

Company Registration Number: 02401127



KENDRICK RESOURCES PLC

ANNUAL REPORT

29 DECEMBER 2025

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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

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Registered No. 02401127

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Dear Shareholder,

I reported in my last chairman's statement that despite having high potential nickel projects, the cost of exploration and associated works in Scandinavia was too expensive for a junior company in terms of total resource allocation. This was compounded by the weakness of the nickel market, with nickel being the core of our exploration portfolio. I also highlighted that the Company was looking to restructure the portfolio to focus on these metals in jurisdictions it knows, including Southern Africa as it had strong access to people resource and a track record of success providing a network, which is essential for future development.

The board have in these financial statements elected to write off the Airijoki vanadium project in Sweden notwithstanding its prospectivity were it fully funded on the basis that the current funding market for vanadium projects remains very weak with little apparent chance of regaining its anticipated status in the renewal energy market.

Our search for new projects was exhaustive and during the period we reviewed many opportunities, which we decided not to pursue either due to project fundamentals or imbalance between price expectations and prospectivity.

During the year the Company announced on 29 September 2025 the exercise of its option to enter into a joint venture agreement for the exploration of and if appropriate development of the Blue Fox Copper project located in the Northwestern region of Zambia

As a post balance sheet event, we announced the signing of a binding and exclusive agreement to enter into an option over rare earth licences in Namibia, namely EPL 4458 and EPL 6691. The binding and exclusive period was valid until 19 May 2026. On 23 February 2026, the company announced that it had exercised its option and entered into a definitive agreement with Bonya Exploration Pty Namibia ("**Bonya**").

Since signing the agreement, the company has conducted two capital raisings and conducted a data base preliminary interrogation. The data base is very comprehensive and constitutes an excellent foundation base for future work. We have sent previously generated core for assay and on 16 March 2026 reported excellent total rare earth values and particularly good values of light rare earths with magnetic properties much sought after. The magnetic rare earths being Neodymium, Samarium and Praesidium.

At the time of writing this report the Company is busy drilling and exploring in the licence areas with a view to fast tracking all elements of a feasibility study.

Results for the year: The Group reported a loss before taxation for the year of £2,603,425 (2024: £3,437,121) mainly due to administrative costs of £443,003 (2024: £693,059), including professional, consulting and directors' fees and an impairment of £2,176,953 (2024: £2,737,711) against licences we have decided to relinquish to focus on the Bonya rare earths and Blue Fox copper projects. Net liabilities at 29 December 2025 amounted to £1,215,036 (2024: net assets of £1,320,795) including exploration and evaluation assets of £Nil (2024: £2,200,826) and cash of £6,525 (2024: £17,551).

Kendrick Resources PLC

CHAIRMAN'S STATEMENT

Outlook: The junior resource climate has improved over the period and geopolitical tension has put many critical metals and minerals under the spotlight. Rare earths in particular are generally under Chinese control, and the west has little access to the necessary sources of rare earths and the necessary processing facilities. It is the opinion of the Board that our licences are very well situated in that they are 60km from Lüderitz, a deep-water port in southern Namibia, have a powerline running through the property and are close to a key arterial road within the country.

The project history suggests that the potential for this project is well above the global average both in terms of tonnes and grade. It is our intention to progress this project as fast as possible to progress the fundamentals to prove of statement i.e. the project is world class.

Kendrick looks forward to its new life in the rare earths arena and is doing all possible to enhance shareholder value in the short term.

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.

I thank my fellow directors and management for their efforts in maintaining the business, whilst restructuring its purpose.



Colin Bird

Chairman

28 April 2026

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) Category its principal activity is that of mining exploration and development. Prior to this year the Group’s focus has been on vanadium, nickel, and copper battery metals projects in Scandinavia via its subsidiaries. During 2025 the Company has, given the Board’s extensive resource project experience in Southern Africa and the relative cost of developing projects in Southern Africa compared to Scandinavia, been focussing on acquiring projects in Southern Africa. In 2025 it exercised an option to acquire the Blue Fox copper exploration project located in northwest Zambia and post the year end acquired a 70% interest in Bonya Exploration Pty Namibia (“**Bonya**”) Rare Earth Project located in Namibia which is now the Company’s main focus.

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 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. However having assessed the current funding market for the Group’s Airijoki vanadium energy storage project in Sweden the Board have decided to make a full impairment provision against this project notwithstanding the prospectivity of the Airijoki Project were it fully funded. This is so that the Company can focus instead on the Bonya rare earths project in Namibia acquired after the period end and the Blue Fox copper project in Zambia acquired late during the current period, these projects are more prospective than the Scandinavia projects and investors have shown a willingness to support these projects as evidenced by the Company’s fundraising post the year end.

Operational Review

Acquisition during the year

During the year the Company announced on 29 September 2025 the exercise of its option to enter into a joint venture agreement for the exploration of and if appropriate development of licence number 34412-HQ-LEL located in the Northwestern region of Zambia (“**Blue Fox Copper project**”).

Impairment Provision

Having assessed the current funding market for the Group’s Airijoki vanadium energy storage project in Sweden the Board have decided to make a full impairment provision against this project notwithstanding the prospectivity of the Airijoki Project were it fully funded. This is so that the Group can focus instead on the Bonya and Blue Fox projects which are more prospective and for which investors have shown a willingness to support as evidenced by the Company’s fundraising post the year end.

In light of this assessment the decision has been made to make a full impairment provision in relation to the exploration and evaluation asset in relation to the Airijoki project.

Summary of Blue Fox Copper Project in Northwest Zambia:

The Blue Fox project comprises large scale exploration licence 34412-HQ-LEL which was issued on 16 October 2023 and expires on 15 October 2027 and is for cobalt, copper, diamond, gold and silver.

- The Licence which was previously held by Anglo American Corporation and is located within the highly productive and prospective External Fold and Thrust Belt which is itself situated between the Western Foreland and Domes domains of northwest Zambia.

Kendrick Resources PLC

Operational Financial Corporate and Strategy Reviews

- The Licence is situated along strike of and in the same External Fold and Thrust Belt that hosts Tenke Fungurume (8Mt contained Cu) and the Mutanda mines in Democratic Republic of Congo
- The Licence sits adjacent to known copper mineralisation hosted by Roan Group rocks and associated with salt diapir tectonics and fluidised breccias.

Financial Review

Financial highlights:

- £2.6m loss before tax (2024: £3.4m) due to an impairment provision of £2,176,953 (2024: £2,737,711) against the Airijoki vanadium licences in Sweden due to a poor funding market for the project
- Approximately £7k cash at bank at the year end (2024: £18k).
- The basic and diluted loss per share of 0.91 pence (2024: loss 1.40 pence) has been calculated on the basis of the loss of £2,603,425 (2024: loss £3,437,121) and on 286,415,275 (2024: 245,674,119) ordinary shares, being the weighted average number of ordinary shares in issue during the year ended 29 December 2025.
- At the year end net liabilities were £(1.22)m due to the loss for the year (2024 (net assets of £1.32m).

Fundraisings and issues of shares and options

On 25 February 2025 the Company announced it had raised £107,500 before expenses at 0.25 pence per Ordinary Share through the issue of 43,000,000 new Ordinary Shares of £0.0003 each (the “**Fundraising Shares**”) (the “**February 2025 Fundraising**”). Colin Bird, the Company’s Executive Chairman subscribed £20,000 for 8,000,000 Fundraising Shares which represented in aggregate 18.6 per cent. of the gross proceeds (“**Colin Bird Share Subscription**”).

During the period Colin Bird, the Company’s Executive Chairman has provided an interest free loan of £35,000 to the Company (“**Colin Bird Loan**”) and Michael Allardice who provides consultancy services to the company also provided an interest free loan of £3,800 in addition to the £17,500 which he lent in 2024.

Post the year end the Company has raised £1,587,000 by a combination of the issue of shares and convertible loan notes as detailed in note 23 (post balance sheet events) to the Accounts

The Company did not issue any share options during the period. On 28 February 2025, in connection with the February 2025 Fundraising the Company issued a three year warrant to Shard Capital Partners PLC to subscribe for 1,550,000 shares exercisable at 0.25 pence per share.

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 what is now known as the Equity Shares (transition) Category of the FCA’s Official List and to trading on the Main Market of the London Stock Exchange on 6 May 2022.

Corporate Acquisitions

There were no corporate acquisitions during the period.

