Board of Directors	16
Directors' Remuneration Report	18
Corporate Governance Statement	22
Directors' Report	28
Statement of Directors' Responsibilities	31
Independent Auditor's Report	32
Group Statement of Comprehensive Income	38
Group Statement of Financial Position	39
Company Statement of Financial Position	40
Group Statement of Cash Flow	41
Company Statement of Cash Flow	42
Group Statement of Changes in Equity	43
Company Statement of Changes in Equity	44
Notes to the Financial Statements	45 - 78

DIRECTORS AND ADVISERS

DIRECTORS

C Bird - Chairman
M A Borrelli - Non-Executive Director
K Thygesen - Non-Executive Director
E Kirby – Non-Executive Director
M Churchouse – Managing Director

COMPANY SECRETARY

N A C Lott

REGISTERED AND HEAD OFFICE

7/8 Kendrick Mews
London SW7 3HG
Registered No. 02401127

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London EC2A 2AP

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JOINT BROKERS

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REGISTRARS

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Kendrick Resources PLC

CHAIRMAN'S STATEMENT

WEBSITE www.kendrickresources.com

Dear Shareholder,

In the year under review the Company made a full assessment of the status and potential of its projects in the light of the current commodity markets, their relative prospectivity and the funding market for junior exploration companies.

Airijoki Project: The Airijoki Vanadium project in Sweden has demonstrated that it is a robust project with many options to bring it to account. The project area covers 39.41km² and has an inferred mineral resource comprising of 44.3million tonnes of an in-situ grade with 5.9million tonnes of magnetite averaging 1.7% VTO5.

The exploration work to date indicates the potential to at least double the size of the Airijoki project and external metallurgical test work has demonstrated that increasing recovery, whilst maintaining concentrate grade, is a strong possibility.

In addition, we have identified potential for copper, nickel, cobalt, gold and palladium, which are coincident with underlying airborne geophysical anomalies. Thus, we have a multi-commodity project area, underpinned by the Vanadium project and, in a tight market for exploration companies, we have decided that in Scandinavia the Group will focus on the Airijoki Vanadium project and make an impairment provision against its other vanadium projects in Sweden and Finland due to their relative lack of prospectivity compared to the Airijoki project.

Nickel Projects: The Nickel projects in Sweden and Norway, all indicate scope for increased discovery with the Mjovattnet and Njuggtraskliden projects being open ended with a combined potential of 25km of strike (“**Swedish Nickel Line Projects**”). The Norwegian Nickel properties within the Espedalen Nickel complex have good potential for sulphide nickel and contain 10 untested targets (“**Norwegian Nickel Projects**”). However at the time of writing this report the nickel producing industry has been severely tested by the massive investment by the Chinese into Indonesia. Resulting flows of nickel from Indonesia have severely adversely affected the supply demand balance with a negative effect on the nickel price and the ability to raise funds for nickel exploration projects. Many nickel miners and exploration companies around the world have been forced to close and / or re-focus their operations. The Board does not anticipate that this situation will change in the short to midterm and are thus reluctant to commit to new nickel exploration programmes which are unlikely to produce new mines within a reasonable forecastable timeframe. Against this backdrop, the Board has decided to discontinue Nickel exploration in Scandinavia and make a full impairment provision against the Swedish Nickel Line and Norwegian Nickel Projects.

Results for the year: The Group reported a loss before taxation for the year of £3,437,121 (2023: £1,099,162) mainly due to administrative costs of £693,059 (2023: £580,287), including professional, consulting and directors’ fees and an impairment of £2,737,711 (2023: £448,904) against licences we have decided to relinquish to focus on our Airijoki, project. Net assets at 29 December 2024 amounted to £1,320,795 (2023: £4,577,999) including exploration and evaluation assets of £2,200,826 (2023: £4,756,879) and cash of £17,551 (2023: £199,992).

Outlook The junior resource market has been depressed since July 2021 but is showing some signs of improving for the right projects but generally shows little prospect of a recovery in the short term. The exception is gold which is enjoying its day in the sun and copper is also showing positive signs of price increase. Lithium/nickel/zinc have all come under pressure and do not appear to be sharing any price increase forecast and thus remain under pressure.

The small cap resource market is more inclined to the prospect of immediate production and less supportive of pure exploration. This situation has been exacerbated by the uncertainty that the Trump government has created by impending tariffs and increase in global geo-political tension. Paradoxically many countries are developing strategies to protect their supply chains for copper and other critical metals essential for the production of batteries, electronics, renewable energy technologies, and various high-tech applications which requires investment in exploration to find and develop tomorrow's mines.

Against this background the Board remain convinced that copper and other critical metals should be the focus for the Company and as such in addition to retaining the Airijoki Project are looking to restructure the portfolio to focus on these metals in jurisdictions they know, including Southern Africa, and have identified personnel to carry out the necessary technical evaluation of potential projects. The Board have identified a number of opportunities which are currently being evaluated for best contribution to the Group's future. Our acquisition search will be dominated by copper and other critical metals in areas the Board has experience in order to be positioned in the right commodities at the right time when markets improve. We will keep shareholders posted on our progress and in the meantime will seek to minimise costs and cash outgoings.

AGM and Resolutions: The resolutions for the forthcoming Annual General Meeting will be contained in a separate Notice which will be made available to shareholders and on the website www.kendrickresources.com. The Directors will recommend shareholders to vote in favour of all the resolutions and a form of proxy will be dispatched to all shareholders for this purpose.

Colin Bird

Chairman



29 April 2025

INTRODUCTION

Kendrick Resources Plc was admitted to the Standard Segment of the Main Market of the London Stock Exchange ("Admission") on 6 May 2022 and is currently listed on the FCA's Official List (Equity Shares (transition)) its principal activity is that of mining exploration and development. The Company's focus has been on vanadium, nickel, and copper battery metals projects in Scandinavia via its subsidiaries.

The Directors are required to provide a year-end report in accordance with the Financial Conduct Authorities ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Directors consider this Financial, Corporate and Operational Review along with the Chairman's Report, the Strategic Review and the Directors' Report provides details of the important events which have occurred during the period and which impact on the financial statements as well as the outlook for the Company and Group going forward.

The Company's strategy is to enhance the value of its mineral resource projects through exploration and technical studies conducted by the Company or through joint venture or other arrangements with a view to establishing the projects can be economically mined for profit. The Group has been seeking to do this by building an energy metals production business focused on nickel, vanadium and copper mineral resources projects in Scandinavia. Having assessed the current funding market for nickel exploration and development companies and the operational and maintenance costs of its projects and their relative prospectivity the Board has decided to focus on its Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of its other projects were they fully funded.

Given the Board's extensive resource project experience in Southern Africa and the relative cost of developing projects in Southern Africa compared to Scandinavia the Board has decided that it is in the best interest of shareholders to seek new copper and critical metals project opportunities in areas the Board have expertise in, including Southern Africa, and will update shareholders when an appropriate projects(s) are identified and in the meantime the Group will seek to minimise costs.

Operational Review

Acquisition during the year

There were no acquisitions during the year.

Impairment Provision

Having assessed the current funding market for nickel focussed exploration and development companies and the operational and maintenance costs of its projects the Board has decided to focus on its Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of its other projects were they fully funded.

In light of this assessment the decision has been made to make a full impairment provision in relation to the Simesvallen 100, Kullberget 100, Sumasjon 1, Mjovattent and Njuggtraskliden licences in Sweden, the Koitelainen licence in Finland and the Espedalen licences in Norway and some incidental costs incurred in early 2024 in relation to the Karhujupukka North licences in Finland and the Sigdal licence in Norway.

Summary of Retained Airijoki Project:

The Airijoki vanadium copper project in Sweden comprises seven contiguous exploration permits covering 39.41 km² and is supported by an Inferred Mineral Resource comprising 44.3 Mt at an in-situ grade of 0.4% V₂O₅, containing 5.9 Mt of magnetite averaging 1.7% V₂O₅ (in magnetite concentrate) for 100,800 t of contained V₂O₅ based on a 13.3% mass recovery of magnetite concentrate and a 0.7% V₂O₅ cut-off grade, on a 100% equity basis (and net attributable basis).

The main field exploration focus since the acquisition of the Airijoki project was a 1,394 metre exploration drill program at the Airijoki vanadium copper project in Sweden conducted late in 2023 the results of which were announced on 8 February 2024.

The highlights of the drill results were:

- Results have been received for whole rock and vanadium magnetite concentrates produced from eight holes drilled north of the existing Airijoki vanadium JORC Mineral Resource containing 44.3 Mt @ 0.4% V₂O₅, in-situ, containing 5.9 Mt of magnetite averaging 1.7% V₂O₅.
- Seven out of eight holes drilled intersected Vanadium mineralisation.
- Notable intercepts included:
 - 0.52% V₂O₅ - whole rock (1.77% V₂O₅ - magnetite concentrate) over 28.80m from 77.55m in hole AIR23-003, incl.
 - 0.72% V₂O₅ - whole rock (2.15% V₂O₅ – magnetite concentrate) over 12.00m from 89.50m
 - 0.43% V₂O₅ – whole rock (1.44% V₂O₅ – magnetite concentrate) over 19.15m from 75.85m in hole AIR23-008
 - 0.32% V₂O₅ – whole rock (1.42% V₂O₅ – magnetite concentrate) over 28.65m from 174.50m in AIR23-002
 - incl. 0.40% V₂O₅ – whole rock (1.75% V₂O₅ -magnetite concentrate) over 12 m from 186.5m

The combination of a JORC Mineral Resource, positive assay results and access to a further five contiguous exploration licences expected to generate additional vanadium (and copper) targets for follow up and possible future expansion of the current vanadium resource, support the prospectivity of the Airijoki Project.

The emphasis at Airijoki has been to switch from further drilling to expanding the Mineral Resource, to focusing on the development and implementation of an appropriate strategy to build a sustainable vanadium business, this does not preclude future ongoing exploration. But in the meantime we will be looking to build strategic alliances with both iron ore and vanadium miners and processors, together with an alignment with end users of vanadium, principally in the Vanadium Redox battery sphere. Operating to the highest possible standards, the Company aims to become a significant contributor to the supply of vanadium in the Scandinavian battery arena.

Financial Review

Financial highlights:

- £3.4m loss before tax (2023: £1.1m)
- Approximately £18k cash at bank at the year end (2023: £200k).
- The basic and diluted loss per share of 1.40 pence (2023: loss 0.45 pence) has been calculated on the basis of the loss of £3,437,121 (2023: loss £1,099,162) and on 245,674,119 (2023: 242,565,645) ordinary shares, being the weighted average number of ordinary shares in issue during the year ended 29 December 2024.
- The net asset value as at year end was £1.32m (2023 (£4.58m)).

Fundraisings and issues of shares and options

The Company did not undertake any equity fundraising during the year but on 22 April 2024 announced that the Company had entered into an unsecured convertible loan funding facility (the “**Facility**”) for £500,000 with Sanderson Capital Partners Ltd (the “**Lender**”), a long term shareholder in the Company. The Facility is convertible at 0.75 pence per ordinary share (“**Shares**”) and can be drawn down in 4 tranches of £125,000 each (“**Loan Tranches**”). The Facility is a standby facility as a potential additional source of working capital for the Company in a period when the funding market for junior exploration companies is subject to market volatility. During the year a drawdown of £125,000 (“**Tranche One Drawdown**”) was made and paid under the Facility. During the year a second drawdown of £125,000 (“**Tranche Two Drawdown**”) was made under the Facility but the Tranche Two Drawdown has not yet been paid.

On 18 September 2024 the Company announced that it had issued 6,365,385 ordinary shares to settle £46,000 of accrued fees due to suppliers.

The Company did not issue any share options during the period and issued 4,166,667 warrants exercisable for three years in relation to the drawdown of £125,000 under the Facility which was paid during the year.

Corporate Review

Company Board: The Board of the Company at the date of this report comprises Colin Bird, Executive Chairman, Martyn Churchouse Managing Director and Non- executive directors Kjeld Thygesen, Evan Kirby and Alex Borrelli.

Admission: The Company was admitted to the Official List on the now called FCA’s Official List (Equity Shares (transition) category) and its shares commenced trading on 6 May 2022.

Corporate Acquisitions

There were no corporate acquisitions during the period.

Lock Up and Orderly Market arrangements at IPO:

At Admission the Directors and their related parties, in aggregate, held 47,294,860 Ordinary Shares, representing 21.62% of the Enlarged Share Capital. The Directors agreed with the Company and Novum Securities Limited (“**Novum**”) its Joint Broker, except for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission (Lock-In Period) and then for the following 12 months until 6 May 2024 not to dispose of their Ordinary shares without first consulting the Company and Novum in

order to maintain an orderly market for the shares. The Directors and their related parties did not dispose of any Ordinary Shares during the year.

Strategy Review

The Group's strategy is to enhance the value of its mineral resource projects through exploration and technical studies conducted by the Group or through joint venture or other arrangements with a view to establishing the projects can be economically mined for profit. The Group has been seeking to do this by building an energy metals production business focused on nickel, vanadium and copper mineral resources projects in Scandinavia. Having assessed the current funding market for nickel exploration and development companies and the operational and maintenance costs of its projects and their relative prospectivity the Board has decided to focus on its Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of its other projects were they fully funded.

Given the Board's extensive resource project experience in Southern Africa and the relative cost of developing projects in Southern Africa compared to Scandinavia the Board has decided that it is in the best interest of shareholders to seek new copper and critical metals project opportunities in areas where the Board has experience in, including Southern Africa, and will update shareholders when an appropriate projects(s) are identified and in the meantime the Group will seek to minimise costs.

Outlook

There is current volatility as markets seeks to understand and anticipate the effects of a second Trump administration, a new era of higher tariffs, and the ongoing conflicts in Ukraine and the Middle East. At a macro level there is a supply shortage for copper and critical metals and gold is around all-time highs. Funding markets for exploration companies continued to be depressed in 2024 but are showing some signs of improving for the right projects. The objective of the Board is to work to enhance the value of the Group's Airijoki vanadium project in Sweden and to seek new copper and base and critical metals project opportunities in Southern Africa that can be cost effectively advanced.

The Directors present their strategic report for the year ended 29 December 2024.

