RNS Number : 9480X
28 April 2023

Kendrick Resources Plc
("Kendrick" or the "Company")

Final Results for period to 31 December 2022

Kendrick Resources Plc (LSE: KEN), a mineral exploration and development company with vanadium, nickel and copper projects in Scandinavia is pleased to report ts full year results for the year ended 31 December 2022.

The Annual Report and Financial Statements for the year ended 31 December 2022 will shortly be available on the Company's website at https://www.kendrickresources.com. A copy of the Annual Report and Financial Statements will also be uploaded to the National Storage Mechanism where it will be available for viewing at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Please note that page references in the text below refer to the page numbers in the Annual Report and Financial Statements.

This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) regulations (SI 2019/310).

Further information on the Norwegian projects can be found on the Company's website at: https://www.kendrickresources.com/nickel/

For additional information please contact:

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Joint Broker	Damon Heath / Isabella Pierre

Financial highlights:

- £1.04m loss before tax (2021: £325K)
- Approximately £1.818m cash at bank at the period end (Dec 2021: £17k).
- The loss per share of 0.68 pence (2021: loss 2.90 pence) has been calculated on the basis of the loss of £1,043,466 (2021: loss £325,000) and on 153,882,205 (2021: 11,190,363) ordinary

shares, being the weighted average number of ordinary shares in issue during the year ended 29 December 2022.
- The net asset value as at period end was £5.57m (29 December 2021 (£236k))

CHAIRMAN'S STATEMENT

Dear Shareholder

Kendrick Resources (the Company) despite strong global headwinds has made significant progress during the period under review and post reporting period.

Our main task post Admission to the Main Market of the London Stock Exchange ("Admission") was to assemble all of the reports and raw data generated by others during the history of the projects. This systematic data review often reduces the need for some expenditure and often one encounters work, which whilst relevant at the time, under new conditions could assume new relevance. This was the case in all of our projects and the Company has entered 2023 with many more opportunities, than immediately after Admission.

A review of our portfolio led to a potential contribution reranking, and it is evident that our nickel positions have short term opportunities and thus we carried out a full review of our nickel projects in Norway. The results of this review were that all of our nickel projects, without exception, present significant opportunity for extension, leading to resource increase and short-term mining potential.

The ownership of nickel sulphide licences can be considered a premium asset in a world of reducing sulphide availability against metallurgically very complex and financially challenging laterite projects. Our position is enhanced by a nickel price which is some three times higher than when the last serious nickel exploration occurred in our project area. We have carried out a drilling programme and by the time of this Chairman's report is disseminated, the results will be in the public domain.

Our vanadium activities in Sweden, were subjected to review and soil and grab sampling programmes were carried out and the prognosis is that the area, which now includes an additional two licences, may also be highly prospective for copper and graphite along with the known vanadium resource. The work carried out has given us high confidence that our proposed Spring drilling programme has the potential to double the current known resource of 44 million tonnes.

During the period under review, samples were sent to metallurgical laboratories in the UK, with a view to assessing whether the concentrate quality can be maintained, whilst increasing the actual recovery of the product. The results of this work to date, have been very encouraging and a full report should be available for market dissemination during the second quarter of 2023.

Vanadium Redox Flow Batteries continue to gain importance in the battery storage world, no loss of capacity over time, longer lifespan, cost effective and versatile, they offer a compelling alternative for static battery storage. Vanadium use in steel manufacturing is also increasing due to global implementation of new standards.

It is considered that the Airijoki Project in Northern Sweden, located in a well-established mining district that includes the largest underground iron ore mine in the World, justifies intense focus if the Company wishes to be a serious player in the rapidly emerging battery storage arena. The vanadium projects in central Sweden, whilst continuing to have potential, will not be so actively pursued for now mainly due to their relatively early stage of development when compared to the known resources at Airijoki.

Our activities in Finland have been of a more desktop review in nature, with the objective being the identification of targets and rationalisation of existing information.