Strategy Review

The Company's strategy is to acquire and enhance the value of its mineral resource projects through exploration, technical studies and resource development and to bring projects to production through joint venture or other arrangements or their sale.

The Kendrick Board has extensive resource project experience in southern Africa and has gravitated back to the region with the acquisition post the year end of a 70% interest in the Bonya Project rare earths located in Namibia. and in late 2025 the exercise of an option in relation to a joint venture to develop the Blue Fox copper project located in northwest Zambia.

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 current and forecast prices remain high. Geopolitical tension has put many a critical metals and minerals under the spotlight. Rare earths in particular are generally under Chinese control, with the rest of the world having little access to the necessary sources of rare earths and rare earths processing facilities. It is the opinion of the board that in this regard the Bonya project rare earths project is very well situated given its location 60 km from the Lüderitz deep water port, having a powerline running through the property and being close to a key arterial road.

Funding markets for exploration companies with the right projects has improved and the Company has by raising £1,587,000 demonstrated post the year end that it is able to raise funds in the current environment. The objective of the Board is to work to enhance the value of the Group's Bonya rare earths project and the Blue Fox copper project in Zambia.

The Directors present their strategic report for the year ended 29 December 2025.

PRINCIPAL ACTIVITIES

The Group's principal activity 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. Prior to this year, the Group's focus has been on vanadium, nickel, and copper battery metals projects in Scandinavia via its subsidiaries. During 2025 the Company has, given the Board's extensive resource project experience in Southern Africa and the relative cost of developing projects in Southern Africa compared to Scandinavia, been focussing on acquiring project in Southern Africa. In 2025 exercised an option to acquire the Blue Fox copper exploration project ("**Blue Fox**") located in northwest Zambia and post the year end acquired a 70% interest in Bonya Exploration Pty Namibia ("**Bonya**") Rare Earth Project located in Namibia which is now the Company's main focus.

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 2025, the Group had net liabilities of £1.22m and cash and cash equivalents of £7k. 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.

Post the year end the Company has raised £1,587,000 by a combination of the issue of shares and convertible loan notes as detailed in note 23 (post balance sheet events) to the financial statements

Based on fundraisings post the year end, the current cash balance of approximately £590K at the date of these financial statements 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 the cash flow forecast to 31 July 2027 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.

However, the Group has not reached a contractual agreement to raise funds at the date of this report, and this represents a material uncertainty that the Group will be able to successfully raise additional funds and in the timeframe required. This may cast significant doubt on the Group's and Company's ability to continue as a going concern for the period to 31 July 2027.

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 Namibia and Zambia, 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:

	2025	2024
	£	£
Total assets	56,086	2,267,173
Net (liabilities) / assets	(1,215,036)	1,320,795
Cash and cash equivalents	6,525	17,551
Trade and other payables	(1,012,957)	(821,378)
Liabilities related to borrowings	(258,185)	(125,000)
Loss before tax for the year	(2,618,388)	(3,437,121)

Results for the year: The Group reported a loss before taxation for the year of £2,603,425 (2024: £3,437,121) mainly due to administrative costs of £443,003 (2024: £693,059), including professional, consulting and directors' fees and an impairment of £2,176,953 (2024: £2,737,711) against the Airijoki vanadium licences in Sweden due to a poor funding market for the project. Net liabilities at 29 December 2025 amounted to £(1,215,036 (2024: net assets of £1,320,795) including exploration and evaluation assets of £Nil (2024: £2,200,826) and cash of £6,525 (2024: £17,551). As explained under the Principal Activities section of this report, the Board has decided the Group should focus on its Bonya rare earths project and the Blue Fox copper project in Zambia

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.

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.

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 in early stage negotiations with Jubilee to sell the royalty back to Jubilee. These negotiations do not warrant a reversal of the previous impairment.

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 non sterling payments in 2025 were in Euros and SEK (Swedish Krona) but going forward will be in USD, Namibian Dollars and Zambian Kwacha,

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.



C Bird
Chairman

28 April 2026

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, 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, Tiger Resource Finance 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 a number of exploration companies with oversight for 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.

Former directorships in the last 5 years

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

Kendrick Resources PLC

BOARD OF DIRECTORS

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 subsequently qualified as a chartered accountant. He has many years' experience in investment banking encompassing flotations, takeovers, and 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 currently a senior non-executive director of ASX-listed and AIM-listed Greatland Resources Limited and a non-executive director of AIM-listed Bradda Head Lithium Limited.

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 2025.

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 revisions to the Company's incentive schemes. The primary changes relate to the Annual Incentive Schemes so as to more closely align the annual incentive awards with the interest of shareholders which is primarily increases in the Company's share price (the "**Revised Incentive Schemes**"). Awards under the Revised Incentive Schemes are not intended to replace the Share Option Scheme arrangements. The Revised 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 Revised Incentive Schemes included **Annual Incentive Awards**: These will be awarded to Eligible Participants with a minimum of 80% of their awards being related to Company performance and the balance related to individual key performance indicators determined by the remuneration committee. The foregoing percentages are so as to more closely align the annual incentive awards with the interest of shareholders which is primarily increases in the Company's share price. Eligible Participants annual incentive award based on the Company performance will be based on improvements in the Company's share price in the preceding 12 month period ("**Company Share Price Increase**"). Following shareholder approval an annual Company Share Price Increase measure was introduced with effect from 30 June 2024. The base share price for the Company Share Price Increase was 0.9456 pence per share for the initial year being the higher of i) the VWAP for June 2024 and ii) the highest calendar monthly VWAP during the 12 months to 30 June 2024 in both cases multiplied by 120% (the "**Initial Base Share Price**"). In the second and subsequent years the Company Share Price Increase will be "high water marked" by the Base Share Price for the relevant year being the higher of i) the Initial Base Share Price and ii) the highest Year End Share Price (as defined below) for each previous year since the Initial Year multiplied by 120%. The year

Kendrick Resources PLC

DIRECTORS REMUNERATION REPORT

end share price for each year will be the 30 day VWAP in the last month of the 12 month period (the “**Year End Share Price**”). The participation rate in the Company Share Price Increase above the Base Share Price for the applicable year will be 5% (the “**Participation Rate**”). In the year ended 30 June 2025 there was no awards made under the Annual Incentive Awards,

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.

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 2025 and 2024 was as follows:

	2025		
	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 24.

Kendrick Resources PLC

DIRECTORS REMUNERATION REPORT

	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

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 2025 or 2024.

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 2025		29 December 2024	
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	55,819,227	19.03%	47,819,227	19.11%
Martyn Churchouse	-	-	-	-
Kjeld Thygesen	2,142,857	0.73%	2,142,857	0.86%
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 the Share Option Scheme Options issued to Directors are provided in the Directors' Report on page 24 and in note 19.

No warrants were issued to Directors in 2025, 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 expired on 6 May 2025. None of the warrants were exercised during the period.

Kendrick Resources PLC

DIRECTORS REMUNERATION REPORT

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

Other than as set out above, none of the Directors as at 29 December 2025 held any interest in shares of the Company during the year.

This report was approved by the Board on 28 April 2026 and signed on its behalf by:



C Bird
Chairman

28 April 2026

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 the role of the Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. The Company's corporate governance statement is available in the investor section of the Company's website at <https://www.kendrickresources.com/>

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 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. 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 experience and background of the directors is summarised in the Board of Director's section of the financial statements. The directors, each of whom has over 30 years' experience in the mining and exploration industry, maintain and update their skills and knowledge through ongoing involvement in active exploration and development projects, regular engagement with technical advisers and industry specialists, participation in industry conferences and professional forums, and continuous review of regulatory, technical and market developments relevant to the minerals sector.

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 2025 and the number of meetings attended by each director is tabled below.

2025

	<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	2	2	2
E. Kirby	2	2	2	2
K Thygesen	2	2	2	2
M Churchouse	2	n.a.	2	n.a.

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.

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.

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.

Kendrick Resources PLC

CORPORATE GOVERNANCE STATEMENT

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.

Kendrick Resources PLC

CORPORATE GOVERNANCE STATEMENT

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.

Kendrick Resources PLC

CORPORATE GOVERNANCE STATEMENT

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.

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.

Kendrick Resources PLC

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements, for the year ended 29 December 2025.

RESULTS AND DIVIDENDS

The results for the year are set out in the Group Statement of Comprehensive Income on page 39. The Directors do not recommend the payment of a dividend on the ordinary shares (2024: 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 15 to 18.