PRINCIPAL ACTIVITIES

The Company's principal activity is to enhance the value of its mineral resource projects through exploration and technical studies conducted by the Company or through joint venture or other arrangements with a view to establishing the projects can be economically mined for profit. The Group has been seeking to do this by building an energy metals production business focused on nickel, vanadium and copper mineral resources projects in Scandinavia. Having assessed the current funding market for nickel exploration and development companies and the operational and maintenance costs of its projects and their relative prospectivity the Board has decided to focus on its Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of its other projects were they fully funded.

Given the Board's extensive resource project experience in regions outside Scandinavia including Southern Africa and the relative cost of developing projects in Southern Africa compared to Scandinavia the Board has decided that it is in the best interest of shareholders to seek new copper and critical metals project opportunities in areas the Board has expertise in including Southern Africa and will update shareholders when an appropriate project(s) are identified and in the meantime the Group will seek to minimise costs and cash out goings.

GOING CONCERN

As disclosed in Note 3, the Group currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the Group will require additional funds and/or funding facilities in order to fully develop its business plan.

Ultimately the viability of the Group is dependent on future liquidity in the exploration period and this, in turn, depends on the Group's ability to raise funds to provide additional working capital to finance its ongoing activities. Management has successfully raised funds in the past, but there is no guarantee that adequate funds will be available when needed in the future.

As at 29 December 2024, the Group had net assets of £1.32m and cash and cash equivalents of £18k. An operating loss is expected in the year subsequent to the date of these financial statements and as a result the Group will need to raise funding to provide additional working capital to finance its ongoing activities.

On 22 April 2024 the Company announced it had entered into an unsecured convertible loan funding facility (the "**Facility**") for £500,000 with Sanderson Capital Partners Ltd (the "**Lender**"), a long term shareholder in the Company. The Facility is convertible at 0.75 pence per ordinary share ("Shares") and can be drawn down in 4 tranches of £125,000 each ("**Loan Tranches**"). The Facility is a standby facility as a potential additional source of working capital for the Group in a period when the funding market for junior exploration companies is subject to market volatility. During the year a drawdown of £125,000 ("**Tranche One Drawdown**") was made and paid under the Facility. During the year a second drawdown

notice of £125,000 (“**Tranche Two Drawdown**”) was issued under the Facility but the Tranche Two Drawdown has not yet been paid (see Note 17 for further details).

The Board acknowledges the Disclaimer of opinion in the independent auditors’ report in respect of the Company’s and Group’s ability to continue as a going concern. Based on its current reserves and the Board’s assessment that the Group will be able to raise additional funds, as and when required, to meet its working capital and capital expenditure requirements, the Board have concluded that they have a reasonable expectation that the Company and Group can based on a cash flow forecast to 30 April 2026 continue in operational existence for the foreseeable future and at least for a period of 12 months from the date of approval of these financial statements.

For these reasons the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

ENERGY CONSUMPTION

The Company consumed less than 40MWh during the period and as such is a Low Energy User as defined in the Environmental Reporting Guidelines Including streamlined energy and carbon reporting guidance March 2019 (Updated Introduction and Chapters 1) and as such is not required to provide detailed disclosures of energy and carbon information. Task Force on Climate-related Financial Disclosures are contained in the Corporate Governance Statement.

PROMOTION OF THE COMPANY 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 Company for the benefit of its members, as required by s172 of the Companies Act 2006 as detailed below.

The requirements of s172 are for the Directors to:

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

Our Board of Directors remain aware of their responsibilities both within and outside of the Group. Within the limitations of a Group with so few employees we endeavour to follow these principles, and examples of the application of the s172 are summarised and demonstrated below.

The Company operates as a mining exploration and development company which is speculative in nature and at times may be dependent upon fund-raising for its continued operation. The nature of the business is well understood by the Company's members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements.

The Company is investing time in developing and fostering its relationships with its key suppliers.

As a mining exploration company with future operations based in Scandinavia, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. Task Force on Climate-related Financial Disclosures are contained in the Corporate Governance Statement.

The interests of future employees and consultants are a primary consideration for the Board, and we have introduced an inclusive share-option programme allowing them to share in the future success of the Company. Personal development opportunities are encouraged and supported.

KEY PERFORMANCE INDICATORS

Key performance indicators for the Group as a measure of financial performance are as follows:

	<i>Year ended 29 December 2024</i>	<i>Year ended 29 December 2023</i>
	<i>£</i>	<i>£</i>
Total assets	2,267,173	5,006,709
Net assets	1,320,795	4,577,999
Cash and cash equivalents	17,551	199,992
Trade and other payables	(821,378)	(428,710)
Loss before tax for the year	(3,437,121)	(1,099,162)

Results for the year: The Group reported a loss before taxation for the year of £3,437,121 (2023: £1,099,162) mainly due to administrative costs of £693,059 (2023: £580,287), including professional, consulting and directors' fees and an impairment of £2,737,711 (2023: £448,904) against licences we have decided to relinquish to focus on our Airijoki, project. Net assets at 29 December 2024 amounted to £1,320,795 (2023: £4,577,999) including exploration and evaluation assets of £2,200,826 (2023: £4,756,879) and cash of £17,551 (2023: £199,992).

As explained under the Principal Activities section of this report, the Board has decided the Group should focus on its Airijoki vanadium project in Sweden and is seeking new copper and critical metals projects in areas where the Board has expertise in, including Southern Africa.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to various risks similar to all exploration companies operating in overseas locations relating to political, economic, legal, industry and financial conditions, not all of which are within its control. The Group identifies and monitors the key risks and uncertainties affecting the Group and runs its business in a way that minimises the impact of such risks where possible.

The following risks factors, which are not exhaustive, are particularly relevant to the Group's current and future business activities:

Licensing and title risk

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. The Group must generally and specifically in relation to future projects comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on the Group's result of operations and financial condition. The Group's exploration activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant. This is a risk that all resource companies are subject to, particularly when their assets are in emerging markets. The Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to.

Dependency on key personnel

Management comprises a small team of experienced and qualified executives. The Directors believe that the loss of any key individuals in the team or the inability to attract appropriate personnel could impact the Group's performance.

Although the Group has entered into contractual arrangements to secure the services of its key personnel, the retention of these services and the future costs associated therewith cannot be guaranteed.

Royalty arrangement and the Kabwe plant

Prior to the Company Listing on 6 May 2022 and acquiring the Nordic Projects the Company had an interest in the Kabwe Project which has been fully provided against. As reported in the 2020 accounts Jubilee Metals Group PLC ("Jubilee") is the sole operator of the Kabwe Project and has full control of the execution methodology. In addition, Jubilee has agreed to fund the Kabwe Project by way of debt finance without dilution to Kendrick's shareholding which amounted to a fixed 11% and has been converted to an 11% royalty. Jubilee is currently

actively engaged in copper refining through its purpose-designed refinery at Kabwe. The zinc price has been extremely volatile and the zinc tailings at Kabwe may be metallurgically complex, giving way to copper production, being the best alternative to the refinery. Against the aforementioned, the Board has no expectation of any royalty income in the midterm but are negotiating with Jubilee to sell the royalty back to Jubilee.

Legal risk

The legal systems in the countries in which the Group's operations are currently and prospectively located are different to that of the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. In particular, agreements in place may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Liquidity and financing risk

Although the Directors consider that the Company and Group has sufficient funding in place, there can be no guarantee that further funding will be available and on terms that are acceptable to the Company should additional costs or delays arise. Nor can there be any guarantee that the additional funding will be available to allow the Company to obtain and develop additional projects in the necessary timeframe.

The Directors review the Company's and Group's funding requirements on a regular basis, and take such action as may be necessary to either curtail expenditures and / or raise additional funds from available sources including asset sales and the issuance of debt or equity.

Governmental approvals, licences and permits

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. The Group must comply with known standards and existing laws and regulations, any of which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. Delays in granting such approvals, licences and permits, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on the Group's result of operations and financial condition. The Group's activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant.

Liability and insurance

The nature of the Group's business means that the Group may be exposed to potentially substantial liability for environmental damages. There can be no assurance that necessary insurance cover will be available to the Group at an acceptable cost, if at all, nor that, in the event of any claim, the level of insurance carried by the Group now or in the future will be adequate.

The Group's operations are also subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial and the risk of accidental contamination or injury from hazardous materials with which it works cannot be eliminated. If an accident or contamination were to occur, the Group would likely incur significant costs associated with civil damages and penalties or criminal fines and in complying with environmental laws and regulations. The Group's insurance may not be adequate to cover the damages, penalties and fines that could result from an accident or contamination and the Group may not be able to obtain adequate insurance at an acceptable cost or at all.

Currency risk

The Company expects to present its financial information in sterling although part or all of its business may be conducted in other currencies. As a result, it will be subject to foreign currency exchange risk due to exchange rate movements which will affect the Group's transaction costs and the translation of its results. The majority of the payments were in Euros and SEK (Swedish Krona), but while there were significant fluctuations in the year the payments were not significant at this early stage as there were limited operations.

Economic, political, judicial, administrative, taxation or other regulatory factors

The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the territories in which the Group will operate particularly in the Scandinavian region.

Taxation

Any change in the Company's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments or assets held by the Company, which in turn could affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to shareholders. Statements in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which may be subject to change.

Approved by the Board of Directors and signed on behalf of the Board.

A handwritten signature in black ink, appearing to read 'C Bird', is written over a light grey rectangular background.

C Bird
Chairman

29 April 2025

Kendrick Resources PLC

BOARD OF DIRECTORS

Colin Bird

Executive Chairman Colin is a chartered mining engineer and a Fellow of the Institute of Materials, Minerals and Mining with more than 40 years' experience in resource operations management, corporate management, and finance. Colin has multi commodity mine management experience in Africa, Spain, Latin America and the Middle East. He has been the prime mover in a number of public company listings in the UK, Canada and South Africa. His most notable achievement was founding Kiwara Resources Plc and selling its prime asset, a copper property in Northern Zambia, to First Quantum Minerals for US\$260 million in November 2009.

Other current directorships

Includes African Pioneer Plc, Bezant Resources Plc, Bird Leisure and Admin (Pty) Ltd, Galileo Resources Plc, Lion Mining Finance Ltd, New Age Metals Inc, Revelo Resources Corp, Sandown Holdings, Shamrock Holdings Inc, Tiger Resource Finance Plc, Virgo Business Solutions (Pty) Ltd, Xtract Resources Plc, Camel Valley Holdings Inc, Crocus-Serv Resources (Pty) Ltd, Africibum (Pty) Ltd, Enviro Zambia Ltd, and Eureka Mine International Ltd, ProspectOre Pty Ltd, BC Ventures Limited.

Former directorships in the last 5 years

Braemore Resources Ltd, Dullstroom Plats (Pty) Ltd, Enviro Mining Ltd, Enviro Processing Ltd, Enviro Props Ltd, Galagen (Pty) Ltd, Kabwe Operations Mauritius, Maude Mining & Exploration (Pty) Ltd, NewPlats (Tjate) (Pty) Ltd, Newmarket Holdings, Tjate Platinum Corporation (Pty) Ltd, Windsor Platinum Investments (Pty) Ltd, Windsor SA Pty Ltd, Tara Bar and Restaurant CC, Add X Trading 810 CC, Afminco (Pty) Ltd, Dialyn Café CC, Emanuel Mining and Exploration (Pty) Ltd, Europa Metals Ltd, Isigidi Trading 413 CC, Jubilee Metals Group Plc, Jubilee Smelting & Refining (Pty) Ltd, Jubilee Tailings Treatment Company (Pty) Ltd, M.I.T. Ventures Group, Mokopane Mining & Exploration (Pty) Ltd, NDN Properties CC, Orogen Gold Plc, Pilanesberg Mining Co (Pty) Ltd, Pioneer Coal (Pty) Ltd, PowerAlt (Pty) Ltd, SacOil Holdings Ltd, Sovereign Energy Plc, Thos Begbie Holdings (Pty) Ltd, Mistral Resource Development Corporation Ltd, Galileo Resources South Africa (Pty) Ltd and Holyrood Platinum (Pty) Ltd, Umhlanga Lighthouse Café CC, Glenover Phosphate (Pty) Ltd, Mitte Resources Investment Ltd.

Martyn Churchouse:

Martyn Churchouse is a Geologist and consultant with over 40 years' experience working in the mining industry. He graduated from the University of London with a BSc in Geology and also has a MSc in Mining & Exploration from the Camborne School of Mines. Martyn has had experience as a board director and founder of many AIM listed mining and resource companies. Since the beginning of 2022 Martyn has been a consultant to an exploration company with oversight of exploration and mine development programmes covering multiple targets and resources on the African sub-continent.

Other current directorships

Bybrook Community Concierge Ltd, Ford Flyfishers Limited and M Churchouse Consultancy Limited.

Kendrick Resources PLC

BOARD OF DIRECTORS

Former directorships in the last 5 years

Caerus Mineral Resources Plc and New Cyprus Copper P.A. Ltd.

Kjeld Thygesen

Non-Executive Director Kjeld Thygesen is a mining investment veteran of more than 45 years. After being a mining analyst at James Capel in the latter half of the 1970's he was manager of the commodities department at Rothschild Asset Management between 1980-89. In 1990 he formed Lion Resource Advisors as a specialist adviser in the mining and natural resource sectors. LRA was the advisor to the Midas Fund in the US between 1992-2000, which was one of the top performing funds during that period. From 2002-2008 he was Investment director of Resources Investment Trust, a London listed investment trust which returned a threefold investment during that period. He has served on several mining company boards over the past twenty years including currently being a director of African Pioneer Plc and Xtract Resources Plc.

Alex Borrelli

Non-Executive Director Alex Borrelli, FCA, initially studied medicine and then qualified as a chartered accountant with Deloitte, Haskins & Sells, London in 1982. He then worked in corporate finance at Guinness Mahon, Samuel Montagu and as a corporate finance and main board director at Charterhouse. Through his investment banking career, he has acted on a wide variety of corporate transactions in a senior role, including flotations, takeovers, mergers, and acquisitions for private and quoted companies. For the last 20 years, he has been acting as chairman and director of various listed companies, and is also a director of AIM-listed Greatland Gold PLC, Tiger Royalties and Investments PLC, Bradda Head Lithium Limited and Red Rock Resources PLC.