We have assembled a team of professionals who have the country and commodity experience to fast track our projects and consequently, since listing we have reduced our dependency on local consultants and to a large degree are independent in our project management.

We feel as we advance our project base, Kendrick will assume a position where its full market potential is realised. The projects, commodities and position in Scandinavia are unique and should gain the necessary recognition as the demand for new age metals advances as predicted. We have made few attempts to seek new acquisitions, since our current project base is considered to be of high quality, with the potential to significantly enhance shareholder value. In this regard, we have examined a number of opportunities consistent with our mission and I have little doubt that our presence in the region will give us advantage over others, as global commodity needs increase.

I would like to thank my fellow directors and team for their diligent work, in reviewing a massive data base, formulating a mid-term plan and implementing the initial components of the plant. We look forward to 2023 to be a year of positive advancement, which will reposition Kendrick in the eyes of the trade and investment market.

Results for the year

The Company reported a loss before taxation for the year of £1,043,000 (2021: £325,000) mainly due to administrative costs of £418,000 (2021: 289,000), including professional, consulting and directors' fees. And Listing related costs of £607,000 (2021:Nil). Net assets at 29 December 2022 amounted to £5,567,000 (2021: Net liabilities £236,000) including exploration and evaluation assets of £3,933,000 (2021: Nil) and cash of £1,818,000 (2021: 17,000).

AGM and Resolutions

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

Colin Bird

Chairman

28 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 29 December 2022

	Notes	Year to 29 December 2022 £	Year to 29 December 2021 £
Administrative expenses		(418,294)	(289,255)
Listing costs		(606,575)	-
Realised (loss)/gain on disposal of investments		(10,872)	51,931
Loss in fair value of investment		(5,314)	(86,413)
Operating loss	5	**(1,041,055)**	**(323,737)**
Finance expense		(2,411)	(1,249)
Loss before tax		**(1,043,466)**	**(324,986)**
Taxation	8	-	-
Loss for the period		**(1,043,466)**	**(324,986)**
Other comprehensive income /(loss):			
Foreign currency reserve movement		(3,891)	-
Total comprehensive loss for the year		**(1,047,357)**	**(324,986)**
Basic and diluted loss per share	9	**(0.68) p**	(2.90) p

GROUP STATEMENT OF FINANCIAL POSITION

As at 29 December 2022

Company No. 02401127

	Notes	29 December 2022 £	29 December 2021 £
Assets			
Non-current assets			

Property, plant and equipment	10	-	2,050
Exploration and evaluation assets	12	3,932,973	-
Investment in Nordic Projects and related transaction costs		-	673,755
		3,932,973	**675,805**
Current assets			
Current asset investment	11	8,174	102,932
Trade and other receivables	15	92,758	89,488
Cash and cash equivalents		1,817,706	16,871
		1,918,638	**209,291**
Total assets		**5,851,611**	**885,096**
Liabilities			
Current liabilities			
Trade and other payables	16	247,673	441,959
EMX Deferred Share Consideration	12	36,265	
Convertible loan notes	19	-	679,500
Total liabilities		**283,938**	**1,121,459**
Net assets/(liabilities)		**5,567,673**	**(236,363)**
Equity			
Share capital	17	22,998,307	22,929,743
Share premium	17	31,810,107	25,027,278
Merger reserve		1,824,000	1,824,000
Accumulated losses		(51,064,741)	(50,017,384)
Total equity		**5,567,673**	**(236,363)**

COMPANY STATEMENT OF FINANCIAL POSITION

As at 29 December 2022

	Notes	**29 December 2022 £**	**29 December 2021 £**
Assets			
Non-current assets			
Property, plant and equipment	10	-	2,050
Exploration and evaluation assets	12	**704,730**	-
Investment in subsidiaries	14	**3,285,999**	-
Investment in Nordic Projects and transaction costs			673,755
		3,990,729	**675,805**