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 25 February 2025 the Company announced it had raised £107,500 before expenses at 0.25 pence per Ordinary Share through the issue of 43,000,000 new Ordinary Shares of £0.0003 each (the "**Fundraising Shares**") (the "**February 2025 Fundraising**"). Colin Bird, the Company's Executive Chairman subscribed £20,000 for 8,000,000 Fundraising Shares which represented in aggregate 18.6 per cent. of the gross proceeds ("**Colin Bird Share Subscription**").

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

The Company did not issue any share options during the period On 28 February 2025, in connection with the February 2025 Fundraising the Company issued a three year warrant to Shard Capital Partners PLC to subscribe for 1,550,000 shares exercisable at 0.25 pence per share.

DIRECTORS' REPORT

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.

IMPACT OF IRAN WAR

The Directors consider as a result of the war in Iran and ongoing middle east conflict and related sanctions there is no immediate impact on the Company as it has no assets or business activities or suppliers with links to Iran and is not aware of any persons sanctioned in relation to Iran owning shares in the Company. The Company is monitoring the position given the uncertainty of the impact of the war in Iran on the supply of oil, gas and other resources from the Middle East and the effect this may have on supply chains, inflation and macro-economic factors.

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.

AUDITORS

The auditors, RPG Crouch Chapman LLP have indicated their willingness to continue in office. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

DIRECTORS' REPORT

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

A handwritten signature in black ink, appearing to read 'C Bird', with a long horizontal flourish extending to the right.

C Bird
Chairman

28 April 2026

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;
- 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 maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. 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**

Independent auditor's report to the members of Kendrick Resources PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 29 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Kendrick Resources PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 29 December 2025 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Cash Flow, the Company Statement of Cash Flow, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty relating to going concern

We draw your attention to Note 3 to the Group and Company financial statements which explains that the Group and Company currently has no income and meets its working capital requirements

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

through raising development finance. Post the year end the Company has raised £1,587,000 by a combination of the issue of shares and convertible loan notes. The nature of the Group and Company's exploration operations will require additional funds and/or funding facilities in order to fully develop its business plan.

These circumstances indicate the existence of a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary should the Group not continue as a going concern. Our opinion is not modified in respect of this matter.

For the reason set out above and based on our risk assessment, we determined going concern to be a key audit matter.

Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluated the design and implementation of key internal controls over management's assessment of going concern, considering in detail the rationale provided and whether this was consistent with our understanding as well as audit evidence obtained;
- Considered the accuracy of forecasts produced by management by reference to key assumptions made, as well as identifying specific elements of the forecasts that are critical for demonstrating that the business remains a going concern, taking into account variances that arose;
- Tested the mechanical integrity of the forecast model prepared by management by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions with reference to empirical data and external evidence;
- Considered the key financial data of the group and company at year end and assessed the financial headroom available by reference to ongoing cash commitments over a period of at least 12 months from the date of the approval of these financial statements;
- Considered the existing funding facilities with Sanderson, which was restructured post year end with a revised settlement date of 30 June 2027, as well as assessed Management's ability to raise funds successfully through equity placements;
- Specifically considered the short term liability position and management's sensitivity analysis where repayment is immediately required and their exposure based on agreements with shareholders, directors and relevant creditors;
- Considered post year-end financial information, including board minutes and other events in order to further assess the performance, strength as well as the ability of the business to settle liabilities as they fall due since the balance sheet date to the date of the approval of the financial statements.
- Reviewed the adequacy and completeness of the disclosure included within the financial statements in respect of going concern.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters	KAM 1	Carrying value of exploration and evaluation asset	<u>2025</u> ✓
	KAM 2	Going Concern	✓
Materiality	<i>Group financial statements as a whole</i> £52,000 based on 2% of total expenses.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process.

We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

From the above risk assessment and planning procedures, we determined which of the Group's components were likely to include risks of material misstatement relevant to the Group's financial statements. We then determined the type of procedures to be performed at these components, and the extent to which component auditors were required to be involved.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. As part of performing our Group audit, we have determined the components in scope as follows:

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

Component	Component Name	Entity	Group Audit Scope
1	Kendrick Resources Plc	Kendrick Resources Plc	Statutory audit and procedures on the entire financial information of the component.
2	Northern X Group	Northern Scandinavia AB Northern Finland OY	Procedures on one or more classes of transactions, account balances or disclosures.

The remaining entities were not assessed as in the scope of the group audit.

In determining components, we have considered how components are organised within the Group, and the commonality of control environments, legal and regulatory framework, and level of aggregation associated with individual entities. Whilst there is relative commonality of controls across the group, differences in jurisdictional risk, and the legal and regulatory frameworks under which the entities operate, prevent the further amalgamation of components.

The Group engagement team has performed all procedures directly, and has not involved component auditors in the Group audit.

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) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter		How the scope of our audit addressed the key audit matter
<i>Carrying Value of Exploration and Evaluation Asset</i> <i>(References: Significant)</i>	<i>At 29 December 2025, the Group held exploration and evaluation assets with a carrying amount of £nil (2024: £2,200,826).</i>	We have performed the following procedures in respect of the impairment of the exploration and evaluation assets: ➤ <i>We reviewed and challenged Management's assessment of</i>

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

accounting policies – Note 3, Exploration and evaluation assets Critical accounting judgements and key sources of estimation uncertainty - Impairment of Exploration and evaluation assets, and Determination of Cash-generating units for Exploration and Evaluation assets – Note 4, Exploration and Evaluation assets – Note 12.)	<i>The Directors are required to assess whether impairment indicators exist in accordance with IFRS 6 and perform impairment testing if such indicators are identified.</i> <i>At year end, the Directors assessed the exploration and evaluation assets for indicators of impairment which showed that some indicators exist for certain assets and therefore a detailed impairment assessment was performed by the Directors.</i> <i>There is a risk that the Directors will not identify the impairment indicators correctly when they exist. Where impairment indicators were identified we have extended our procedures to audit the impairment assessment. Given the financial significance of the exploration and evaluation of assets, and the significant judgement involved in determining whether an indicator of impairment exists, we consider this to be a significant risk and a key audit matter.</i>	<i>impairment indicators per IFRS 6;</i> ➤ <i>We assessed exploration assets for impairment indicators through inquiries of the Directors and obtained any relevant supporting evidence for the Directors' future plans; and</i> ➤ <i>We reviewed the disclosures in the financial statements, including the appropriateness of key judgements and sensitivities regarding asset carrying values and impairment.</i> <i>Since indicators were identified for the group's exploration assets we extended our procedures to audit the Directors' calculated impairment charge as at 29 December 2025 as follows:</i> ➤ <i>We discussed with Management their strategic decisions and funding positions regarding the Scandinavian projects;</i> ➤ <i>We recalculated the impairment charge determined by the Directors; and</i> ➤ <i>Checked the disclosures in the annual report meets the requirements of IFRS.</i> Key observations: <i>We found the key judgements made by management in assessing the exploration assets for indicators of impairment to be reasonable.</i>
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements	Parent company financial statements
	2025	2025
Materiality	£52,000	£47,000
Basis for determining materiality	2% of total expenses	2% of total expenses
Rationale for the benchmark applied	Profit and loss activity was deemed to be the appropriate benchmark for the calculation of Group materiality as this is the main activity in the Group for the year following the full impairment of its exploration and evaluation assets. In our opinion this is therefore the benchmark with which the users of the financial statements are principally concerned.	The Parent Company does not trade, it acts as a holding company for the Group. This benchmark aligns with the focus of key stakeholders. In our opinion this is therefore the benchmark with which the users of the financial statements are principally concerned.
Performance materiality	£31,000	£28,000
Basis for determining performance materiality	60% of the above materiality levels	60% of the above materiality levels
Rationale for the percentage applied	The percentages applied reflected our assessment of aggregation risk, the nature of	The percentages applied reflected our assessment of aggregation risk, the nature of

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

for performance materiality	the Group's operations, and our expectation of the level of misstatement based on our risk assessment.	the Company's operations, and our expectation of the level of misstatement based on our risk assessment.
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Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, which was determined to be the Parent Company whose materiality and performance materiality are set out above.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £2,600. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: - the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and - the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KENDRICK RESOURCES PLC**

	In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or - the Parent Company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of Directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

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

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance and the Audit Committee; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the Companies Act 2006, UK adopted International Accounting Standards, the Listing Rules and Disclosure and Transparency Rules and UK taxation legislation, employment taxes and licencing and environmental regulations in the Group's operational jurisdictions, Anti-bribery and corruption legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias such as the carrying value of exploration and evaluation assets.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Other matters which we are required to address

We were appointed by the directors of Kendrick Resources PLC on 17 February 2026 to audit the financial statements for the period ended 29 December 2025 and subsequent financial periods. Our total uninterrupted period of engagement is 1 year, covering the year ended 29 December 2025.