Evan Kirby

Non-Executive Director Dr Kirby, is a metallurgist with over 40 years of international involvement. He worked initially in South Africa for Impala Platinum, Rand Mines and then Rustenburg Platinum Mines. Then in 1992, he moved to Australia to work for Minproc Engineers and then Bechtel Corporation. After leaving Bechtel in 2002, he established his own consulting company to continue with his ongoing mining project involvement. Evan's personal "hands on" experience covers the financial, technical, engineering and environmental issues associated with a wide range of mining and processing projects.

Other current directorships

Non-executive director of Europa Metals Ltd (listed on AIM and AltX of the JSE) and Bezant Resources Plc (AIM listed), and Director of private company, Metallurgical Management Services Pty Ltd.

Former directorships in the last 5 years

Technical director of Jubilee Metals Group PLC (AIM listed), Balama Resources Pty Ltd (Private Company, formerly ASX listed New Energy Minerals Limited and originally Mustang Resources Limited).

Kendrick Resources PLC

DIRECTORS REMUNERATION REPORT

This Directors' Remuneration Report sets out the Company's policy on the remuneration of Directors, together with details of Directors' remuneration packages and service contracts for the year ended 29 December 2024.

The Company's policy is to maintain levels of remuneration to attract, motivate, and retain Directors and Senior Executives of the highest calibre who can contribute their experience to deliver industry-leading performance with the Company's operations. The Company is nonetheless mindful of the need to balance this objective with the fact that it is pre-revenue.

Since listing on 6 May 2022, the Company's Directors have largely remunerated through a combination of modest salaries and/or fees, share options and where relevant, equity positions as founders and as a result the total salaries and fees payable to directors has been relatively modest. As the Company grows, and increasingly makes hires, it will become necessary to move to a more long-term and sustainable policy, which continues to align the interests of Directors and senior staff with those of shareholders while recognising that new hires will not initially have a significant equity position.

Accordingly, it is likely that compensation packages for Executive Directors will need to move over time to a level more consistent with the market. Currently, Directors' remuneration is not subject to specific performance targets. The Company is sufficiently small that the Board does not consider that it is necessary to impose such targets as a matter of principle but believes that exceptional performance can be rewarded on an ad hoc basis.

The 2021 AGM approved a share option scheme which is to incentivise both Executive, non-Executive Directors, and consultants as well individuals holding positions of responsibility in the Company ("**Share Option Scheme**"). On 2 February 2023 the Company announced that pursuant to the Share Option Scheme 22,550,000 options over Ordinary Shares ("**Options**") were awarded, 13,750,000 of the Options were awarded to Directors of the Company, as detailed further in Note 19 and the balance of 8,800,000 Options to other eligible participants. The Company had not previously issued any Options under the Share Option Scheme.

The 2024 Annual General Meeting also approved the Company establishing updated incentive schemes to more closely align the interest of directors, officers, employees and consultants with those of shareholders by providing for the payment of short-term, annual and transaction incentive awards in cash or Company shares (the "**Proposed Incentive Schemes**"). Awards under the Proposed Incentive Schemes are not intended to replace the Share Option Scheme arrangements. The Proposed Incentive Schemes shall continue in place until the Board of the Company have put an alternative incentive scheme to the Company's shareholders which the Company's shareholders have approved.

The Board considers the remuneration of Directors and senior staff and their employment terms and makes recommendations to the Board of Directors on the overall remuneration packages. No Director takes part in any decision directly affecting their own remuneration.

Kendrick Resources PLC

DIRECTORS REMUNERATION REPORT

There has been no correspondence to date from shareholders relating to Directors' remuneration matters and therefore no such matters have been considered by the Board in formulating the Company's remuneration policy.

In determining Executive Director remuneration policy and practices, the Board aims to address the following factors:

- **Clarity** - remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;
- **Simplicity** - remuneration structures should avoid complexity and their rationale and operation should be easy to understand;
- **Risk** - remuneration arrangements should ensure reputational and other risks from excessive rewards, and risks that can arise from target-based incentive plans, are identified and mitigated;
- **Predictability** - the range of possible values of rewards to individual directors and any other limits or discretions are identified and explained at the time of approving the policy;
- **Proportionality** – the clarity of the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear; and
- **Alignment to culture** - incentive schemes, when implemented will drive behaviours consistent with company purpose, values and strategy.

Directors' remuneration

Remuneration of the Directors for the years ended 29 December 2024 and 2023 was as follows:

	2024		
	Directors' Fees £	Salary and Consulting Fees £	Total fees year ended £
C Bird	18,000	30,000	48,000
K Thygesen	18,000	-	18,000
M A Borrelli	18,000	-	18,000
E Kirby	18,000	-	18,000
M. Churchouse	18,000	6,000	24,000
Total	90,000	36,000	126,000

On 2 February 2023 the Directors were, pursuant to the Executive Share Option Scheme approved at the AGM on 4 February 2021, granted 13,750,000 options over ordinary shares expiring on 3 February 2031 with an exercise price of 3.5 pence ("**Share Option Scheme Options**"). Further details of the Share Option Scheme Options issued to Directors are provided in the Directors' Report on page 28.

Kendrick Resources PLC

DIRECTORS REMUNERATION REPORT

	2023		
	Directors' Fees £	Salary and Consulting Fees £	Total fees year ended £
C Bird	18,000	30,000	48,000
K Thygesen	18,000	-	18,000
M A Borrelli	18,000	-	18,000
E Kirby	18,000	-	18,000
M. Churchouse ⁽¹⁾	22,000	-	22,000
Total	94,000	30,000	124,000

⁽¹⁾ M Churchouse was appointed a director on 31 January 2023 and in 2023 prior to his appointment was paid consultancy fees of £2,000 (2022 £14,000).

Note 21 provides details of Director's Letters of Appointment and Service Agreements.

Pension arrangements

There were no pensions or other similar arrangements in place with any of the Directors during the years ended 29 December 2024 or 2023.

Directors' Interests

The interests (as defined in the Companies Act) of the Directors holding office during the period as at the year end in the share capital are shown below:

Director	29 December 2024		29 December 2023	
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	47,819,227	19.11%	45,069,227	18.48%
Martyn Churchouse	-	-	-	-
Kjeld Thygesen	2,142,857	0.86%	2,142,857	0.88%
Alex Borrelli	82,777	0.03%	82,777	0.03%
Evan Kirby	-	-	-	-

* Includes 3,695,238 shares held by Lion Mining Finance Ltd and 33,428,571 shares held by Camden Park Trading Ltd, companies controlled by Colin Bird.

13,750,000 options over ordinary shares expiring on 3 February 2031 with an exercise price of 3.5 pence were granted to Directors on 2 February 2023 pursuant to the Share Option Scheme approved at the AGM on 4 February 2021 ("Share Option Scheme Options"). Further details of

Kendrick Resources PLC

DIRECTORS REMUNERATION REPORT

the Share Option Scheme Options issued to Directors are provided in the Directors' Report on page 28 and in note 19.

No warrants were issued to Directors in 2024, at Admission on 6 May 2021 the warrants in the table below over ordinary shares in the issued share capital of the Company were issued to Directors in office at the period end. 4,380,952 Convertible Note Warrants, including 1,409,524 Convertible Note Warrants issued to Lion Mining Finance Limited, a company controlled by Colin Bird, expired on 6 November 2023 and the Fundraising Warrants expire on 6 May 2025. None of the warrants were exercised during the period.

Director	Number of Warrants	Exercise price (pence)	Expiry Date
Colin Bird			
Fundraising Warrants	1,571,400	6.0	Expires on 6 May 25
Kjeld Thygesen			-
Fundraising Warrants	1,000,000	6.0	Expires on 6 May 25
Alex Borrelli	-	-	-
Evan Kirby	-	-	-
Martyn Churchouse	-	-	-

Other than as set out above, none of the Directors as at 29 December 2024 held any interest in shares of the Company during the year.

This report was approved by the Board on 29 April 2025 and signed on its behalf by:



C Bird
Chairman

29 April 2025

Kendrick Resources PLC

CORPORATE GOVERNANCE STATEMENT

The Company is managed under the direction and supervision of the Board of Directors. Among other things, the Board sets the vision and strategy for the Company in order to effectively implement the Company's business model.

Good corporate governance creates shareholder value by improving performance while reducing or mitigating risks that the Company faces as we seek to create sustainable growth over the medium to long-term. It is my role as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

The Listing Rules require all companies initially admitted to the Standard Segment of the FCA's Official List to adopt and comply with a recognised corporate governance code, the Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code"). It was decided that the Code was more appropriate for the Company's size and stage of development than the more prescriptive Financial Reporting Council's UK Corporate Governance Code.

The Company holds timely board meetings as issues arise which require the attention of the Board and also discuss matters amongst themselves prior to passing written resolutions of all the Directors which happened 4 times during the year. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Directors have established an Audit Committee and a Remuneration Committee with formally delegated duties and responsibilities. There is no separate Nomination Committee given the size of the Board and, during the year, no such committee met. All Director appointments are approved by the Board as a whole.

Evan Kirby and Kjeld Thygesen are considered by the Board to be independent Non-Executive Directors.

Audit Committee

The Audit Committee, which currently comprises Alex Borrelli (Chairman of the Audit Committee), Evan Kirby and Kjeld Thygesen and has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls. The Committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring the financial performance of the Company is properly monitored and reported. The Audit Committee will meet not less than three times a year. Given the size of the Company it does not have an internal audit function and the auditors take this into consideration in planning their audit of the Company's financial statements.

Kendrick Resources PLC

CORPORATE GOVERNANCE STATEMENT

Remuneration Committee

The Remuneration Committee, which currently comprises Evan Kirby (Chairman of the Remuneration Committee), Kjeld Thygesen and Alex Borrelli and is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company.

Share Dealing Code

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy. None of the Directors dealt in the Company's shares during the period.

Meetings of the Directors

The number of meetings of the Board of Directors of the Company and its committees held during the year ended 29 December 2024 and the number of meetings attended by each director is tabled below.

2024

	<u>Meetings held whilst in office</u>		<u>No. of meetings attended</u>	
	<u>Board</u>	<u>Audit</u>	<u>Board</u>	<u>Audit</u>
C. Bird	3	n.a.	3	n.a.
M.A. Borrelli	3	3	3	3
E. Kirby	3	3	3	3
K Thygesen	3	3	3	3
M Churchouse	3	n.a.	3	n.a.

2023

	<u>Meetings held whilst in office</u>		<u>No. of meetings attended</u>	
	<u>Board</u>	<u>Audit</u>	<u>Board</u>	<u>Audit</u>
C. Bird	2	n.a.	2	n.a.
M.A. Borrelli	2	1	2	1
E. Kirby	2	1	2	1
K Thygesen	2	1	2	1
M Churchouse *	2.	n.a.	2	n.a.

* Appointed 31 January 2023

Diversity Policy

The Board operates a policy whereby Directors and other individuals considered for employment and professional services across the Group are selected on the basis of their experience, professional qualifications and ability and as such the Company does not discriminate on aspects such as age, gender or educational and professional background.

Kendrick Resources PLC

CORPORATE GOVERNANCE STATEMENT

The Company is a small exploration company and the Company's only employees comprise the five Board Directors four of whom have been in office since Admission on 6 May 2022 and were the Board members on the basis of whose experience and expertise investors invested in the Company at the time of the Listing. The Company has at the date of these financial statements not met the following targets on board diversity

- (i) at least 40% of the individuals on its Board of Directors are women;
- (ii) at least one of the following senior positions on its board of directors is held by a woman (A) the chair; (B) the chief executive; (C) the senior independent director; or (D) the chief financial officer; and
- (iii) at least one individual on its Board of Directors is from a minority ethnic background.

The diversity composition of the Board is shown in the table below:

Number of board members	Percentage of the board	Number of senior positions on the board ⁽¹⁾	Number in executive management	Percentage of executive management
Men 5	100 %	3	2	100%
Women -	-	-	-	Nil

⁽¹⁾ (CEO, SID and Chair)

Ethnic Background of Board members

	Number of board members	Percentage of the board	Number of senior positions on the board ⁽¹⁾	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	100%	3	2	40%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/ prefer not to say	-	-	-	-	-

⁽¹⁾ (CEO, SID and Chair)

Internal control

The Board is responsible for establishing and maintaining the Group's system of internal control. Internal control systems manage rather than eliminate the risks to which the Group is exposed and such systems, by their nature, can provide reasonable but not absolute assurance against misstatement or loss.

There is a continuous process for identifying, evaluating and managing the significant risks faced by the Group. The key procedures which the Directors have established with a view to providing effective internal control, are as follows:

“Identification and control of business risks - The Board identifies the major business risks faced by the Group and determines the appropriate course of action to manage those risks.

“ Budgets and business plans - Each year the Board approves the business plan and annual budget. Performance is monitored and relevant action taken throughout the year through the regular reporting to the Board of changes to the business forecasts.

“ Investment appraisal - Capital expenditure is controlled by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals must be submitted to the Board. Appropriate due diligence work is carried out if a business or asset is to be acquired.

Environment, health, safety and community statement

The Group is committed to providing a safe working environment for all its employees and to responsibly manage all of the environmental interactions of its business. Its objective is to perform and achieve at a level notably in excess of the regulatory minimum required by the host countries in which it does business.

The following specific principles in relation to Health & Safety, Environment and Communities are adhered to by the Group:

Health & Safety

- Provision of health and safety training to all employees;
- All necessary measures are taken to minimise workplace injuries; and
- Establishment of management and advisory programmes for the prevention of transmissible diseases.

Environment

The Group prides itself on being a skilled and responsible operator. It functions with the clear mandate of being in full compliance with corporate standards, applicable environmental laws, regulations and permit requirements. It has an internal monitoring programme in place that plays a critical role in continuously improving its environmental performance.

The Group strives to minimise its environmental effects wherever and to:

- Comply with applicable laws, regulations and commitments wherever it operates;
- Ensure it has the necessary resources, procedures, training programmes and responsibilities in place to achieve its environmental objectives;
- Strive to protect air and water quality, minimise consumption of water and energy, and protect natural habitats and biodiversity;
- Promote an ongoing environmental dialogue with its stakeholders in the communities where it conducts business;
- Collaborate with stakeholders to define environmental priorities and to protect the environment; and
- Consider the requirement for environmental protection in all aspects of exploration and development.