Current assets			
Current asset investment	11	8,174	102,932
Trade and other receivables	15	86,880	89,488
Cash and cash equivalents		1,769,719	16,871
		1,864,773	**209,291**
Total assets		**5,855,502**	**885,096**
Liabilities			
Current liabilities			
Trade and other payables	16	247,673	441,959
EMX Deferred Share Consideration	12	36,265	
Convertible loan notes	19	-	679,500
Total liabilities		**283,938**	**1,121,459**
Net assets/(liabilities)		**5,571,564**	**(236,363)**
Equity			
Share capital	17	22,998,307	22,929,743
Share premium	17	31,810,107	25,027,278
Merger reserve		1,824,000	1,824,000
Accumulated losses		(51,060,850)	(50,017,384)
Total equity		**5,571,564**	**(236,363)**

The loss for the year for the Company was £1,043,466.

GROUP STATEMENT OF CASH FLOW

for the year ended 29 December 2022

		Year to 29 December 2022 £	Year to 29 December 2021 £
Cash flows from operating activities			
Loss before tax		**(1,047,357)**	**(324,986)**
Adjustments to reconcile net losses to cash utilised :			
Depreciation of property, plant and equipment	10	2,050	8,620
Listing costs paid in previous year		216,537	-
Loss/(Gain) on disposal of investment shares		10,872	(38,444)
Loss in fair value of investment at reporting date		5,314	86,413

Operating cash outflows before movements in working capital		**(812,584)**	**(268,397)**
Changes in:			
Trade and other receivables		(3,270)	(78,560)
Trade and other payables		(194,286)	276,148
Net cash outflow from operating activities		**(1,010,140)**	**(70,809)**
Investing activities			
Proceeds of sale of Investment shares		78,573	72,439
Exploration & Evaluation assets	12	(648,142)	-
Investment in Nordic Projects and related transaction costs		-	(673,755)
Net cash outflow from investing activities:		**(569,569)**	**(601,316)**
Cash flows from financing activities			
Proceeds from issue of convertible loan notes		-	679,500
Proceeds from issue of shares, net of issue costs		3,380,544	
Net cash inflow from financing activities		**3,380,544**	**679,500**
Net increase in cash and cash equivalents		**1,800,835**	**7,375**
Cash and cash equivalents at beginning of period		16,871	9,496
Cash and cash equivalents at end of period		**1,817,706**	**16,871**

COMPANY STATEMENT OF CASH FLOW

for the year ended 29 December 2022

		Year to 29 December 2022 £	Year to 29 December 2021 £
Cash flows from operating activities			
Loss before tax		**(1,043,466)**	**(324,986)**
Adjustments to reconcile net losses to cash utilised :			
Depreciation of property, plant and equipment	10	2,050	8,620
Listing costs paid in previous year		216,537	-
Loss/(Gain) on disposal of investment shares		10,872	(38,444)
Loss in fair value of investment at reporting date		5,314	86,413
Operating cash outflows before movements in working capital		**(808,693)**	**(268,397)**
Changes in:			
Trade and other receivables		2,609	(78,560)

Trade and other payables		(194,286)	276,148
Net cash outflow from operating activities		**(1,000,370)**	**(70,809)**
Investing activities			
Proceeds of sale of Investment shares		78,573	72,439
Investment in Subsidiaries	14	(632.669)	-
Exploration & Evaluation assets	12	(73,230)	-
Investment in Nordic Projects and related transaction costs		-	(673,755)
Net cash outflow from investing activities:		**(627,326)**	**(601,316)**
Cash flows from financing activities			
Proceeds from issue of convertible loan notes		-	679,500
Proceeds from issue of shares, net of issue costs		3,380,544	-
Net cash inflow from financing activities		**3,380,544**	**679,500**
Net increase in cash and cash equivalents		**1,752,848**	**7,375**
Cash and cash equivalents at beginning of period		16,871	9,496
Cash and cash equivalents at end of period		**1,769,719**	**16,871**