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

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

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

Use of our report

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

RPG Crouch Chapman LLP

Steven Johnson (Senior Statutory Auditor)
For and on behalf of RPG Crouch Chapman LLP
Chartered Accountants and Statutory Auditors
40 Gracechurch Street
London
EC3V 0BT
Date: 28 April 2026

RPG Crouch Chapman LLP is a limited liability partnership registered in England and Wales (with registered number OC375705).

Kendrick Resources PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

Year ended 29 December 2025

	Notes	Year to 29 December 2025 £	Year to 29 December 2024 £
Administrative expenses		(443,003)	(693,059)
Reversal of previously capitalised exploration and evaluation expenditure	5	27,829	-
Gain in fair value of investment		5,559	-
Impairment charge on exploration and evaluation assets	12	(2,176,953)	(2,737,711)
Operating loss	5	(2,586,568)	(3,430,770)
Finance expense	5	(16,857)	(6,351)
Loss before tax		(2,603,425)	(3,437,121)
Taxation	8	-	-
Loss for the year		(2,603,425)	(3,437,121)
Other comprehensive loss:			
Foreign currency difference on translation of foreign operations		(36,031)	133,917
Taxation		-	-
Total comprehensive loss for the year		(2,639,456)	(3,303,204)
Basic and diluted loss per share	9	(0.91)p	(1.40)p

The notes on page 46 to 82 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 2025

Company No. 02401127

	Notes	29 December 2025 £	29 December 2024 £
Assets			
Non-current assets			
Property, plant and equipment	10	-	-
Exploration and evaluation assets	12	-	2,200,826
		<u>-</u>	<u>2,200,826</u>
Current assets			
Current asset investment	11	7,357	1,798
Trade and other receivables	15	42,204	46,998
Cash and cash equivalents		6,525	17,551
		<u>56,086</u>	<u>66,347</u>
Total assets		<u>56,086</u>	<u>2,267,173</u>
Liabilities			
Current liabilities			
Trade and other payables	16	1,012,957	821,378
Borrowings – Host Liability (amortised cost)	17	183,363	-
Borrowings – Other loans	17	56,300	125,000
Borrowings – Derivative financial liabilities (FVTPL)	17	18,502	-
		<u>1,271,122</u>	<u>946,378</u>
Net assets		<u>(1,215,036)</u>	<u>1,320,795</u>
Equity			
Share capital	18	23,014,360	23,001,460
Share premium	18	31,979,944	31,889,219
Share based payment reserve		100,258	100,258
Merger reserve		1,824,000	1,824,000
Translation reserve		70,851	106,882
Retained earnings		(58,204,449)	(55,601,024)
Total equity		<u>(1,215,036)</u>	<u>1,320,795</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2026 and were signed on its behalf by



C Bird Chairman

Kendrick Resources PLC

COMPANY STATEMENT OF FINANCIAL POSITION

As at 29 December 2025

	Notes	29 December 2025 £	29 December 2024 £
Assets			
Non-current assets			
Property, plant and equipment	10	-	-
Exploration and evaluation assets	12	-	-
Investment in and loans to subsidiaries	14	-	2,371,574
		<u>-</u>	<u>2,371,574</u>
Current assets			
Current asset investment	11	7,357	1,798
Trade and other receivables	15	30,579	36,062
Cash and cash equivalents		6,521	15,204
		<u>44,457</u>	<u>53,064</u>
Total assets		<u><u>44,457</u></u>	<u><u>2,424,638</u></u>
Liabilities			
Current liabilities			
Trade and other payables	16	1,012,838	821,257
Borrowings – Host Liability (amortised cost)		183,363	-
Borrowings – Other loans	17	56,300	125,000
Borrowings – Derivative financial liabilities (FVTPL)	17	18,502	-
		<u>1,271,002</u>	<u>946,257</u>
Net assets		<u><u>(1,226,546)</u></u>	<u><u>1,478,381</u></u>
Equity			
Share capital	18	23,014,360	23,001,460
Share premium	18	31,979,944	31,889,219
Share based payment reserve		100,258	100,258
Merger reserve		1,824,000	1,824,000
Accumulated losses		(58,145,108)	(55,336,556)
Total equity		<u><u>(1,226,546)</u></u>	<u><u>1,478,381</u></u>

The loss for the year for the Company was £2,808,552 (2024: £3,188,460). The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2026 and were signed on its behalf by



C Bird Chairman

Kendrick Resources PLC

GROUP STATEMENT OF CASH FLOW

for the year ended 29 December 2025

		Year to 29 December 2025 £	Year to 29 December 2024 £
Cash flows from operating activities			
Loss before tax		(2,603,425)	(3,437,121)
Adjustments to reconcile net losses to cash utilised :			
Impairment charge	12	2,176,953	2,737,711
Finance Expense re Convertible loan	5	12,865	-
Gain in fair value of investment at reporting date		(5,559)	-
Operating cash outflows before movements in working capital		(419,166)	(699,410)
Changes in:			
Trade and other receivables		4,794	1,042
Trade and other payables		209,079	438,668
Net cash outflow from operating activities		(205,293)	(259,700)
Investing activities			
Exploration & Evaluation assets	12	(11,071)	(181,658)
Net cash outflow from investing activities:		(11,071)	(181,658)
Cash flows from financing activities			
Proceeds from convertible loans		64,000	125,000
Proceeds from other loans		38,800	-
Proceeds from issue of shares, net of issue costs		103,625	-
Net cash inflow from financing activities		206,425	125,000
Net decrease in cash and cash equivalents		(9,939)	(316,358)
Effect of foreign exchange rate changes		(1,087)	133,917
Cash and cash equivalents at beginning of period		17,551	199,992
Cash and cash equivalents at end of period		6,525	17,551

Kendrick Resources PLC

COMPANY STATEMENT OF CASH FLOW

for the year ended 29 December 2025

		Year to 29 December 2025 £	Year to 29 December 2024 £
Cash flows from operating activities			
Loss before tax		(2,808,552)	(3,188,460)
Adjustments to reconcile net losses to cash utilised :			
Impairment charge - Investment in subsidiaries	12	2,387,041	1,876,040
Impairment charge – Exploration and evaluation assets		-	637,639
Finance Expense re Convertible loan	5	12,865	-
Gain in fair value of investment		(5,559)	-
Operating cash outflows before movements in working capital		(414,205)	(674,781)
Changes in:			
Trade and other receivables		5,483	752
Trade and other payables		209,081	438,668
Net cash outflow from operating activities		(199,641)	(235,361)
Investing activities			
(Loans to subsidiaries)/Repayment of loans /	14	(15,467)	85,612
Net cash inflow/(outflow) from investing activities:		(15,467)	85,612
Cash flows from financing activities			
Proceeds from convertible loan		64,000	125,000
Proceeds from other loans		38,800	-
Proceeds from issue of shares, net of issue costs		103,625	-
Net cash inflow from financing activities		206,425	125,000
Net decrease in cash and cash equivalents		(8,683)	(24,749)
Cash and cash equivalents at beginning of period		15,204	39,953
Cash and cash equivalents at end of period		6,521	15,204

Kendrick Resources PLC

GROUP STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2025

	Share capital £	Share premium £	Share based Payment reserve £	Merger reserve £	Translatio n reserve £	Retained earnings £	Total equity £
As at 29 December 2023	22,998,307	31,810,107	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	-	-	-	-	133,917	-	133,917
Translation reserve	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	133,917	(3,437,121)	(3,303,204)
Issue of shares to settle share deferred consideration (note 19)	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
Loss for the year	-	-	-	-	-	(2,603,425)	(2,603,425)
Other comprehensive income	-	-	-	-	(36,031)	-	(36,031)
Translation reserve	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(36,031)	(2,603,425)	(2,6539,456)
Issue of shares (note 18)	12,900	90,725	-	-	-	-	103,625
As at 29 December 2025	23,014,360	31,979,944	100,258	1,824,000	70,851	(58,204,449)	(1,215,036)

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 (Note 19).