Communities

As well as recognising the need to protect the natural environment the Group will follow Best Practices in:

- its interactions with local communities;
- respecting customs and cultural practices; and
- minimising intrusion upon lifestyles and traditions.

The Group will not violate human rights and will, wherever possible, favour employment for local people when it recruits. It will strive to be recognised as a socially aware and responsible business.

Task Force on Climate-related Financial Disclosures (TCFD)

The Group has not included climate-related financial disclosures consistent with any of the TCFD Recommendations and Recommended Disclosures, as required by Listing Rule 14.3.27, neither in this annual financial report or any other document as it has not yet established the metrics and obtained the data to do this. Set out below is a summary of the Group's activities and how the Group proposes to align with the TCFD recommendations. The Group will provide an update of its alignment with the TCFD recommendations in next year's Annual Report.

TCFD was established in 2015 to improve and increase reporting of climate-related financial information and to provide information to investors about the actions companies are taking to mitigate the risks of climate change, as well as to provide increased clarity on the way in which they are governed.

The Group's business strategy is to deliver energy metals to Europe to help enable its renewable energy transformation by building a top tier energy metals production a business focused on quality of vanadium and nickel mineral resources in Scandinavia. As an organisation, we recognise the growing importance of understanding the impact of climate change on the environment in which we operate and its potential impact on the business.

The Group's exploration activities are "asset" light as the Group does not own its drilling and exploration equipment and instead uses contractors and it is a standard operating procedure for exploration activities to be conducted in accordance with applicable environmental regulations. The effect of this is that the Group's demand for and use of carbon fuels is very low though its

contractors will use carbon fuels. An opportunity arising for the Group's from climate change is that copper is projected to increase in response to the global green energy transition in particular for electric vehicles, charging stations and the generation and distribution of renewable energy.

The Group is planning to adopt the TCFD framework and recommendations to the extent that it is appropriate given the size of the company and its activities. The framework is useful as a guide to understand how climate change could impact a broad range of business drivers and will provide a structured approach for the Group, to work towards embedding climate into our decision-making and will enable us to learn from and apply best practice on reporting and disclosures.

We see this as a means to increase the quality and transparency in our climate related disclosures whilst taking the first steps on the roadmap of TCFD reporting. We aim to ensure our stakeholders will have a better understanding of the Group's operational and business resilience to climate change and how we will incorporate the consideration of climate-related risks and opportunities in our business model. The table below provides a brief statement on our current thought process to understand and begin aligning with the TCFD recommendations.

Governance: The Group's governance relating to climate-related risks and opportunities is the responsibility of the Board.

Strategy: The actual and potential impacts of climate-related risks and opportunities will have effects on the business policies, strategy and financial planning of the Group.

Risk Management: The financial director is responsible for the Group's risk assessment and identifying, assessing, and managing climate related risks is part of that function.

Metrics & Targets: The formulation of metrics and targets used to assess and manage relevant climate related risks and opportunities will be considered.

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements, for the year ended 29 December 2024.

RESULTS AND DIVIDENDS

The results for the year are set out in the Group Statement of Comprehensive Income on page 38. The Directors do not recommend the payment of a dividend on the ordinary shares (2023: nil).

DIRECTORS

The names of the Directors who served throughout the period and subsequent to the year end, except where shown otherwise, are as follows:

C Bird , K Thygesen , M A Borrelli, E Kirby and M Churchouse.

DIRECTORS' REMUNERATION

The Directors' remuneration is detailed in the Directors' Remuneration Report on pages 18 to 21.

DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

The Group has purchased Directors' and Officers' liability insurance which provides cover against liabilities arising against them in that capacity.

ISSUES OF SHARES, OPTIONS AND WARRANTS

On 18 September 2024 the Company announced the issue of 6,365,385 new ordinary shares of £0.0003 ("**Ordinary Shares**") to settle £46,000 of accrued fees due to suppliers.

22,550,000 options over ordinary shares expiring on 3 February 2031 with an exercise price of 3.5 pence were granted on 2 February 2023 pursuant to the Share Option Scheme approved at the AGM on 4 February 2021 ("**Share Option Scheme Options**"). Of the 22,550,000 Share Option Scheme Options, 13,750,000 were awarded to directors of the Company, as detailed in the table below and the balance of 8,800,000 to other eligible participants. The Company has not previously issued any Share Option Scheme Options.

Executive Directors	No. of Options
Colin Bird Executive Chairman	6,000,000
Martyn Churchouse	5,000,000
Non Executive Directors:	
Alex Borrelli	1,000,000
Evan Kirby	1,000,000
Kjeld Thygesen	750,000
Total Directors	13,750,000

DIRECTORS' REPORT

The Company did not issue any share options during the period and issued 4,166,667 warrants exercisable for three years in relation to the drawdown of £125,000 under the Facility which was paid during the year.

FINANCIAL INSTRUMENTS

An explanation of the Group's financial risk management objectives, policies and strategies is set out in note 20.

IMPACT OF UKRAINE CONFLICT

The Directors consider as a result of the Ukraine conflict and related sanctions there is no impact on the Company as it has no assets or business activities or suppliers with links in Ukraine or Russia and is not aware of any persons sanctioned in relation to the Ukraine conflict owning shares in the Company.

EVENTS AFTER THE REPORTING DATE

Events after the reporting date have been disclosed in note 23 to the financial statements.

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITORS

The Directors, who were in office at the date of approval of this report, confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and that they have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for preparing the financial statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with UK adopted International Accounting Standards.

The Directors confirm to the best of their knowledge that:

- the financial statements have been prepared in accordance with the relevant financial reporting framework and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

DIRECTORS' REPORT

AUDITORS

Moore Kingston Smith LLP were appointed as auditors for the Company for the financial year 2024 at the Annual General Meeting in 2024.

A resolution proposing to re-appoint Moore Kingston Smith LLP as auditor to the Company, will be put to the shareholders at the next annual general meeting of the Company.

Approved by the Board of Directors and signed on behalf of the Board.

A handwritten signature in black ink, appearing to read 'C Bird', written over a light blue horizontal line.

C Bird
Chairman

29 April 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 prepared financial statements in accordance with UK adopted International Accounting Standards (IFRSs).

The financial statements are required by law and IFRSs as adopted by the UK to present fairly the financial position of the Company and the financial performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 of the profit or loss of the Company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosure and explained in the financial statements;
- prepare the Strategic Report and Directors' Report which comply with the requirements of the Companies Act 2006; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Kendrick Resources PLC website www.kendrickresources.com.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

Disclaimer of opinion

We were engaged to audit the financial statements of Kendrick Resources Plc ('the Company') and its subsidiaries ('the Group') for the year ended 29 December 2024 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Cash Flows, the Group and Company Statements of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

We do not express an opinion on the financial statements of the Group or the Company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for disclaimer of opinion

As disclosed in note 3 to the financial statements, the financial statements of the Group and Company are prepared on the assumption that the Group and Company will continue as a going concern.

Whilst the Group is planning for its next round of funding and has other forecast cash flow receipts, as detailed in the cash flow forecast, these have not been finalised by the date of approval of the financial statements. In the absence of, or in the event of a delay in, obtaining any further debt or equity funding, the existing cash funds held by the Group will have been fully utilised in May 2025. Whilst we acknowledge the Group remains on target with the progress of its funding opportunities, the Group's available working capital for the twelve months from the date of approval of the financial statements is therefore not sufficient, assuming that the planned programme of exploration costs remains unchanged, to meet its liabilities as they fall due. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of approval of the financial statements.

The ability of management to raise further debt and equity financing and to successfully progress its current and future exploration projects are key assumptions supporting the Directors' conclusions that it is appropriate to prepare the financial statements of the Group and Company on a going concern basis. Whilst we understand that certain funding, as detailed in the cash flow forecast, is in progress, there has not been sufficient progress as at the date of approval of the financial statements towards actively identifying commitments from investors and the ability to do so will be dependent on market conditions at the time of raising debt finance and of the equity fund raise.

As a result, we have not been able to obtain sufficient appropriate audit evidence to support the assumption that the raising of debt and equity finance of sufficient magnitude is achievable within the necessary timeframe to allow the Group and Company to continue to operate as a going concern for at least twelve months from the date of approval of the financial statements. Consequently, we were unable to obtain sufficient appropriate audit evidence to enable us to form an audit opinion on these financial statements.

The financial statements do not reflect any adjustments that would be required should the Group and Company be unable to continue as a going concern.

Our approach to the audit

Our audit approach was a risk-based approach founded on a thorough understanding of the Group's business, its environment and risk profile. We conducted substantive audit procedures and evaluated the Group's internal control environment. The components of the Group were evaluated by the Group audit team based on a measure of materiality, considering each component as a percentage of the Group's total assets, current assets and loss before tax, which allowed the Group audit team to assess the significance of each component and determine the planned audit response.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

In order to address the audit risks in respect of the group and company financial statements identified during our planning procedures, we performed a full scope audit of the financial statements of the parent company. For the purpose of expressing our opinion on the group financial statements we also performed specified audit procedures on the financial information of the subsidiaries determined as significant and non-significant to the group. We evaluated the controls in place by performing walkthroughs over the financial reporting systems identified as part of our risk assessment. We also reviewed the accounts production process and addressed critical accounting matters. We then undertook substantive testing on significant classes of transactions and material account balances.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the audit engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter – Group	How the key audit matter was addressed in the audit - Group
Going concern Refer to note 3 in the consolidated financial statements. The Group has incurred a loss of £3.44m for the year (2023: £1.1m) and the net assets disclosed in the Consolidated Statement of Financial Position at 29 December 2024 are £1.32m representing a decrease from £4.6m at 29 December 2023. The directors have prepared cashflow forecasts that show that the group will be able to meet its ongoing liabilities as they fall due for at least twelve months from the date of signing of these financial statements. Given the trading performance in the year, including the decrease in cash funds from £200k at 29 December 2023 to £18k at 29 December 2024, and the absence of any further debt or equity financing, the ability of the company and group to continue in business as a going concern was considered to be a key audit risk area.	Our audit work and conclusions in respect of going concern have been detailed in the basis for disclaimer of opinion section of our audit report.
Key audit matter – Group and Company	How the key audit matter was addressed in the audit – Group and Company
Valuation of exploration and evaluation assets The carrying value of exploration and evaluation assets recognised in the Group Statement of Financial Position at 29 December 2024 was £2.2m (2023: £4.8m). The Group is pre-revenue and has impaired the exploration and evaluation assets by £2.7m in the year reflecting management decision not to renew certain licences. The disclosures in respect of exploration and evaluation assets are shown in note 12 to the financial statements.	Our audit work included, but was not restricted to: Critically assessing and substantively testing capitalised exploration and evaluation expenditure including consideration of its appropriateness for capitalisation under IFRS 6; Confirmation that the Group has valid title to the applicable exploration licences and has fulfilled any specific conditions therein; Obtaining an understanding of the design and implementation assessments of systems and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

	controls relevant to impairment assessments of exploration and evaluation assets; Critically assessing the progress of the individual projects during the year and post year end; Consideration of management's impairment reviews and subsequent impairment in light of any impairment indicators identified in accordance with IFRS 6, including corroboration and challenge therein; and Evaluating the accounting policy and detailed disclosures included in the financial statements to confirm whether information provided in the financial statements is compliant with the requirements of UK adopted International Accounting Standards. Key observations Based on the work performed we have gained reasonable assurance that the carrying value of exploration and evaluation assets is not materially misstated and management's assertion that no further impairment was required was appropriate. We consider that the disclosures in the financial statements relating to this area are adequate.
Key audit matter - Company	How the key audit matter was addressed in the audit - Company
Valuation of investments and loans due from group undertakings The carrying value of investments recognised in the Company Statement of Financial Position at 29 December 2024 was £2.4m (2023: £4.3m). The directors are required to make an assessment to determine whether the carrying value of investments are recoverable. Due to the size of the amounts in question in the context of the Company Statement of Financial Position, the carrying value of investments and recoverability of loans due from group undertakings was considered to be key risk areas for the audit of the Company. The Company's disclosures in respect of investments and loans due from group undertakings are shown in note 14 to the financial statements.	Our audit work included, but was not restricted to: Consideration of management's impairment reviews and subsequent impairment in light of any impairment indicators identified in accordance with IFRS 6, including corroboration and challenge therein; and Evaluating the accounting policy and detailed disclosures included in the financial statements to confirm whether information provided in the financial statements is compliant with the requirements of UK adopted International Accounting Standards. Key observations Based on our audit testing we concluded that we agreed with management's assertion that an impairment of the carrying value of investments of £1.1m (2023: £0.2m) was required and an impairment of £0.8m (2023: £0.02m) against loans due from subsidiaries. We consider the disclosures in the financial statements relating to this area are adequate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Due to the nature of the group we considered gross assets to be the main focus for the readers of the financial statements, accordingly this consideration influenced our judgement of materiality. Based on our professional judgement, we determined materiality for the Group to be £23,900 based on a percentage of gross assets (1%). Based on our professional judgement, we determined materiality for the company to be £20,600 based on a percentage of gross assets (1%).

On the basis of our risk assessment, together with our assessment of the overall control environment, our judgement was that performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the group and company was 50% of materiality, namely £11,950 and £10,300 respectively.

We agreed to report to the Audit Committee all audit differences in respect of the group and company in excess of £1,195 and £1,030 respectively and, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also reported to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Opinions on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion whether, 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

Notwithstanding our disclaimer of opinion on the financial statements, in the light of the knowledge and understanding of the group and the company and their environment obtained in the course of the audit, performed subject to the pervasive limitation described above, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Arising from the limitation of our work referred to above:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- a corporate governance statement has not been prepared by the Company.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 31, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the 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 responsibility is to conduct an audit of the Group's and Company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group and 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Companies Act 2006, UK adopted International Accounting Standards, the Listing Rules, the Disclosure Guidance and Transparency Rules and UK taxation legislation.
- We obtained an understanding of how the Company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- We evaluated managements' incentives to fraudulently manipulate the financial statements and determined that the principal risks related to management bias in accounting estimates and judgemental areas of the financial statements. We challenged the assumptions and judgements made by management in respect of the significant areas of estimation, as described in the key audit matters section.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

Other matters which we are required to address

We were appointed by the Audit Committee on 22 November 2023 to audit the financial statements for the year ended 29 December 2023. Our total uninterrupted period of engagement is two years, covering the period ending 29 December 2023 to 29 December 2024.