GROUP STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2022

	Share capital £	Share premium £	Merger reserve £	Accumulated losses £	Total equity £
As at 29 December 2020	**22,929,743**	**25,027,278**	**1,824,000**	**(49,692,398)**	**88,623**
Total comprehensive loss for the year	-	-	-	(324,986)	(324,986)
Other comprehensive income	-	-	-	-	-
As at 29 December 2021	**22,929,743**	**25,027,278**	**1,824,000**	**(50,017,384)**	**(236,363)**
Total comprehensive loss for the year	-	-	-	(1,047,357)	(1,047,357)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year				**(1,047,357)**	**(1,047,357)**
Net proceeds from shares issued	30.773	3,349,771	-	-	3,380,544
Acquisition of subsidiaries	23,357	2,201,643	-	-	2,225,000

Loan notes converted into shares	8,366	671,134	-	-	679,500
Acquisition of Norwegian projects from EMX Scandinavia AB	6,068	560,281	-	-	566,349
As at 29 December 2022	**22,998,307**	**31,810,107**	**1,824,000**	**(51,064,741)**	**5,567,673**

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

Accumulated losses - cumulative net gains and losses recognised in the consolidated income statement

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2022

	Share capital £	Share premium £	Merger reserve £	Accumulated losses £	Total equity £
As at 29 December 2020	**22,929,743**	**25,027,278**	**1,824,000**	**(49,692,398)**	**88,623**
Total comprehensive loss for the year	-	-	-	(324,986)	(324,986)
Other comprehensive income	-	-	-	-	-
As at 29 December 2021	**22,929,743**	**25,027,278**	**1,824,000**	**(50,017,384)**	**(236,363)**
Total comprehensive loss for the year	-	-	-	(1,043,466)	(1,043,466)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year				**(1,043,466)**	**(1,043,466)**
Net proceeds from shares issued	30.773	3,349,771	-	-	3,380,544
Acquisition of subsidiaries	23,357	2,201,643	-	-	2,225,000
Loan notes converted into shares	8,366	671,134	-	-	679,500
Acquisition of Norwegian projects from EMX Scandinavia AB	6,068	560,281	-	-	566,349
As at 29 December 2022	**22,998,307**	**31,810,107**	**1,824,000**	**(51,060,850)**	**5,571,564**

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

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

Accumulated losses - cumulative net gains and losses recognised in the consolidated income statement

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

1. Kendrick Resources PLC (the 'Company' or "Kendrick") is incorporated and domiciled in the United Kingdom. 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 2022. The comparative period is for the year to 29 December 2021.

2. ADOPTION OF NEW AND REVISED STANDARDS

   A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and, in some cases, have not yet been adopted by the UK.

   The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Company in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

   Basis of preparation
   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 financial statements are presented in Pounds Sterling ("£").

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

   The company 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 company will require additional funds and/or funding facilities in order to fully develop its business plan.

Ultimately the viability of the company 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 2022, the company had net assets of £5.57m and cash and cash equivalents of £1.82 million, which will enable the Company to carry out its planned exploration activities on its newly acquired projects. An operating loss is expected in the year subsequent to the date of these accounts and as a result the Company will need to raise funding to provide additional working capital to finance its ongoing activities.

Based on its current reserves and the Board's assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and capital expenditure requirements, the Board have concluded that they have a reasonable expectation that the Group can 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 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 currently 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 Company'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 Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

Office equiptment and computers
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 Company’s balance sheet when the

Company becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities
The Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it has to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. The Company derecognises financial liabilities when the Company'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 Company 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 Company 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.

Provisions
Provisions are recognised when the Company 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 Company applies IFRS 2 Share-based Payment for all grants of equity instruments.

The Company 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 Company's estimate of the shares that will eventually vest.