Kendrick Resources PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2025

	Share capital £	Share premium £	Share based payment reserve £	Merger reserve £	Retained earnings £	Total equity £
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 19)	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
Total comprehensive loss for the year	-	-	-	-	(2,808,552)	(2,806,552)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(2,808,552)	(2,808,552)
Issue of shares to settle Share deferred consideration (note 18)	12,900	90,725	-	-	-	103,625
As at 29 December 2025	23,014,360	31,979,944	100,258	1,824,000	(58,145,108)	(1,226,546)

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 (Note 19)

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2025

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 2025. The comparative period is for the year to 29 December 2024.

The Group’s business 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. However having assessed the current funding market for the Group’s Airijoki vanadium energy storage project in Sweden the Board have decided to make a full impairment provision against this project notwithstanding the prospectivity of the Airijoki Project were it fully funded. This is so that the Company can focus instead on the Bonya rare earths project in Namibia acquired after the period end and the Blue Fox copper project in Zambia acquired late during the current period, these projects are more prospective than the Scandinavia projects and investors have shown a willingness to support these projects as evidenced by the Company’s fundraising post the year end. The exploration and evaluation assets previously held in Scandinavia are shown in note 12, at the period end no exploration and evaluation asset is held in relation to the Bonya rare earth project or the Blue Fox copper project.

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 2025, 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 2025:

- 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)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

2. ADOPTION OF NEW AND REVISED STANDARDS (continued)

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

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 2025, the Group had net liabilities of £1.23m and cash and cash equivalents of £7k. 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.

Post the year end the Company has raised £1,587,000 by a combination of the issue of shares and convertible loan notes as detailed in note 23 (post balance sheet events) to the Accounts

Based on fundraisings post the year end, the current cash balance of approximately £590K at the date of these financial statements 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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

that the Group can based on a cash flow forecast to 31 July 2027 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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%
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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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating segments that aligns with 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 £Nil (2024 £2,200,826) after an impairment provision of £2,212,076 (2024 £2,737,711) and the Company Exploration and Evaluation asset at the year end was £Nil (2024 £Nil) after an impairment provision of £Nil (2024 £637,639).

Determination of Cash-generating units for Exploration and Evaluation assets

In accordance with IFRS 6 – Exploration for and Evaluation of Mineral Resources, the Group identifies cash-generating units ("CGUs") for exploration and evaluation assets for the purposes of impairment assessment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

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

Given the nature of the Group's activities, the determination of CGUs under IFRS 6 requires the exercise of significant judgement. The Group has determined that each exploration licence or geographically contiguous group of exploration licences with similar geological characteristics and a shared exploration strategy represents a separate CGU, based on the following considerations:

- Exploration and evaluation assets do not generate cash inflows while in the exploration stage;
- Cash inflows, if any, are expected to arise only once technical feasibility and commercial viability of extraction have been demonstrated;
- Exploration licences are managed, budgeted for, and reviewed separately by management;
- Decisions to continue, relinquish, farm-out, or develop an exploration licence are made on a licence-by-licence (or project-by-project) basis;
- Exploration results, risks and potential outcomes are specific to each licence area and are not interdependent.

Accordingly, CGUs are defined at a level no larger than an individual exploration project, and in all cases do not exceed a reporting segment in accordance with IFRS 6.

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 it would make a full impairment provision against the recoverability of the Company investment in and loans to Northern X Scandinavia AB in relation to the Airijoki Project. Accordingly an impairment provision of £1,270,080 (2024: £1,081,753) against the carrying value of the Company's investment in subsidiaries and £1,116,961 (2024: £794,287) 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 £Nil (2024: £2,371,574) fairly reflects the position at the date of approval of these accounts.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

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

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.

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 has impaired all the 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 in light of the impairment provision in 2025 against the Airijoki vanadium licences in Sweden all the projects acquired from Pursuit have been fully impaired.

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

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

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**”).
- 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.

No provision has been made in these financial statements for the further commitments in relation to the Swedish Nickel Projects referred to above as the Group decided in 2024 not to continue with and has fully impaired its investment in the Swedish Nickel Projects.

Having assessed the current funding market for the Group’s Airijoki vanadium energy storage project in Sweden the Board have decided to make a full impairment provision against this project notwithstanding the prospectivity of the Airijoki Project were it fully funded. This is so that the Company can focus instead on the Bonya rare earths project acquired post the year end and the Blue Fox project acquired during the period.

Blue Fox option and joint venture

The Company announced on 10 June 2025 it had entered into an option and joint venture agreement with Cooperlemon Consultancy Limited (“**CCL**”) for the exploration and if appropriate development of licence number 34412-HQ-LEL located in the Northwestern region of Zambia (“**Blue Fox Project**”) and on 29 September 2025 exercised its option in relation to the Blue Fox Project.

Expenditure Commitment: Having exercised its option in relation to the Blue Fox Project the Company has to spend not less than US\$500,000 during the 30-month period from 29 September 2025 assessing and exploring the Licence area. At the end of the Exploration and Evaluation Period, the parties will assess and jointly agree the basis upon which they will form a joint venture company to explore and develop the Licence in the ratio 70% / 30% between Kendrick and CCL. The JV Company will be responsible for the future financing of the project, with CCL having no obligation to fund its share of the JV Company costs through to a decision to mine.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

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

No provision has been made in these financial statements for the expenditure commitment in relation to the Blue Fox project as at the year-end only 3 of the 30 month expenditure period had elapsed and the timing and quantum of expenditure will depend on the results of ongoing exploration in relation to the Blue Fox Project. If the Company does not meet its expenditure commitment in relation to the Blue Fox project this will affect the Company's rights in relation to the Blue Fox project.

Convertible loan notes (CLNs)

Convertible instruments can be complex, containing a number of features which can have a significant impact on the accounting under IFRS 9 Financial Instruments and IAS 32 Presentation of Financial Instruments. Each component of a convertible instrument (principal/ interest and conversion feature) are assessed separately.

In the 2024 accounts the Company assessed the entire amount paid to the Company under the Sanderson Capital Partners Facility detailed in note 17 and announced on 22 April 2024 ("CLN") as a financial liability as part of the amounts drawn down under the CLN had not been paid. Based on that, the convertible loan notes were recorded at their issue price and were carried at their face value.

In 2025 further amounts drawdown under the CLN were paid and post the period end all amounts drawdown under the CLN were paid. In the 2025 accounts the Company has reassessed the classification of the CLN and determined that the £189,000 paid under the CLN and outstanding at the year end (note 17) represents a compound financial instrument comprising a host liability measured at amortised cost and an embedded derivative liability (in relation to the conversion option) measured at fair value through the profit or loss (FVTPL) as the conversion feature is not the conversion of a fixed amount of stated principal into a fixed number of shares. The value of the host liability included in current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 20%.

This reclassification represents a refinement in presentation and measurement arising from a more detailed application of IFRS 9 Financial Instruments and IAS 32 Presentation of Financial Instruments to the contractual terms of the CLN. There is no change to the total liability recognised.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2025

5. OPERATING LOSS

The operating loss has been arrived at after charging:

	2025	2024
	£	£
Staff costs (note 7)	126,000	126,000
Impairment charge on exploration and evaluation assets (note 12)	2,149,124	2,737,711
Gain in fair value of investment	(5,559)	-
Reversal of previously capitalised exploration and evaluation expenditure **	27,829	-

** During the year, the Group reassessed an accrual previously recognised in respect of exploration and evaluation expenditure which had been capitalised and impaired. Following receipt of additional information the accrual was reduced by £27,829, with the corresponding credit recognised within exploration and evaluation expenses in the income statement.

Finance Charge comprises

	2025	2024
	£	£
Finance cost on convertible loan (EIR) (note 17)	25,864	-
Fair values movement on derivative (note 17)	(12,999)	-
Other finance charges	3,992	6,351
	<u>16,857</u>	<u>6,351</u>

6. AUDITORS' REMUNERATION

The remuneration of the auditors can be analysed as follows:

	2025	2024
	£	£
Fees payable to the company's auditor for the audit of the Company's financial statements	57,500	82,225
	<u>57,500</u>	<u>82,225</u>

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2025

7. STAFF COSTS

	2025 Number	2024 Number
Directors	5	5
The average monthly number of employees	5	5
Their aggregate remuneration comprised:-	£	£
Fees	126,000	126,000
	126,000	126,000

Included within staff costs £126,000 (2023: £126,000) relates to amounts in respect of Directors who are the only key management personnel. The highest paid director's emoluments was £48,000 (2024: £48,000).