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

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and Company's members as a body, for our work, for this report, or for the opinions we have formed.



Matthew Banton (Senior Statutory Auditor)

For and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

29 April 2025

Kendrick Resources PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

Year ended 29 December 2024

	Notes	Year to 29 December 2024 £	Year to 29 December 2023 £
Administrative expenses		(693,059)	(580,287)
Share based option charge		-	(59,758)
Loss in fair value of investment		-	(6,376)
Impairment charge on exploration and evaluation assets	12	(2,737,711)	(448,904)
Operating loss	5	(3,430,770)	(1,095,325)
Finance expense	5	(6,351)	(3,837)
Loss before tax		(3,437,121)	(1,099,162)
Taxation	8	-	-
Loss for the year		(3,437,121)	(1,099,162)
Other comprehensive loss:			
Foreign currency difference on translation of foreign operations		133,917	(27,035)
Total comprehensive loss for the year		(3,303,204)	(1,126,197)
Basic and diluted loss per share	9	(1.40)p	(0.45)p

The notes on page 45 to 78 form part of these financial statements.

All amounts are derived from continuing operations.

Kendrick Resources PLC

GROUP STATEMENT OF FINANCIAL POSITION

As at 29 December 2024

Company No. 02401127

		29 December 2024	29 December 2023
	Notes	£	£
Assets			
Non-current assets			
Property, plant and equipment	10	-	-
Exploration and evaluation assets	12	2,200,826	4,756,879
		<u>2,200,826</u>	<u>4,756,879</u>
Current assets			
Current asset investment	11	1,798	1,798
Trade and other receivables	15	46,998	48,040
Cash and cash equivalents		17,551	199,992
		<u>66,347</u>	<u>249,830</u>
Total assets		<u>2,267,173</u>	<u>5,006,709</u>
Liabilities			
Current liabilities			
Trade and other payables	16	821,378	428,710
Borrowings	17	125,000	-
		<u>946,378</u>	<u>428,710</u>
Net assets		<u>1,320,795</u>	<u>4,577,999</u>
Equity			
Share capital	18	23,001,460	22,999,551
Share premium	18	31,889,219	31,845,128
Share based payment reserve		100,258	100,258
Merger reserve		1,824,000	1,824,000
Translation reserve		106,882	(27,035)
Retained earnings		(55,601,024)	(52,163,903)
Total equity		<u>1,320,795</u>	<u>4,577,999</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2025 and were signed on its behalf by



C Bird Chairman

Kendrick Resources PLC

COMPANY STATEMENT OF FINANCIAL POSITION

As at 29 December 2024

	Notes	29 December 2024 £	29 December 2023 £
Assets			
Non-current assets			
Property, plant and equipment	10	-	-
Exploration and evaluation assets	12	-	637,639
Investment in and loans to subsidiaries	14	2,371,574	4,333,226
		<u>2,371,574</u>	<u>4,970,865</u>
Current assets			
Current asset investment	11	1,798	1,798
Trade and other receivables	15	36,062	36,814
Cash and cash equivalents		15,204	39,953
		<u>53,064</u>	<u>78,565</u>
Total assets		<u>2,424,638</u>	<u>5,049,430</u>
Liabilities			
Current liabilities			
Trade and other payables	16	821,257	428,589
Borrowings	17	125,000	-
		<u>946,257</u>	<u>428,589</u>
Net assets		<u>1,478,381</u>	<u>4,620,841</u>
Equity			
Share capital	18	23,001,460	22,999,551
Share premium	18	31,889,219	31,845,128
Share based payment reserve		100,258	100,258
Merger reserve		1,824,000	1,824,000
Accumulated losses		(55,336,556)	(52,148,096)
Total equity		<u>1,478,381</u>	<u>4,620,841</u>

The loss for the year for the Company was £3,188,460 (2023: £1,087,246). The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2025 and were signed on its behalf by



C Bird Chairman

Kendrick Resources PLC

GROUP STATEMENT OF CASH FLOW

for the year ended 29 December 2024

		Year to 29 December 2024 £	Year to 29 December 2023 £
Cash flows from operating activities			
Loss before tax		(3,437,121)	(1,099,162)
Adjustments to reconcile net losses to cash utilised :			
Impairment charge	12	2,737,711	448,904
Share based payment charge		-	59,758
Loss in fair value of investment at reporting date		-	6,376
Operating cash outflows before movements in working capital		(699,410)	(584,124)
Changes in:			
Trade and other receivables		1,042	44,719
Trade and other payables		438,668	181,036
Net cash outflow from operating activities		(259,700)	(358,369)
Investing activities			
Exploration & Evaluation assets	12	(181,658)	(1,232,310)
Net cash outflow from investing activities:		(181,658)	(1,232,310)
Cash flows from financing activities			
Proceeds from long term loan		125,000	-
Net cash inflow from financing activities		125,000	-
Net decrease in cash and cash equivalents		(316,358)	(1,590,679)
Effect of foreign exchange rate changes		133,917	(27,035)
Cash and cash equivalents at beginning of period		199,992	1,817,706
Cash and cash equivalents at end of period		17,551	199,992

Kendrick Resources PLC

COMPANY STATEMENT OF CASH FLOW

for the year ended 29 December 2024

		Year to 29 December 2024 £	Year to 29 December 2023 £
Cash flows from operating activities			
Loss before tax		(3,188,460)	(1,087,246)
Adjustments to reconcile net losses to cash utilised :			
Impairment charge - Investment in subsidiaries	12	1,876,040	448,904
Impairment charge – Exploration and evaluation assets		637,639	-
Share based payment charge		-	59,758
Loss in fair value of investment		-	6,376
Operating cash outflows before movements in working capital		(674,781)	(572,208)
Changes in:			
Trade and other receivables		752	50,066
Trade and other payables		438,668	180,916
Net cash outflow from operating activities		(235,361)	(341,226)
Investing activities			
Repayment of loans / (loans to subsidiaries)	14	85,612	(1,330,006)
Exploration & Evaluation assets	12	-	(58,534)
Net cash inflow/(outflow) from investing activities:		85,612	(1,388,540)
Cash flows from financing activities			
Proceeds from long term loan		125,000	-
Net cash inflow from financing activities		125,000	-
Net decrease in cash and cash equivalents		(24,749)	(1,729,766)
Cash and cash equivalents at beginning of period		39,953	1,769,719
Cash and cash equivalents at end of period		15,204	39,953

Kendrick Resources PLC

GROUP STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2024

	Share capital	Share premium	Share based Payment reserve	Merger reserve	Translation reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£
As at 29 December 2022	22,998,307	31,810,107	-	1,824,000	-	(51,064,741)	5,567,673
Loss for the year	-	-	-	-	-	(1,099,162)	(1,099,162)
Other comprehensive income							
Translation reserve	-	-	-	-	(27,035)	-	(27,035)
Total comprehensive loss for the year	-	-	-	-	(27,035)	(1,099,162)	(1,126,197)
Issue of shares to settle share deferred consideration (note 19)	1,244	35,021	-	-	-	-	36,265
Share based payment charge (note 19)	-	-	100,258	-	-	-	100,258
As at 29 December 2023	22,999,551	31,845,128	100,258	1,824,000	(27,035)	(52,163,903)	4,577,999
Loss for the year	-	-	-	-	-	(3,437,121)	(3,437,121)
Other comprehensive income							
Translation reserve	-	-	-	-	133,917	-	133,917
Total comprehensive loss for the year	-	-	-	-	133,917	(3,437,121)	(3,303,204)
Issue of shares (note 18)	1,909	44,091	-	-	-	-	46,000
As at 29 December 2024	23,001,460	31,889,219	100,258	1,824,000	106,882	(55,601,024)	1,320,795

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

Share premium - amounts subscribed for share capital in excess of nominal value

Merger reserve - amount arising from the issue of shares for non-cash consideration

Translation reserve - amounts arising on re-translating the net assets of overseas operations into the presentational currency

Retained earnings - cumulative net gains and losses recognised in the group statement of comprehensive income

Share based payment reserve - amount arising on the issue of warrants and share options which are exercisable at the statement of financial position date.

Kendrick Resources PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2024

	Share capital £	Share premium £	Share based payment reserve £	Merger reserve £	Retained earnings £	Total equity £
As at 29 December 2022	22,998,307	31,810,107	-	1,824,000	(51,060,850)	5,571,564
Total comprehensive loss for the year	-	-	-	-	(1,087,246)	(1,087,246)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(1,087,246)	(1,087,246)
Issue of shares to settle Share deferred consideration (note 19)	1,244	35,021	-	-	-	36,265
Share based payment reserve (note 19)	-	-	100,258	-	-	100,258
As at 29 December 2023	22,999,551	31,845,128	100,258	1,824,000	(52,148,096)	4,620,841
Total comprehensive loss for the year	-	-	-	-	(3,188,460)	(3,188,460)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(3,188,460)	(3,188,460)
Issue of shares to settle Share deferred consideration (note 18)	1,909	44,091	-	-	-	46,000
As at 29 December 2024	23,001,460	31,889,219	100,258	1,824,000	(55,336,556)	1,478,381

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

Share premium - amounts subscribed for share capital in excess of nominal value

Merger reserve - amount arising from the issue of shares for non-cash consideration

Retained earnings - cumulative net gains and losses recognised in the company statement of comprehensive income

Share based payment reserve - amount arising on the issue of warrants and share options which are exercisable at the statement of financial position date

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

1. GENERAL INFORMATION

Kendrick Resources PLC (the ‘Company’ or “Kendrick”) is incorporated and domiciled in England and Wales. The address of the registered office is 7/8 Kendrick Mews, London SW7 3HG.

The Company’s period being reported on in these accounts is for the year to 29 December 2024. The comparative period is for the year to 29 December 2023.

The Group’s business is the exploration of nickel, vanadium and copper mineral resource projects in Scandinavia and it currently has projects in Norway, Sweden and Finland. The exploration and evaluation assets held in these countries is shown in note 12.

2. ADOPTION OF NEW AND REVISED STANDARDS

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective from 1 January 2024, none of which have a material impact on these financial statements.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to apply early.

The following amendments were not effective for the year ended 29 December 2024:

- IAS 1 (Amendments) – Classification of Liabilities as Current or Non-current (effective date 1 January 2027)
- IAS 7 and IFRS 7 (Amendments) – Supplier Finance Arrangements (effective date 1 January 2027)
- IFRS 10 and IAS 28 (Amendments) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deferred indefinitely)
- IFRS 18 – Presentation and Disclosure in Financial Statements (effective 1 January 2027)
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective date 1 January 2027)

It is not expected that the amendments listed above, once adopted, will have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

2. ADOPTION OF NEW AND REVISED STANDARDS (continued)

The financial statements have been prepared in accordance with UK adopted International Accounting Standards ('IFRS') and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are presented in Pounds Sterling ("£") and rounded to the nearest £.

Going concern

The operational requirements of the Company comprise maintaining a Head Office in the UK with a Board of two executive Directors and three non-executive Directors for, amongst other things, determining and implementing strategy and managing operations.

The Group currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the Group will require additional funds and/or funding facilities in order to fully develop its business plan.

Ultimately the viability of the Group is dependent on future liquidity in the exploration period and this, in turn, depends on the Company's ability to raise funds to provide additional working capital to finance its ongoing activities. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future.

As at 29 December 2024, the Group had net assets of £1.32m and cash and cash equivalents of £18k. An operating loss is expected in the year subsequent to the date of these financial statements and as a result the Group will need to raise funding to provide additional working capital to finance its ongoing activities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Board acknowledges the Disclaimer of opinion in the independent auditors' report in respect of the Company's and Group's ability to continue as a going concern. Based on its current reserves and the Board's assessment that the Group will be able to raise additional funds, as and when required, to meet its working capital and capital expenditure requirements, the Board have concluded that they have a reasonable expectation that the Group can based on a cash flow forecast to 30 April 2026 continue in operational existence for the foreseeable future and at least for a period of 12 months from the date of approval of these financial statements.

For these reasons the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As there can be no guarantee that the required future funding can be raised in the necessary timeframe, a material uncertainty exists that may cast significant doubt on the Group's and Company's future ability to continue as a going concern.

This financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further 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 by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation and amortisation is charged so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment and computers 25%

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Exploration and evaluation assets

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are transferred to development assets and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in subsidiaries

In the Company's financial statements, investment in subsidiaries are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Financial instruments

Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it has to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired.

Loans and receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, resulting in trade and other receivables recognised and carried at amortised cost less an allowance for any uncollectible amounts based on expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Convertible loan notes (CLNs)

Each component of the loan note (principal/ interest and conversion feature) are assessed separately. Management has assessed the entire instrument as financial liability. Based on that, convertible loan notes are recorded at their issue price and are carried at their face value. Subsequently, the CLN is accounted for at amortised cost. Any interest due on these CLNs is recorded on accrual basis. On conversion/redemption, the face value of converted CLNs is reduced from the total carried value.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resource will result, and that outflow can be reliably measured.

Share-based payments

The Group applies IFRS 2 Share-based Payment for all grants of equity instruments.

The Group issues equity-settled share-based payments to its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

The Company considers its capital to be total equity. There have been no changes in what the Company considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all entities, which are controlled by the Group. Control is achieved when the Company:

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

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

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Transactions which result in changes in ownership, where the Group had control of the subsidiary, both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Foreign currency transactions and balances

(i) Functional and presentational currency

Items included in the Group's financial statements are measured using Pounds Sterling ("£"), which is the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Pounds Sterling ("£"), which is the functional currency of the Company and is the Group's presentational currency.

The individual financial statements of each Group company are presented in the functional currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions in the accounts of individual Group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising recognised in other comprehensive income and transferred to the Group's translation reserve within equity as 'Other reserves'. Upon disposal of foreign operations, such translation differences are derecognised as an income or as expenses in the year in which the operation is disposed of in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Geographical segments

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. The internal management reporting used by the chief operating decision maker consists of one segment. Hence in the opinion of the directors, no separate disclosures are required under IFRS 8. The Group's revenue in the current and prior year is £Nil and consequently no geographical segment information regarding revenue has been disclosed. In respect of non-current assets the only two geographical areas are Scandinavia and the UK of which the latter is £Nil.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, on in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment.