8. TAXATION

No liability to corporation tax arose for the year ended 29 December 2025 and year ended 29 December 2024, as a result of underlying losses brought forward.

Reconciliation of effective tax rate:

	2025 £	2024 £
Loss before tax	(2,603,425)	(3,437,121)
Tax credit at the standard rate of tax in the UK	(650,856)	(859,280)
Tax effect of non-deductible expenses	544,238	730,086
Loss carried forward	106,618	129,194
Tax for the year	-	-

The standard rate of corporation tax in the UK applied during the year was 25% (2024: 25%).

At 29 December 2025, the Company are carrying forward estimated tax losses of £7.4m (2024: £7.3m) 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.

9. LOSS PER SHARE

	29 December 2025	29 December 2024
Loss after tax for the purposes of earnings per share attributable to equity shareholders	£2,603,425	£3,437,121
Weighted average number of shares	286,415,275	245,674,119
Basic and diluted loss per ordinary share	(0.91) p	(1.40) 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

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 29 December 2025

9. LOSS PER SHARE (continued)

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 following the issue of 80,119,660 additional new Ordinary Shares of the Company's since the year end the total issued share capital consist of 373,367,812 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.

10. PROPERTY PLANT AND EQUIPMENT

	Group & Company Office equipment and computer £	Total £
COMPANY		
Cost		
At 29 December 2023	60,587	60,587
Additions	-	-
At 29 December 2024	60,587	60,587
Additions	-	-
At 29 December 2025	60,587	60,587
Accumulated depreciation		
At 29 December 2023	(60,587)	(60,587)
Charge for the year	-	-
At 29 December 2024	(60,587)	(60,587)
Charge for the year	-	-
At 29 December 2025	(60,587)	(60,587)
Carrying amount		
At 29 December 2025	-	-
At 29 December 2024	-	-

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2025

11. CURRENT ASSET INVESTMENT

	Group & Company	
	2025	2024
	£	£
Balance as at 29 December	1,798	1,798
Fair value through profit and loss	5,559	-
Balance as at 29 December	<u>7,357</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 2025 at their market value on 29 December 2025 of £7,357.

12. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Assets - Group

	Swedish Projects £	Finnish Projects £	Norwegian Projects £	Total £
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
Additions in year	10,304	-	767	11,071
Currency translation differences	(34,944)	-	-	(34,944)
Impairment Provision **	(2,176,186)	-	(767)	(2,176,953)
Balance 29 December 2025	-	-	-	-

* 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.

** The 2025 impairment provision is in relation to the Airijoki Project. The provision was made having assessed the current funding market for the Company's Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of the Airijoki Project were it fully funded. This is so that the Company can focus instead on the Bonya and Blue Fox projects which are more prospective and for which investors have shown a willingness to support as evidenced by the Company's fundraising post the year end.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

12. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and Evaluation Assets - Company

	Norwegian Projects £	Total £
Balance 29 December 2023	637,639	637,639
Impairment Provision *	(637,639)	(637,639)
Balance 29 December 2024	-	-
Additions	-	-
Impairment Provision	-	-
Balance 29 December 2025	-	-

* 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**).

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

13. CONINGENT LIABILITIES (continued)

- 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 in light of the impairment provision in 2025 against the Airijoki vanadium licences in Sweden all the projects acquired from Pursuit have been fully impaired.

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**”).
- 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.

No provision has been made in these financial statements for the further commitments in relation to the Swedish Nickel Projects referred to above as the Group decided in 2024 not to continue with and has fully impaired its investment in the Swedish Nickel Projects.

Having assessed the current funding market for the Group’s Airijoki vanadium energy storage project in Sweden the Board have decided to make a full impairment provision against this project notwithstanding the prospectivity of the Airijoki Project were it fully funded. This is so that the Company can focus instead on the Bonya rare earths project acquired post the year end and the Blue Fox project acquired during the period.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

13. CONINGENT LIABILITIES (continued)

Blue Fox option and joint venture

The Company announced on 10 June 2025 it had entered into an option and joint venture agreement with Cooperlemon Consultancy Limited (“CCL”) for the exploration and if appropriate development of licence number 34412-HQ-LEL located in the Northwestern region of Zambia (“**Blue Fox Project**”) and on 29 September 2025 exercised its option in relation to the Blue Fox Project.

Expenditure Commitment: Having exercised its option in relation to the Blue Fox Project the Company has to spend not less than US\$500,000 during the 30-month period from 29 September 2025 assessing and exploring the Licence area. At the end of the Exploration and Evaluation Period, the parties will assess and jointly agree the basis upon which they will form a joint venture company to explore and develop the Licence in the ratio 70% / 30% between Kendrick and CCL. The JV Company will be responsible for the future financing of the project, with CCL having no obligation to fund its share of the JV Company costs through to a decision to mine.

No provision has been made in these financial statements for the expenditure commitment in relation to the Blue Fox project as at the year-end only 3 of the 30 month expenditure period had elapsed and the timing and quantum of expenditure will depend on the results of ongoing exploration in relation to the Blue Fox Project. If the Company does not meet its expenditure commitment in relation to the Blue Fox project this will affect the Company’s rights in relation to the Blue Fox project.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 29 December 2025

14. INVESTMENT IN AND LOANS TO SUBSIDIARIES

	Loans to Subsidiaries					Total Investment in & Loans to Subsidiaries
	Company Investment in Subsidiaries £	Northern X Scandinavia AB £	Northern X Scandinavia Finland OY £	Caledonian Minerals AS £	EV Metals AB £	
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
Loans to Subsidiaries	-	13,525	179	767	996	15,467
Impairment Provision	(1,270,080)	(1,115,019)	(179)	(767)	(996)	(2,387,041)
Balance 29 December 2025	-	-	-	-	-	-

* 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.

** The 2025 impairment provision is in relation to the Airijoki Project. The provision was made having assessed the current funding market for the Company's Airijoki vanadium energy storage project in Sweden notwithstanding the prospectivity of the Airijoki Project were it fully funded. This is so that the Company can focus instead on the Bonya Namibian rare earth's project acquired post year end and the Blue Fox Zambian copper project acquired during the period which are more prospective and for which investors have shown a willingness to support as evidenced by the Company's fundraising post the year end.

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

The Company conducted an impairment review under IFRS 9 of the loans made to subsidiaries and determined that it should make a full impairment provision against the recoverability of the Company investment in and loans to Northern X Scandinava AB in relation to the Airijoki Project.

An impairment provision of £1,270,080 (2024: £1,081,753) against the carrying value of the Company's investment in subsidiaries and £1,116,961 (2024: £794,287) 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 £Nil (2024: £2,371,574) fairly reflects the position at the year end.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 29 December 2025

14. INVESTMENT IN AND LOANS TO SUBSIDIARIES (continued)

Principal Subsidiaries (in 2024 and 2025 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%

15. TRADE AND OTHER RECEIVABLES

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
VAT receivable	8,074	9,099	8,074	8,624
Prepayments	20,505	26,190	20,505	26,190
Other receivables	13,625	12,751	2,000	2,000
	42,204	48,040	30,579	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 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade and other payables	679,257	444,932	679,257	444,932
Fees owed to directors	244,819	217,510	244,819	217,510
Accruals	88,205	140,759	88,205	140,759
Loans and other payables	676	18,177	557	18,056
	1,012,957	821,378	1,012,838	821,257

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2025

17 BORROWINGS

	2025 £	2024 £
Host liability and other loans		
Convertible Loan Facility brought forward	125,000	-
Reclassification to host liability	(20,834)	
Open host liability at amortised cost	104,166	
Convertible Loan Facility		125,000
Further drawdowns during year	53,333	
Finance cost recognised (EIR)	25,864	
Closing host liability at year end	183,363	
Other loans:		
Director's Loan -Colin Bird	35,000	
Other Loan **	21,300	
	239,663	125,000

** Includes £17,500 transferred from Trade and Other Payables at 29 December 2024

	2025 £	2024 £
Embedded derivative liability (FVTPL)		
Convertible Loan Facility brought forward	125,000	-
Reclassification to host liability	(104,166)	
Opening derivative liability	20,834	
Further drawdowns during year	10,667	
Fair value movement on derivative	(12,999)	
	18,502	Nil

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**”). The Facility was originally convertible at 0.75 pence per ordinary share (“**Share**”) but in light of the fundraising on 28 February 2025 at 0.25 pence per Share is now convertible at 0.25 pence per Share. The Company was able to draw down under the Facility in four loan tranches of £125,000 each and the Company has made three Loan Tranche drawdowns of £125,000 each under the Facility and is not permitted to make any additional drawdowns. To date £189,000 has been paid by the Lender under the Facility of which £125,000 is due to be repaid to the Lender. The Facility was created as a standby facility and the Company is re-negotiating the terms of the Facility with the Lender who is a long term shareholder in the Company.

In the 2024 accounts the Company assessed the entire amount paid under the Facility as a financial liability as part of the amounts drawn down under the Facility had not been paid. Based on this, the amounts paid under the Facility were recorded at their issue price and were carried at their face value of £125,000..

In 2025 a further £64,000 was paid under the Facility were paid and post the period end the balance of £186,000 drawdown under the Facility were paid. In the 2025 accounts the Company has reassessed the classification of the Facility and determined that the £189,000 paid under the Facility and outstanding at the year end represents a compound financial instrument comprising a host liability measured at amortised cost and an embedded derivative liability (in relation to the conversion option) measured at fair value through the profit or loss (FVTPL) as the conversion

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

17 BORROWINGS (continued)

feature is not the conversion of a fixed amount of stated principal into a fixed number of shares. The value of the host liability included in current borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 20%.

This reclassification represents a refinement in presentation and measurement arising from a more detailed application of IFRS 9 Financial Instruments and IAS 32 Presentation of Financial Instruments to the contractual terms of the CLN. There is no change to the total liability recognised. The terms of the Facility are summarised below:

Working Capital Facility Agreement

The Facility is for £500,000 in total, is unsecured, interest free and the Company was able to be drawn down in four loan tranches of £125,000 each and the Company has made three Loan Tranche drawdowns of £125,000 each under the Facility and is not permitted to make any additional drawdowns. To date £189,000 has been paid by the Lender under the Facility of which £125,000 is due to be repaid to the Lender. The Facility was created as a standby facility and the Company is re-negotiating the terms of the Facility with the Lender who is a long term shareholder in the Company.

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"). As per note 23 post the period end the Maturity Date was extended to 30 June 2027. 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 conversion price. The original conversion price was 0.75 pence ("**Original Conversion Price**") which under the conversion adjustment mechanism described below has been reduced to 0.25 pence being the fundraising price announced by the Company on 25 February 2025 and is now 0.025 pence per Share ("**February 25 Fundraising**") ("**New Conversion Price**").

Conversion of Loan by the Company

The Company may at any time during the Loan Period elect to convert all or part of a Loan if the Share price exceeds a target conversion price for a period of five or more business days. The original target conversion price was 1.0 pence per share ("**Original Target Conversion Price**") which under the conversion adjustment mechanism described below has been reduced to 0.333 pence following the February 2025 Fundraising ("**New Target Conversion Price**").

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

17 BORROWINGS (continued)

Conversion Adjustment Mechanism

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 is due to 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 the Facility was announced) 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 or accounted for in these Financial Statements..

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. The Drawdown Fee Shares have not yet been issued or accounted for in these Financial Statements..

Option to Extend Facility

If the Company had drawn down in full or in part against all four loan tranches then it had the option to elect to be able to drawdown up to an additional GBP250,000 (“**Optional Loan Tranche**”). As the Company only made drawdowns against three of the loan tranches it does not have this option.

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 the four loan tranches; and
2 pence per share for the drawdown of the Optional Loan Tranche;

If there were no drawdowns under two or more of the loan tranches then, the Company would have had to 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 (“**No Draw Down Warrants**”). The Company does not have to issue the No Draw Down Warrants as it made drawdowns under three of the loan tranches.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 29 December 2025

18. SHARE CAPITAL AND SHARE PREMIUM

	2025		2024	
Issued and fully paid equity share capital	Number	£	Number	£
Ordinary shares of £0.0003 each	293,248,152	87,974	250,248,152	75,074
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	12,121,68
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
		23,014,360		23,001,460
Group & Company	Number of Ordinary shares	Share capital £	Share Premium £	
As at 1 January 2024	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	
Shares issued from share subscriptions	43,000,000	12,900	94,600	
Share issue costs	-	-	(3,875)	
As at 29 December 2025	293,248,152	87,974	31,979,944	

On 25 February 2025 the Company issued 43,000,000 new ordinary shares of £0.0003p at 0.25p raising £107,500.

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.

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.

18. SHARE CAPITAL AND SHARE PREMIUM (continued)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

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 2025 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
At 1 January 2025			
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>		
Expired during period			
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
Issued in period			
Broker Warrants	1,550,000	0.25	28 Feb 2028
At 29 December 2025	<u>5,716,677</u>		

A warrant reserve was not created in relation to the 101,875,942 warrants expiring 6 May 2025 as they were all issued in relation to raising funds for the Company's Listing in May 2022.

During 2024 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%

19. WARRANTS AND SHARE OPTIONS (continued)

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2025

On 28 February 2025 the Company issued 1,550,000 Broker Warrants exercisable at 0.25 pence for three years in relation to the fundraising announced on 25 February 2025

The fair value of the drawdown warrants of £1,894 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	0.265p
Strike price	0.250p
Volatility	62%
Expected life	1,095 days (3 years)
Risk free rate	3.968%

Share Based Payment Reserve

	£
Brought forward 1 st January 2025 **	100,258
Additions during year	-
Deductions during year	
	<u>100,258</u>

** Includes £59,758 in relation to 22,550,000 share options issued 2 February 2023 to directors and consultants and £40,500 in relation to 15,000,000 options issued to EMX on 7 August 2023 in relation to the acquisition of EV Metals AB

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	<u>13,750,000</u>

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

19. WARRANTS AND SHARE OPTIONS (continued)

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

20. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments

	2025 £	2024 £
Financial assets		
Current asset investment	7,357	1,798
Cash and cash equivalents	6,525	17,551
Trade and other receivables	21,700	21,290
	35,582	40,639
Financial liabilities classified as held at amortised cost		
Trade and other payables	679,257	444,932
	679,257	444,932

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

20. FINANCIAL INSTRUMENTS (continued)

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.

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	
	2025	2024	2025	2024
	£	£	£	£
US Dollars	44,551	47,958	53	198
Swedish Krona	41,465	57,190	43	15
Euros	4,317	4,588	-	-
Norwegian Krona	18,773	16,223	-	-

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 Group banks with counterparties which are financial institutions with high credit ratings assigned by international credit-rating agencies with the Group's principal banker being HSBC UK which currently has a A+ rating with S&P Global Ratings

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 2025, the Group held cash and cash equivalents of £6,525 (2024: £17,551) and the directors assess the liquidity risk as part of their going concern assessment (see note 3).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

20. FINANCIAL INSTRUMENTS (continued)

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.

Maturity analysis

Group 2025		On	In	Between	Between	Between
	Total	demand	1 month	1 and 6	6 and 12	1 and 3
	£	£	£	months	months	years
	£	£	£	£	£	£
Trade and other payables	1,012,957	-	128,041	884,916	-	-
Convertible Loan – host liability	189,000	-	-	189,000	-	-
Other loans	56,300	-	-	56,300	-	-
Derivative Liability – conversion option *–	18,502	-	-	18,502	-	-

**The embedded derivative liability does not give rise to fixed contractual cash flows. The amount disclosed represents the carrying value at the balance sheet date.

Group

2024		On	In	Between	Between	Between
	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	-	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

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:

Director	29 December 2025		29 December 2024	
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	55,819,227	19.03%	47,819,227	19.11%
Kjeld Thygesen	2,142,857	0.73%	2,142,857	0.86%
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.

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 months' 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 £48,850 (2024 - £27,250) and incurred expenses of £18,000 (2024 - £18,000) 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 £56,708 (2024 - £38,708) in respect of director fees.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

21. RELATED PARTY TRANSACTIONS (Continued)

- (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 £72,500 (2024 - £42,500) 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 £72,000 (2024 - £54,000) in respect of director fees.
- (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 Alex Borelli £41,824 (2024 - £28,333) 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 £42,000 (2024 - £24,000) in respect of director fees in relation to Evan Kirby.
- (f) Pursuant to an agreement dated 31 January 2023, Martyn Churchouse was appointed as an executive Director. The appointment continues unless terminated by either party giving to the other three months’ notice in writing. Martyn Churchouse 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. Martyn Churchouse is not entitled to any pension, medical or similar employee benefits. At the year end the Group owed Martyn Churchouse £42,111 (2024 - £24,111) in respect of director fees in relation to Martyn Churchouse.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2025

21. RELATED PARTY TRANSACTIONS (Continued)

- (g) Pursuant to a consultancy agreement dated 31 January 2023, the Company has, appointed Martyn Churchouse 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 “Martyn Churchouse Services”). The appointment continues unless terminated by either party giving to the other three months’ notice in writing. Martyn Churchouse is entitled to fees of £500 per month for being a consultant to the Company plus reasonable and properly documents expenses incurred during the performance of the Martyn Churchouse Services. At the year end the Group owed Martyn Churchouse £12,000 (2024 - £6,000) in respect of consultancy fees.