Details of the Group's significant accounting judgements and critical accounting estimates are as follows:

Impairment of Exploration and evaluation assets

The recoverable amounts of individual exploration assets have been determined based on various factors including Independent Expert Reports, the Group's exploration activities, and commodity prices. It is reasonably possible that assumptions may change which may then impact on estimates and may then require a material adjustment to the carrying value of assets including intangible assets. The Group tests annually whether exploration assets have suffered any impairment, in accordance with the accounting policy. As detailed in Note 12 the carrying value of the Group Exploration and Evaluation asset at the year end was £2,200,826 (2023 £4,756,879) after and an impairment provision of £2,737,711 (2023 £448,904) and the Company Exploration and Evaluation asset at the year end was £Nil (2023 £637,639) after an impairment provision of £637,639 (2023 £125,625).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2024

4 **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)**

Recoverability of Parent company investment in subsidiary undertakings

The carrying value of the Parent company's investment is ultimately dependent on the recoverability of the underlying assets i.e. the exploration and evaluation assets which are reviewed for indicators of impairment on an annual basis as noted above. An impairment in the exploration and evaluation assets may then require an adjustment to the carrying value of the investment in the subsidiary companies. As detailed in Note 14 the Company conducted an impairment review under IFRS 9 of the loans made to subsidiaries and determined that i) the recoverability of the Company investment in and loans to Northern X Scandinava AB in relation to the Airijoki Project is supported by the Airijoki exploration licences owned by Northern X Scandinava AB, that ii) loans made to subsidiaries related to exploration licences that have been relinquished or will not be a focus of the Group going forward should be assessed as stage 3 loans and iii) that loans made to Northern X Scandinava AB related to the retained Airijoki exploration licences should be assessed as stage 1 loans with no provision against their carrying value. Accordingly an impairment provision of £1,081,753 (2023: £152,145) against the carrying value of the Company's investment in subsidiaries and £794,287 (2023: £171,134) was made against the Company's loans to subsidiaries assessed as stage 3. The Company is satisfied that having made these provisions the carrying value of £2,371,574 (2023: £4,333,226) is reasonable and no further impairment is necessary.

Business Combination

There were no acquisitions during the year. In 2023 in line with IFRS3, the Directors applied the concentration test and determined that the fair value of the gross assets of EV Metals AB comprised its exploration licences and that the acquisition of EV Metals AB should be accounted for as an asset acquisition and not a business combination. The Directors assessed that the acquired company was not a business as it does not generate outputs and does not have a substantive system to generate outputs or an organised workforce to perform this process.

Going Concern

The Directors have considered the going concern basis of preparation and as per note 3 no adjustments have been made in these financial statements which are prepared on a going concern basis.

Contingent consideration

The amount of contingent consideration to be paid is based on the occurrence of future events, such as the achievement of expected and estimated project milestones such as a positive feasibility study or a decision to mine. Accordingly, the estimate of fair value contains uncertainties as it involves judgment about the likelihood and timing of achieving these milestones and the period in which they may be achieved as well as the discount rate used. Where a contingent consideration milestone in relation to an exploration project is uncertain and may only occur if at all in several years then the Company will disclose the contingent liability but not provide for it in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2024

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Changes in fair value of the contingent consideration obligation result from changes to the assumptions used to estimate the probability of success for each milestone, the anticipated timing of achieving the milestones and the discount period and rate to be applied. A change in any of these assumptions could produce a different fair value, which could have a material impact on the results from operations. As detailed in Note 13 there is contingent consideration due to Pursuit Minerals Ltd in relation to the acquisition on 6 May 2022 of i) Northern X Finland Oy ("**Northern X Finland**") which owned in Finland the Koitelainen vanadium projects which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Karhujupukka vanadium-magnetite exploration project ("**Finnish Projects**") and

ii) Northern X Scandinavia AB ("**Northern X Scandinavia**") which owned in Sweden the Airijoki vanadium project (the "Airijoki Project") which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Kramsta, Kullberget, Simesvallen and Sumåssjön exploration projects in Sweden (collectively known as the "Central Sweden Projects") (the Airijoki Project and the Central Sweden Projects are collectively the "**Swedish Projects**").

As at the end of the year the Group going forward will focus on the Group's Airijoki Project in Sweden and has impaired the other projects acquired from Pursuit.

As part of the purchase agreement with Pursuit there is deferred contingent consideration based on two accretive value milestones being achieved;

- a) Milestone One which triggers a A\$250,000 (approx. £136,000) payment in cash, is the completion by the Group (or any successor or assignee) of a Feasibility Study, as defined by the JORC Code (2012), on any individual project area in the Nordic Projects, demonstrating an internal rate of return of not less than 25%; and
- b) Milestone Two which triggers a A\$500,000 (approx. £272,000) payment in cash is a decision to mine being made by the Group (or any successor or assignee) in respect of any project area in the Nordic Projects.

No provision has been made in these financial statements for the deferred contingent consideration referred to above as all the other projects acquired from Pursuit have been impaired and the Airijoki Project is in the exploration phase and therefore it is not certain that a Feasibility Study will be completed or a decision to mine be made in the next few years, or if at all.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year ended 29 December 2024**

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (continued)

Convertible loan notes (CLNs)

Each component of the loan note (principal/ interest and conversion feature) are assessed separately. Management has assessed the entire instrument as financial liability. Based on that, convertible loan notes are recorded at their issue price and are carried at their face value. Subsequently, the CLN is accounted for at amortised cost. Any interest due on these CLNs is recorded on accrual basis. On conversion/redemption, the face value of converted CLNs is reduced from the total carried value.

5. OPERATING LOSS

The operating loss has been arrived at after charging:

	2024	2023
	£	£
Staff costs (note 7)	126,000	124,000
Impairment charge on exploration and evaluation assets (note 12)	2,737,711	448,904
Loss in fair value of investment	-	6,376
Finance charge	6,351	3,837

6. AUDITORS' REMUNERATION

The remuneration of the auditors can be analysed as follows:

	2024	2023
	£	£
Fees payable to the company's auditor for the audit of the Company's financial statements	82,225	55,000
	<u>82,225</u>	<u>55,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

7. STAFF COSTS

	2024	2023
	Number	Number
Directors	5	5
The average monthly number of employees	5	5
Their aggregate remuneration comprised:-	£	£
Fees	126,000	124,000
	126,000	124,000

Included within staff costs £126,000 (2023: £124,000) relates to amounts in respect of Directors who are the only key management personnel. The highest paid director's emoluments was £48,000 (2023: £48,000).

8. TAXATION

No liability to corporation tax arose for the year ended 29 December 2024 and year ended 29 December 2023, as a result of underlying losses brought forward.

Reconciliation of effective tax rate:

	2024	2023
	£	£
Loss before tax	(3,437,121)	(1,099,162)
Tax credit at the standard rate of tax in the UK	(859,280)	(208,841)
Tax effect of non-deductible expenses	730,086	97,216
Loss carried forward	129,194	111,625
Tax for the year	-	-

The standard rate of corporation tax in the UK applied during the year was 25% (2023: 19%).

At 29 December 2024, the Company are carrying forward estimated tax losses of £7.3m (2023: £7.2m) in respect of various activities over the years. No deferred tax asset is recognised in respect to these accumulated tax losses as there is insufficient evidence that it is probable that the amount will be recovered in future years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

9. LOSS PER SHARE

	29 December 2024	29 December 2023
Loss after tax for the purposes of earnings per share attributable to equity shareholders	£3,437,121	£1,099,162
Weighted average number of shares	245,674,119	242,565,645
Basic and diluted loss per ordinary share	(1.40) p	(0.45) p

The use of the weighted average number of shares in issue in the period recognises the variations in the number of shares throughout the period and this is in accordance with IAS 33 as is the fact that the diluted earnings per share should not show a more favourable position than the basic earnings per share. There would be no dilutive impact were the share options to be exercised as their exercise price is greater than the Company share price during the period and to the date of signing these accounts. As per note 23 as announced by the Company on 25 February 2025 the Company has raised £107,500 before expenses at 0.25 pence per Ordinary Share (the “Fundraising Price”) through the issue of 43,000,000 new Ordinary Shares of £0.0003 each. The Fundraising comprised a placing of 31,000,000 Fundraising Shares raising £77,500 via Shard Capital Partners PLC (“Shard”) and the Company also arranged share subscriptions for 12,000,000 raising £30,000. Following the issue of the Fundraising Shares the Company’s total issued share capital consist of 293,248,152 Ordinary Shares with voting rights. Were these shares issued during the period this would have affected the earnings per share calculations and reduced the loss per share.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

10. PROPERTY PLANT AND EQUIPMENT

	Group & Company	Total
	Office equipment and computer	
	£	£
COMPANY		
Cost		
At 29 December 2022	60,587	60,587
Additions	-	-
At 29 December 2023	60,587	60,587
Additions	-	-
At 29 December 2024	60,587	60,587
Accumulated depreciation		
At 29 December 2022	(60,587)	(60,587)
Charge for the year	-	-
At 29 December 2023	(60,587)	(60,587)
Charge for the year	-	-
At 29 December 2024	(60,587)	(60,587)
Carrying amount		
At 29 December 2024	-	-
At 29 December 2023	-	-

11. CURRENT ASSET INVESTMENT

	Group & Company	
	2024	2023
	£	£
Balance as at 29 December	1,798	8,174
Fair value through profit and loss	-	(6,376)
Balance as at 29 December	<u>1,798</u>	<u>1,798</u>

The investment represents the holding of 8,174,387 shares in Bezant Resources Plc, which were held at 29 December 2024 at their market value on 29 December 2024 of £1,798.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

12. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Assets - Group

	Swedish Projects £	Finnish Projects £	Norwegian Projects £	Total £
Balance 29 December 2022	1,933,522	861,644	1,137,807	3,932,973
Additions in year	635,900	588	590,290	1,226,778
Acquisition of EV Metals	46,032	-	-	46,032
Impairment Provision *	(56,033)	(150,026)	(242,845)	(448,904)
Balance 29 December 2023	2,559,421	712,206	1,485,252	4,756,879
Additions in year	98,363	1,012	82,283	181,658
Impairment Provision **	(456,958)	(713,218)	(1,567,535)	(2,737,711)
Balance 29 December 2024	2,200,826	-	-	2,200,826

* The 2023 impairment provision related to the Kramsta 100 licence in Sweden, the Karhujupukka North & Karhujupukka North licences in Finland and the Hosanger & Sigdal licences in Norway. It was decided not to renew as part of the Group's ongoing licence management as they were assessed to have relatively low prospectivity compared to the Group's remaining licences.

** The 2024 impairment provision relates to the Simesvallen 100, Kullberget 100, Sumasjon 1, Mjovattent and Njuggtraskliden licences in Sweden, the Koitelainen and Karhujupukka North licences in Finland and the Espedalen & Sigdal licences in Norway. The provision was made as after an assessment of the current funding market for nickel exploration and development companies and the operational and maintenance costs of its projects and their relative prospectivity. The Board has decided to focus on its Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of its other projects were they fully funded.

The investment in the Airijoki Project represented the amounts paid in taking up and extending the option to acquire various Scandinavian assets described below attributable to the Airijoki Project together with costs incurred in running the projects prior to the acquisition including the costs associated with the listing.

The Airijoki vanadium copper project in Sweden comprising seven contiguous exploration permits covering 39.41 km² and is supported by an Inferred Mineral Resource comprising 44.3 Mt at an in-situ grade of 0.4% V₂O₅, containing 5.9 Mt of magnetite averaging 1.7% V₂O₅ (in magnetite concentrate) for 100,800 t of contained V₂O₅ based on a 13.3% mass recovery of magnetite concentrate and a 0.7% V₂O₅ cut-off grade, on a 100% equity basis (and net attributable basis).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

12. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and Evaluation Assets - Company

	Norwegian Projects £	Total £
Balance 29 December 2022	704,730	704,730
Additions	58,534	58,534
Impairment Provision *	(125,625)	(125,625)
Balance 29 December 2023	637,639	637,639
Impairment Provision **	(637,639)	(637,639)
Balance 29 December 2024	-	-

* The 2023 impairment provision related to the Hosanger and Sigdal licences in Norway where it was decided not to renew as part of the Group's ongoing licence management as they were assessed to have relatively low prospectivity compared to the Group's remaining licences.

** The 2024 impairment provision relates to the Espedalen & Sigdal licences in Norway. The provision was made as after an assessment of the current funding market for nickel exploration and development companies and the operational and maintenance costs of its projects and their relative prospectivity. The Board has decided to focus on its Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of its other projects were they fully funded.

No provision has been made in these financial statements for the further commitments under the Norwegian Projects in relation to drilling commitments, Milestone Payments or Production Royalties as it has been decided not to advance these projects.

13. CONINGENT LIABILITIES

On 6 May 2022 the Company completed the acquisition from Pursuit Minerals Ltd (**"Pursuit"**) of;

- (a) 100% of Northern X Finland Oy (**"Northern X Finland"**), which owned in Finland the Koitelainen vanadium projects which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Karhujupukka vanadium-magnetite exploration project (**"Finnish Projects"**); and
- (b) 100% of Northern X Scandinavia AB (**"Northern X Scandinavia"**) which owned in Sweden the Airijoki and vanadium project (the **"Airijoki Project"**) which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Kramsta, Kullberget, Simesvallen and Sumåssjön exploration projects in Sweden (collectively known as the **"Central Sweden Projects"**) (the Airijoki Project and the Central Sweden Projects are collectively the **"Swedish Projects"**).

(Collectively the **Northern X Group** and the **Nordic Projects**).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

13. CONINGENT LIABILITIES (continued)

As at the end of the year the Group going forward will focus on the Group's Airijoki Project in Sweden and has impaired the other projects acquired from Pursuit.

As part of the purchase agreement with Pursuit there is deferred contingent consideration based on two accretive value milestones being achieved;

- c) Milestone One which triggers a A\$250,000 (approx. £136,000) payment in cash, is the completion by the Group (or any successor or assignee) of a Feasibility Study, as defined by the JORC Code (2012), on any individual project area in the Nordic Projects, demonstrating an internal rate of return of not less than 25%; and
- d) Milestone Two which triggers a A\$500,000 (approx. £272,000) payment in cash is a decision to mine being made by the Group (or any successor or assignee) in respect of any project area in the Nordic Projects.