Loans to Subsidiaries

	2025	2024
	£	£
Loans to Northern X Scandinavia AB	-	1,101,493
Loans to Northern X Finland OY	-	-
Loans to Caledonian Minerals AS	-	-
Loans to EV Metals AB	-	-
	<u>-</u>	<u>1,101,493</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.

During the period Colin Bird lent £35,000 to the company on an interest free basis which was outstanding at the year end (2024: £Nil). Post the period end this loan was repaid by set off against the subscription monies due by Colin Bird to the Company in relation to the fundraising announced by the Company on 23 March 2026 (note 23).

22. NET DEBT

	Group 2025	Company 2025	Group 2024	Company 2024
	£	£	£	£
Cash and cash equivalents	6,525	6,521	17,551	15,204
Borrowings	(189,000)	(189,000)	(125,000)	(125,000)
Net (debt) / funds at year end	<u>(182,475)</u>	<u>(182,479)</u>	<u>(107,449)</u>	<u>(109,796)</u>
Net funds brought /forward	(107,449)	(109,796)	199,992	39,953
Cash flow movements	(75,026)	(72,683)	(307,441)	(149,749)
Net (debt) / funds as at year end	<u>(182,475)</u>	<u>(182,479)</u>	<u>(107,449)</u>	<u>(109,796)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

23. EVENTS AFTER THE REPORTING DATE

As announced on 22 January 2026 the Company entered into a binding and exclusive Option Agreement valid until 19 May 2026 to acquire not less than 70% interest on terms to be agreed with Bonya Exploration Pty Namibia (“Bonya”) to evaluate EPL4458 and EPL 6691 licenses for the prospectivity of developing a Rare Earth mining project in Namibia.

Following work carried out on assaying and further trenching and identification of possible drilling targets and carrying out all the necessary legal, financial and regulatory checks it was further announced on 23 February that the Company had decided to exercise the option and entered into a definitive agreement with Bonya Exploration Pty Namibia (“**Bonya**”) which owns Namibia exploration licences EPL4458 and EPL 6691 (the “Licences”) and Bonya’s shareholder (the “Agreement”) under which Kendrick will hold a 70% interest in the Licences which have prospectivity for the development of a Rare Earth mining project (the “Project”).

The consideration payable is i) USD300,000 cash consideration and ii) the issue of 22,000,000 ordinary shares in Kendrick (the “**Consideration Shares**”). Further consideration of USD500,000 and a further 3,000,000 Consideration Shares will be payable when the Licences have been granted an extension of at least 18 months.

On 10 February 2026 the Company secured a £337,000 unsecured convertible loan facility (the “**Convertible Loan Facility**”) provided by high net worth individuals, including £37,000 from Colin Bird the Company’s Chairman (together, the “**Lenders**”) which is convertible at 0.66804 pence per share (the “**Convertible Conversion Price**”) and repayable by 31 January 2027 (the “**Convertible Repayment Date**”).

In addition the long term shareholder Sanderson Capital Partners Ltd (“Sanderson”) agreed to extend the maturity date for the £375,000 drawdown under the unsecured convertible loan funding facility announced on 22 April 2024 (the “**Sanderson Facility**”) to 30 June 2027; and to advance a further £250,000 under the Facility (the “**Additional Loan Tranche**”) which is convertible at the Convertible Conversion Price and repayable at the Convertible Repayment Date.

The Convertible Loan Facility is unsecured and is convertible at the option of the Lenders or the Company and is interest free. The Convertible Loan Facility is convertible, at the Convertible Conversion price save that if prior to repayment there is a ‘Qualifying Financing’, being any issue of new shares for cash at less than the Convertible Conversion Price the loan will convert at the price and on the same terms as the relevant ‘Qualifying Financing’. The agreement includes customary terms and conditions for a facility of this nature.

The terms of the £375,000 drawn down under the pre-existing Sanderson Facility remain the same save that the maturity date has been extended to 30 June 2027. The Additional Loan Tranche terms are as follows:

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

23. EVENTS AFTER THE REPORTING DATE (continued)

Repayment

Unless otherwise converted, the Company must repay the Additional Loan Tranche on 31 January 2027 (the “Repayment Date”). The Company may prepay the whole or part of the Facility on any day prior to the Repayment Date 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 Repayment Date. Sanderson 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 new ordinary shares (“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

Sanderson may at any time prior to the Repayment Date elect to convert all or part of any drawn down amount into such number of Shares equal to the amount of the Additional Loan Tranche that is to be repaid at the date of the election, divided by the Convertible Conversion price, If prior to repayment of the Additional Loan Tranche there is a ‘Qualifying Financing’, being any issue of Shares for cash at less than the Convertible Conversion Price, then the Additional Loan Tranche’s conversion price will be at the price and on the same terms as the relevant ‘Qualifying Financing’

Conversion of Loan by the Company

The Company may at any time prior to the Repayment Date elect to convert all or part of Additional Loan Tranche if the Share price exceeds 1.336 pence (“Target Conversion Price”) for a period of five or more business days.

Interest and Fees

The Additional Loan Tranche is interest free. Sanderson shall be paid an arrangement fee of 10% of the amount of the Additional Loan Tranche to be settled by the issue of 2,663,843 Shares (“**Facility Fee Shares**”) credited as fully paid by at an issue price of 0.93849p per Share (being the Five Day VWAP on the date of this announcement) with the Facility Fee Shares to be issued on or before 31 December 2026 or such other date agreed by the parties.

Sanderson shall be paid a further fee of 2% of the amount of the Additional Loan Tranche which is to be settled by the issue of 532,769 new Shares credited as fully paid by at an issue price of 0.93849p per Share (being the Five Day VWAP on the date of this announcement) (“**Drawdown Fee Shares**”) with the Drawdown Fee Shares to be issued on or before 31 December 2026 or such other date agreed by the parties.

Warrants

Sanderson shall be issued warrants over Shares (“Warrants”) exercisable at any time up until 10 February 2029, with a face value equal to £125,000 and an exercise price of 1.336 pence per share for the drawdown of the Additional Loan Tranche.

On 25 February 2026 the Company announced the issue of new 17,531,200 ordinary shares of GBP0.0003 each (“Conversion Shares”) to settle £350,624 of accrued fees (“the “Accrued Fees”) that would otherwise be payable by the Company. The Conversion Shares will rank pari passu with the existing ordinary shares in the Company. Of the £350,624 of accrued fees owed £289,374 were due to Directors and Lion Mining Finance Ltd a company controlled by Chairman Colin Bird.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 29 December 2025

23. EVENTS AFTER THE REPORTING DATE (continued)

It was announced on 23 March 2026 the Company raised £1,000,000 before expenses (the “**Fundraising**”) at 2.6 pence per Ordinary Share (the “**Fundraising Price**”) through the issue of 38,461,537 new Ordinary Shares of £0.0003 each (the “Fundraising Shares”) The Fundraising comprised a placing of 9,615,385 Fundraising Shares raising £250,000 via Shard Capital Partners PLC (“Shard”) (the “Placing”), and Company arranged share subscriptions for 28,846,152 Fundraising Shares raising £750,000 (the “Share Subscriptions”). Colin Bird, the Company’s Executive Chairman subscribed £65,000 for 2,500,000 Fundraising Shares which represented in aggregate 6.5% per cent. of the gross Fundraising proceeds. and Heather Churchouse a person closely associated with Martyn Churchouse a Director of the Company has subscribed £20,000 for 769,231 Fundraising Shares which represent in aggregate 2% per cent. of the gross Fundraising proceeds.

The Company also issued a warrant to Shard to subscribe for 576,923 new Ordinary Shares exercisable at the Fundraising Price for a period of two years from Admission (“**Broker Warrants**”) on 7 April 2026. The Company also agreed to issue 576,923 shares at the Fundraising Price to settle £15,000 of accrued fees due to a consultant.

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.