No provision has been made in these financial statements for the deferred contingent consideration referred to above as all the other projects acquired from Pursuit have been fully impaired and the Airijoki Project is in the exploration phase and therefore it is not certain that a Feasibility Study will be completed or a decision to mine be made in the next few years, or if at all.

Acquisition of EV Metals AB

On 4 August 2023 the Company signed a Share Sale and Purchase Agreement with EMX Royalty Corporation (**EMX**) to acquire 100% of EV Metals AB, a Swedish company that owns the Njuggtraskliden and Mjovattnet exploration licences (the "**Swedish Nickel Projects**") hosting drill-defined magmatic nickel-copper-cobalt-platinum group metal mineralisation along the Swedish "Nickel Line". The consideration paid to acquire EV Metals AB was SEK110,780 (approx. £8,200) and the issue of 15 Million 5 year options to EMX to acquire ordinary shares in the Company at 1.3 pence per Kendrick Share.

Further commitments in relation to the Swedish Nickel Projects

- From 13 January 2024 onwards, the Company has to pay an annual advanced royalty of US\$30,000 per project to EMX which increases by US\$5,000 annually per Project, ceasing upon the Commencement of Commercial Production ("**Advance Royalty**"). The Advance Royalty for 2024 has not been paid but has been accrued for. The Advance Royalty will not be due in relation to 2025 onwards as the Swedish Nickel Projects are not being continued.
- On or before 13 May 2024 the Company has committed to one thousand meter drilling for each of the Swedish Nickel Projects and thereafter annually, ceasing for a project on the date upon which the Company commissions a Pre-Feasibility Study on the project ("**Drilling Commitment**").

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

13. CONINGENT LIABILITIES (continued)

- Royalty Agreement: At the closing of the Swedish Nickel Projects acquisition the Company entered into a royalty agreement under which a 3% net smelter royalty is payable to EMX on commercial production from any of the Swedish Nickel Projects (“**Production Royalty**”). A 1% interest in this royalty may be bought back in stages for a total cash consideration of US\$1,000,000 on or before the fifth anniversary of the closing of the Acquisition.

The Group is not continuing with the Swedish Nickel Projects and no liability has been recognised in these financial statements for the further commitments under the Swedish Nickel Projects Acquisition above in relation to;

- the Drilling Commitment as the Group is not continuing with the Swedish Nickel Projects; and
- Production Royalty as the Group is not continuing with the Swedish Nickel Projects so will not bring them into commercial production.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2024

14. INVESTMENT IN AND LOANS TO SUBSIDIARIES

	Company Investment in Subsidiaries £	Loans to Subsidiaries				Total Investment in & Loans to Subsidiaries £
		Northern X Scandinavia AB £	Northern X Scandinavia Finland OY £	Caledonian Minerals AS £	EV Metals AB £	
Balance 29 December 2022	2,455,312	497,064	86,741	246,882	-	3,285,999
Acquisition of EV Metals	48,666	-	-	-	-	48,666
Loans to Subsidiaries	-	803,509	1,084	517,008	239	1,321,840
Movement in the Year	48,666	803,509	1,084	517,008	239	1,370,506
Impairment Provision *	(152,145)	-	(72,534)	(98,600)	-	(323,279)
Balance 29 December 2023	2,351,833	1,300,573	15,291	665,290	239	4,333,226
Loans to Subsidiaries	-	(199,079)	4,548	82,282	26,637	(85,612)
Impairment Provision **	(1,081,753)	-	(19,839)	(747,572)	(26,876)	(1,876,040)
Balance 29 December 2024	1,270,080	1,101,494	-	-	-	2,371,574

* The 2023 impairment provision related to the Kramsta 100 licence in Sweden, the Karhujupukka North & Karhujupukka North licences in Finland and the Hosanger & Sigdal licences in Norway that it was decided not to renew as part of the Company's ongoing licence management as they were assessed to have relatively low prospectivity compared to the Company's remaining licences.

** The 2024 impairment provision relates to the Simesvallen 100, Kullberget100, Sumasjon1, Mjovattent and Njuggtraskliden licences in Sweden , the Koitelainen and Karhujupukka North licences in Finland and the Espedalen & Sigdal licences in Norway. The provision was made as after an assessment of the current funding market for nickel exploration and development companies and the operational and maintenance costs of its projects and their relative prospectivity. The Board has decided to focus on its Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of its other projects were they fully funded.

To facilitate the smooth transfer of the Norwegian Project Licences the Company acquired Caledonian Minerals AS a Norwegian company established by EMX as a clean special purpose vehicle on 13 May 2022 for £6,186, which at that date had not carried out any business and had no assets of liabilities.

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid less impairment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

14. INVESTMENT IN AND LOANS TO SUBSIDIARIES (continued)

The Company conducted an impairment review under IFRS 9 of the loans made to subsidiaries and determined that i) the recoverability of the Company investment in and loans to Northern X Scandinavia AB in relation to the Airijoki Project is supported by the Airijoki exploration licences owned by Northern X Scandinavia AB, that ii) loans made to subsidiaries related to exploration licences that have been relinquished or will not be a focus of the Group going forward should be assessed as stage 3 loans and iii) that loans made to Northern X Scandinavia AB related to the retained Airijoki exploration licences should be assessed as stage 1 loans with no provision against their carrying value.

Accordingly an impairment provision of £1,081,753 (2023: £152,145) against the carrying value of the Company's investment in subsidiaries and £794,287 (2023: £171,134) was made against the Company's loans to subsidiaries assessed as stage 3. The Company is satisfied that having made these provisions the carrying value of £2,371,574 (2023: £4,333,226) is reasonable and no further impairment is necessary.

Principal Subsidiaries (in 2023 and 2024 unless indicated to the contrary)

Name & registered office address	Country of incorporation and residence	Nature of business	Company's Proportion of equity
Northern X Scandinavia AB Hellstrom Advokatbyrå KB, Box 7305, 103 90 Stockholm Sweden	Sweden	Base Metals Exploration	100%
Northern X Finland Oy C/o Millar Ab, Storgatan 51, 972 31 Luleå Sweden, Finnish business identity code 2892740-6	Finland	Base Metals Exploration	100%
Caledonian Minerals AS c/o IM Ruud Regnskap AS, Smalgangen 3, 0188 Oslo, Norway	Norway	Base Metals Exploration	100%
EV Metals AB c/o Nordfors Consulting AB, Box 528, 101 30 Stockholm	Sweden	Base Metals Exploration	100%

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

15. TRADE AND OTHER RECEIVABLES

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
VAT receivable	8,355	9,099	8,355	8,624
Prepayments	25,707	26,190	25,707	26,190
Other receivables	12,935	12,751	2,000	2,000
	46,997	48,040	36,062	36,814

The fair value of trade and other receivables is not significantly different from the carrying value and none of the balances are past due.

16. TRADE AND OTHER PAYABLES

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
Trade and other payables	444,932	238,704	444,932	238,704
Amount owed to directors	217,510	77,819	217,510	77,819
Accruals	140,759	108,534	140,759	108,534
Loans and other payables	18,177	3,653	18,056	3,532
	821,378	428,710	821,257	428,589

17. BORROWINGS

On 22 April 2024 the Company entered into an unsecured convertible loan funding facility (the “**Facility**”) for £500,000 with Sanderson Capital Partners Ltd (the “**Lender**”), a long term shareholder in the Company. The Facility is convertible at 0.75 pence per ordinary share (“**Shares**”) and can be drawn down in 4 tranches of £125,000 each (“**Loan Tranches**”). During the year a drawdown of £125,000 (“**Tranche One Drawdown**”) was made and paid under the Facility. During the year a second drawdown notice of £125,000 (“**Tranche Two Drawdown**”) was issued under the Facility. The Tranche Two Drawdown has not yet been paid.

Working Capital Facility Agreement The Facility is for £500,000 in total, is unsecured, interest free and can be drawn down in four tranches as follows:

- £125,000 drawn down within 6 months of 7 May 2024 (“**Tranche One**” – drawn down);
- £125,000 drawn down within 6 months of 7 July 2024 (“**Tranche Two**” due as at 29 December 2024);
- £125,000 drawn down within 6 months of 7 September 2024 (“**Tranche Three**”);
- and
- £125,000 drawn down within 6 months of 7 November 2024 (“**Tranche Four**”).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

17 BORROWINGS (continued)

The Company will provide a loan drawdown notice if and when it requires a drawdown. The Company has the option but not the obligation to drawdown on part or all of the Facility.

Repayment and Conversion

Repayment

Unless otherwise converted, the Company must repay each Loan Tranche on the first anniversary of the advance by the Lender of the applicable Loan Tranche (“**Maturity Date**”). The Company may prepay the whole or part of the Facility on any day prior to the Maturity Date for a Loan Tranche upon giving not less than 14 days’ prior written notice to the Lender and paying in cash a prepayment fee of 5% of the amount which the Company prepays in cash before the Maturity Date. The Lender can during the 14 days’ notice period make an election for all or part of the Loan subject to a prepayment notice to be repaid in shares in which case the 5% fee shall not apply to that proportion of the Loan repaid in shares.

Conversion of Loan Tranche by Lender

The Lender may at any time during the Facility Period elect to convert all or part of any drawn down amount into such number of new shares equal to the amount of the Loan Tranche that is to be repaid at the date of the election, divided by the 0.75 pence (“**Conversion Price**”) (the “**Conversion Shares**”). The Conversion Price of 0.75 pence per share represented a 87% premium to the closing share price of 0.4 pence on 19 April 2024.

Conversion of Loan by the Company

The Company may at any time during the Loan Period elect to convert all or part of Tranche One to Tranche Four if the share price exceeds 1 pence (“**Target Conversion Price**”) for a period of five or more business days.

Conversion Adjustment

If the Company before i) the Maturity Date for a Loan Tranche and before ii) the Loan Tranche has been repaid issues shares for cash consideration (“**Issue Price**”) at a discount to 0.75 pence per share (the “**Base Issue Price**”) then the Conversion Price and the Target Conversion Price in respect of that Loan Tranche shall be multiplied by a fraction, the numerator of which will be the Issue Price and the denominator of which will be 0.75 pence.

Interest and Fees

The Loan is interest free. The Lender shall be paid an arrangement fee of 10% of the amount of the Facility to be settled by the issue of 11,764,706 new shares (“**Facility Fee Shares**”) credited as fully paid by at an issue price of 0.425p per Share (being the Five Day VWAP on the date of the announcement of the Working Capital Facility Agreement) with the Facility Fee Shares to be issued on or before 31 December 2024 or such other date agreed by the parties. The Facility Fee Shares have not yet been issued as the

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

17 BORROWINGS (continued)

drawdowns under Loan Tranche Two during the period and under Loan Tranche Three post the period end have not yet been paid.

On the drawdown of any Loan Tranche the Lender shall be paid a further fee of 2% of the amount of the relevant Loan Tranche which is to be settled by the issue of new Shares credited as fully paid at the five-day VWAP on the date of the relevant Loan drawdown notice ("**Drawdown Fee Shares**") with the Drawdown Fee Shares to be issued on or before 31 December 2024 or such other date agreed by the parties.

Option to Extend Facility

If the Company draws down in full or in part against Tranche One, Tranche Two, Tranche Three and Tranche Four then it has the option to elect to be able to drawdown up to an additional £250,000 ("**Optional Loan Tranche**") This must be made in writing within 30 days of the date the Company has made a drawdown in full or in part against Tranche One, Tranche Two, Tranche Three and Tranche Four.

Warrants

On the drawdown of any Loan Tranche, the Lender shall be issued three year warrants over shares ("Warrants") with a face value equal to 50% of the amount drawn down under the Loan Tranche. The exercise price for the Warrants applicable to each of the tranches are as follows:

- 1.5 pence per share for the drawdown of Tranche One to Tranche Four; and
- 2 pence per share for the drawdown of the Optional Loan Tranche;

During the year the Company issued 4,166,667 warrants exercisable at 1.5 pence for three years in relation to the drawdown of £125,000 under the Facility which was paid during the year.

If there are no drawdowns under two or more of the Loan Tranches then at 7 May 2025 which is 6 months after the Tranche Four Drawdown Date of 7 November 2024, the Company will issue a three year warrant to the Lender for an amount equal to 25% of the Facility that has not been drawn down with an exercise price of 1 pence per share.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 29 December 2024

18. SHARE CAPITAL AND SHARE PREMIUM

	2024		2023	
	Number	£	Number	£
Issued and fully paid equity share capital				
Ordinary shares of £0.0003 each	250,248,152	75,074	243,882,767	73,165
Deferred shares of £0.00999 each	335,710,863	3,353,752	335,710,863	3,353,752
Deferred shares of £0.009 each	1,346,853,81	12,121,684	1,346,853,817	12,121,684
Deferred shares of £0.01 each	19,579,925	195,799	19,579,925	195,799
Deferred shares of £0.04 each	181,378,766	7,255,151	181,378,766	7,255,151
		23,001,460		22,999,551
Group & Company	Number of Ordinary shares	Share capital £	Share Premium £	
As at 1 January 2023	239,738,372	71,921	31,810,107	
Shares issued on acquisition of the Norwegian projects	4,144,395	1,244	35,021	
As at 29 December 2023	243,882,767	73,165	31,845,128	
Shares issued to settle accrued fees to consultants	6,365,385	1,909	44,091	
As at 29 December 2024	250,248,152	75,074	31,889,219	

On 18 September 2024 the Company issued 6,365,385 new ordinary shares of £0.0003 to settle £46,000 of accrued fees due to consultants as per the table below:

Period	Fees	Issue price	No. of shares
12 mths to 31 August 2024	£ 30,000	£ 0.00650	4,615,385
12 months to 2 May 2024	£ 16,000	£ 0.00914	1,750,000

At the Annual General Meeting held on 4 February 2021, shareholders approved that the 335,710,863 Existing Ordinary Shares in issue be subdivided each into one new ordinary share of £0.00001 (“**New Ordinary Share**”) and one deferred share of £0.00999 (“**2020 Deferred Share**”) in the capital of the Company. The New Ordinary Shares carry the same rights as attached to the Existing Ordinary Shares (save for the reduction in their nominal value). The 2020 Deferred Shares have no voting rights and have no rights as to dividends and only very limited rights on a return of capital. They will not be admitted to trading or listed on any stock exchange and will not be freely transferable. The holders of the 2020 Deferred Shares are not entitled to any further right of participation in the assets of the Company. As such, the 2020 Deferred Shares effectively have no value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

18. SHARE CAPITAL AND SHARE PREMIUM (continued)

At the Annual General Meeting held on 25 October 2021, shareholders approved an ordinary resolution that for every thirty (30) issued and unissued ordinary share of £0.00001 each in the share capital of the Company (“**Existing Shares**”) be consolidated into one (1) ordinary share of £0.0003 each (“**New Shares**”) such New Shares having the same rights and being subject to the same restrictions, save as to nominal value, as the Existing Shares.

The deferred shares of £0.01 each and £0.009 each confer no rights to vote at a general meeting of the Company or to a dividend. On a winding-up the holders of the deferred shares are only entitled to the paid-up value of the shares after the repayment of the capital paid on the ordinary shares and £5,000,000 on each ordinary share.

The deferred shares of £0.04 each have no rights to vote or to participate in dividends and carry limited rights on return of capital.

19. WARRANTS AND SHARE OPTIONS

At 29 December 2024 the warrants in the table below over ordinary shares in the issued share capital of the Company were issued and at the period end had not been exercised.

	Number of Warrants	Exercise price (p)	Expiry
Fundraising Warrants	92,857,143	6.0	6 May 2025
Broker Warrants	4,642,856	3.5	6 May 2025
Consultant Warrants	4,375,943	3.5	6 May 2025
Drawdown Warrants	4,166,667	1.5	23 August 2026
	<u>106,042,609</u>		

A warrant reserve was not created in relation to the 101,875,942 warrants as they were all issued in relation to raising funds for the Company’s Listing in May 2022.

During the year the Company issued 4,166,667 Drawdown Warrants exercisable at 1.5 pence for three years in relation to the drawdown of £125,000 under the Facility which was paid during the year.

The fair value of the drawdown warrants of £9,333 was determined at the date of the grant using the Black Scholes model, using the following inputs but has not been provided for in these financial statements:

Share price at the date of issue	0.78p
Strike price	1.5p
Volatility	65%
Expected life	1,095 days (3 years)
Risk free rate	3.81%

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

19. WARRANTS AND SHARE OPTIONS (continued)

A new Share Option Scheme for the directors, senior management, consultants and employees was approved at the AGM on 4 February 2021, as outlined in the Directors Report.

On 2 February 2023 the Company issued in aggregate, 22,550,000 options over ordinary shares of £0.0003 par value in the capital of the Company ("Ordinary Shares") have been granted fully vested pursuant to the Share Option Scheme (the "**Options**"). Of the 22,550,000 Options, 13,750,000 have been awarded to directors of the Company, as detailed further below and the balance of 8,800,000 to other eligible participants. The Company has not previously issued any Options pursuant to the Share Option Plan.

Directors	No. of Options
Colin Bird Executive Chairman	6,000,000
Martyn Churchouse	5,000,000
Alex Borrelli	1,000,000
Evan Kirby	1,000,000
Kjeld Thygesen	750,000
Total Directors	13,750,000

All the Options have an exercise price of 3.5 pence per Ordinary Share and vested on issue. To incentivise and retain directors, officers, consultants and employees critical to enhancing the future market value of the Company. The options expire on 3 February 2031 being the date one day prior to the tenth anniversary of the AGM at which the Share Option Plan was approved. The Options can be exercised any time after vesting and prior to their scheduled expiry and must be exercised within 6 months of an option holder leaving the Company or within 12 months of the death of an option holder. The Company's mid-market closing share price on 2 February 2023, being the latest practicable date prior to the issue of the options, was 0.93 pence.

As a result of this the fair value of the share options was determined at the date of the grant using the Black Scholes model, using the following inputs:

Share price at the date of issue	0.93p
Strike price	3.5p
Volatility	50%
Expected life	2,920 days (8 years)
Risk free rate	4%

The resultant fair value of the share options as at 29 March 2023 was determined to be £59,758.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

19. WARRANTS AND SHARE OPTIONS (continued)

As detailed in note 13 in addition to the consideration paid to acquire EV Metals AB on 7 August 2023, the Company issued 15 million 5 year options to EMX to acquire ordinary shares in the Company at 1.3 pence per Kendrick Share. The options can be exercised any time after vesting and prior to their scheduled expiry and the Company's mid-market closing share price on 4 August 2023, being the latest practicable date prior to the issue of the options, was 0.775 pence.

As a result of this the fair value of the share options was determined at the date of the grant using the Black Scholes model, using the following inputs:

Share price at the date of issue	0.775p
Strike price	1.3p
Volatility	50%
Expected life	1,825 days (5 years)
Risk free rate	5%
The resultant fair value of the options was determined to be £40,500.	

20. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to shareholders.

The capital resources of the Company comprises issued capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. The Company's primary objective is to provide a return to its equity shareholders through capital growth. Going forward the Company will seek to maintain a yearly ratio that balances risks and returns of an acceptable level and also to maintain a sufficient funding base to the Company to meet its working capital and strategic investment needs.

Categories of financial instruments

	2024 £	2023 £
Financial assets		
Current asset investment	1,798	1,798
Cash and cash equivalents	17,551	199,992
Trade and other receivables	21,290	21,850
	40,639	223,640
Financial liabilities classified as held at amortised cost		
Trade and other payables	444,932	238,704
	444,932	238,704

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

20. FINANCIAL INSTRUMENTS (continued)

All financial assets are held at amortised costs except current asset investments as detailed below.

Fair value of financial assets and liabilities

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine fair values. The current asset investment is Level 1 in the fair value hierarchy and is held at fair value.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Management assessed that the fair values of current asset investment, cash and short-term deposits, other receivables, trade and other payables, borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management objectives

Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Company entered into an unsecured convertible loan funding facility, which is subject to an arrangement fee of 10% of the amount of the Facility to be settled by the issue of new shares as detailed in note 17. The Loan is interest free and so the Group is not exposed to any risks associated with fluctuations in interest rates on the loan. Otherwise the Group has no other committed borrowings. Fluctuation in interest rates applied to cash balances held at the balance sheet date would have minimal impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

20. FINANCIAL INSTRUMENTS (continued)

Foreign exchange risk and foreign currency risk management

Foreign currency exposures are monitored on a monthly basis. Funds are transferred between the Sterling and US Dollar accounts in order to minimise foreign exchange risk. The Group holds the majority of its funds in Sterling.

The carrying amounts of the Group's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	Financial liabilities		Financial assets	
	2024	2023	2024	2023
	£	£	£	£
US Dollars	47,958	16	198	19
Swedish Krona	57,190	113,579	15	160,050
Euros	4,588	-	-	-
Norwegian Krona	16,223	52,534	-	-

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant credit risk exposure on trade receivables. The Group makes allowances for impairment of receivables where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. The directors consider the foreign exchange risk exposure is limited.

The credit risk on liquid funds (cash) is considered to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

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

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management monitor forecasts of the Company's liquidity reserve, comprising cash and cash equivalents, on the basis of expected cash flow. At 29 December 2024, the Group held cash and cash equivalents of £17,551 (2023: £199,992) and the directors assess the liquidity risk as part of their going concern assessment (see note 3).

The maturity of the Group's financial liabilities at the Statement of Financial Position date, based on the contracted undiscounted payments as disclosed in note 14, falls within one year and payable on demand. The Group aim to maintain appropriate cash balances in order to meet its liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

20. FINANCIAL INSTRUMENTS (continued)

Maturity analysis

Group		On	In	Between	Between	Between
2024	Total	demand	1 month	1 and 6	6 and 12	1 and 3
	£	£	£	months	months	years
	£	£	£	£	£	£
Trade and other payables	821,378	-	133,660	687,718	-	-
Borrowings	125,000	-	-	125,000	-	-
Group						
2023						
	Total	demand	1 month	Between	Between	Between
	£	£	£	1 and 6	6 and 12	1 and 3
	£	£	£	months	months	years
	£	£	£	£	£	£
Trade and other payables	428,710	-	82,971	345,739	-	-

21. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

The key management personnel of the Company are considered to be the Directors. Details of their remuneration are covered in note 7. Amounts owed to Directors is shown in Note 16.

The shareholdings of the Directors in the issued share capital of the Company was as follows:

	29 December 2024		29 December 2023	
Director	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	47,819,227	19.11%	45,069,227	18.48%
Kjeld Thygesen	2,142,857	0.86%	2,142,857	0.88%
Alex Borrelli	82,777	0.03%	82,777	0.03%
Evan Kirby	-	-	-	-
Martyn Churchouse	-	-	-	-

* Includes 3,695,238 shares held by Lion Mining Finance Ltd and 33,428,571 shares held by Camden Park Trading Ltd, companies controlled by Colin Bird.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

21. RELATED PARTY TRANSACTIONS (Continued)

The Company entered into a licence agreement dated 1 February 2022 with Lion Mining Finance Limited (a company controlled by Colin Bird, a director of the Company) which was amended with effect from 1 June 2022. Pursuant to this agreement, the Company has been granted a licence to use the premises at 7-8 Kendrick Mews, London SW7 for a licence fee of £1,500 per month (ex VAT) which can be terminated on 2 month's notice as the initial 12 month term of the agreement has already expired.. In addition, Lion Mining Finance Limited provides basic administrative and support services as required by the Company from time-to-time. At the year end the Group owed Lion Mining Finance Ltd £27,250 (2023 - £5,650) and incurred expenses of £21,600 (2023 - £21,850) in the year.

Directors' Letters of Appointment and Service Agreements

- (a) Pursuant to an agreement dated 29 April 2022 the Company renewed the appointment of Colin Bird as a Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Colin Bird is entitled to director's fees of £18,000 per annum for being a Director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Colin Bird is not entitled to any pension, medical or similar employee benefits. The agreement replaces all previous agreements with Colin Bird in relation to his appointment as a director of the Company. At the year end the Group owed Colin Bird £38,708 (2023 - £20,708) in respect of director fees.
- (b) Pursuant to a consultancy agreement dated 29 April 2022, the Company has, with effect from the date of the IPO, appointed Colin Bird as a consultant to provide technical advisory services in relation to its current and future projects including, but not limited to, assessing existing geological data and studies, existing mine development studies and developing exploration programs and defining the framework of future geological and mine study reports (the "Colin Bird Services"). The appointment continues unless terminated by either party giving to the other three months' notice in writing. Colin Bird is entitled to fees of £2,500 per month for being a consultant to the Company plus reasonable and properly documents expenses incurred during the performance of the Colin Bird Services. At the year end the Group owed Colin Bird £42,500 (2023 - £15,000) in respect of consultancy fees.
- (c) Pursuant to an agreement dated 29 April 2022, renewed the appointment of Kjeld Thygesen as a non-executive Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Kjeld Thygesen is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Kjeld Thygesen is not entitled to any pension, medical or similar employee benefits. At the year end the Group owed Kjeld Thygesen £54,000 (2023 - £36,000) in respect of director fees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

21. RELATED PARTY TRANSACTIONS (Continued)

- (d) Pursuant to an agreement dated 29 April 2022, Alex Borrelli was appointed as a non-executive Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Alex Borrelli is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Alex Borrelli is not entitled to any pension, medical or similar employee benefits. At the year end the Group owed Borelli Capital Ltd a company controlled by Alex Borrelli £28,333 (2023 - £5,684) in respect of director fees in relation to Alex Borrelli.
- (e) Pursuant to an agreement dated 29 April 2022, Evan Kirby was appointed as a non-executive Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Evan Kirby is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Evan Kirby is not entitled to any pension, medical or similar employee benefits. At the year end the Group owed Metallurgical Management Services a company controlled by Evan Kirby £38,708 (2023 - £6,000) in respect of director fees in relation to Evan Kirby.

Loans to Subsidiaries

	2024	2023
	£	£
Loans to Northern X Scandinavia AB	1,101,493	1,300,573
Loans to Northern X Finland OY	-	15,291
Loans to Caledonian Minerals AS	-	665,290
Loans to EV Metals AB	-	239
	<u>1,101,493</u>	<u>1,981,393</u>

All intra-group loans are interest-free and form part of the Company's investment in subsidiaries. The loans are net of the impairments detailed in note 14.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2024

22. NET DEBT

	Group 2024 £	Company 2024 £	Group 2023 £	Company 2023 £
Cash and cash equivalents	17,551	15,204	199,992	39,953
Borrowings	(125,000)	(125,000)	-	-
Net (debt) / funds at year end	(107,449)	(109,796)	199,992	39,953
Net funds brought /forward	199,992	39,953	1,817,706	1,769,719
Cash flow movements	(307,441)	(149,749)	(1,617,714)	(1,729,766)
Net (debt) / funds as at year end	(107,449)	(109,796)	199,992	39,953

Net debt is calculated as total borrowings (including “current and non-current borrowings” as shown in the statement of financial position) less cash and cash equivalents.

23. EVENTS AFTER THE REPORTING DATE

As announced on 25 February 2025 the Company has raised £107,500 before expenses at 0.25 pence per Ordinary Share (the “**Fundraising Price**”) through the issue of 43,000,000 new Ordinary Shares of £0.0003 each. The Fundraising comprised a placing of 31,000,000 Fundraising Shares raising £77,500 via Shard Capital Partners PLC (“Shard”) and the Company arranged share subscriptions for 12,000,000 raising £30,000. Following the issue of the Fundraising Shares the Company’s total issued share capital consist of 293,248,152 Ordinary Shares with voting rights.

Colin Bird, the Company’s Executive Chairman subscribed £20,000 for 8,000,000 Fundraising Shares which represent in aggregate 18.6% of the gross fundraising proceeds.

On 7 March 2025 the Company issued a drawdown notice of £125,000 under Loan Tranche Three of the Working Capital Facility Agreement with Sanderson Capital Partners Ltd (see Note 17) which has not yet been paid.

The Company also issued a warrant to Shard to subscribe for 1,550,000 new Ordinary Shares exercisable at the fundraising price for a period of three years from Admission of the shares on 28 February 2025.

Other than these matters, no significant events have occurred subsequent to the reporting date that would have a material impact on the consolidated financial statements.