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

Share capital
Financial instruments issued by the Company 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 Company 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 Company. Control is achieved when the Company:

· has the power over the investee;

· is exposed, or has rights to variable return from its involvement with the investee; and

· has the ability to use its power to affects its returns.

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

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

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

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

· the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

· potential voting rights held by the Company, other vote holders or other parties;

· rights arising from other contractual arrangements; and

· any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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.

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 Company's exploration activities, and commodity prices. It is reasonably possible that the assumption 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.

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.

Business Combination

In line with IFRS3, the Directors have assessed whether the Group has acquired assets of a business combination in relation to Northern X Group and the Norwegian Projects and determined that these are not business combinations.

Contingent consideration

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

Going Concern

The Director's have considered Going Concern and as per note 3 no adjustment has been made in these financial statements which are prepared on a going concern basis.

5. LOSS FOR THE YEAR

The loss for the period has been arrived at after charging / (crediting):

	2022	2021
	£	£
Depreciation of property, plant and equipment (note 10)	**2,050**	8,620
Staff costs (note 7)	**97,015**	60,000
Loss/(Gain) on sale of investments	**10,872**	(38,444)
Loss in fair value of investment at reporting date	**5,314**	86,413
Listing costs	**606,575**	-
Finance charge	**2,411**	1,249

6. AUDITORS' REMUNERATION

The remuneration of the auditors can be analysed as follows:

	2022	2021
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	**37,000**	30,000
Fees payable to the company's auditor for other services:		
	37,000	30,000

7. STAFF COSTS

	2022 Number	2021 Number
Directors	**4**	2
Consultants	**1**	2
The average monthly number of employees	**5**	4
Their aggregate remuneration comprised:-	**£**	£
Fees	**97,015**	60,000
	97,015	60,000

Included within staff costs £97,015 (2021: £60,000) relates to amounts in respect of Directors. The highest paid director's emoluments was £51,000 (2021: £60,000)

8. TAXATION

No liability to corporation tax arose for the year ended 29 December 2022 and year ended 29 December 2021, as a result of underlying losses brought forward.

Reconciliation of effective tax rate:

	2022 £	2021 £
Loss before tax	**(1,043,466)**	(324,986)
Tax credit at the standard rate of tax in the UK	**198,259**	61,747
Tax effect of non-deductible expenses	**(390)**	(1,638)
Deferred tax not provided	**(197,869)**	(60,109)
Tax for the period	**-**	-

The standard rate of corporation tax in the UK applied during the year was 19% (2021: 19%).

At 29 December 2022, the Company are carrying forward estimated tax losses of £7.3m (2021: £6.3m) in respect of various activities over the years. No deferred tax asset was recognized 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 2022	29 December 2021
(Loss) after tax for the purposes of earnings per share attributable to equity shareholders	**£(1,043,466)**	£(324,986)
Weighted average number of shares	**153,882,205**	11,190,363
Basic and Diluted (loss) per ordinary share	**(0.68) p**	(2.90) 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. IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. There would be no dilutive impact were the share options to be exercised.

10. PROPERTY PLANT AND EQUIPMENT

	Group and Company Office equipment and computer £	Group and Company Total £
COMPANY		
Cost		
At 29 December 2020	**60,587**	**60,587**
Additions	-	-
At 29 December 2021	**60,587**	**60,587**
Additions	-	-
At 29 December 2022	**60,587**	**60,587**
Accumulated depreciation		
At 29 December 2020	**(49,917)**	**(39,861)**
Charge for the period	(8,620)	(8,620)
At 29 December 2021	**(58,537)**	**(58,537)**
Charge for the period	(2,050)	(2,050)
At 29 December 2022	**(60,587)**	**(60,587)**
Carrying amount		
At 29 December 2022	**-**	**-**
At 29 December 2021	2,050	2,050

11. CURRENT ASSET INVESTMENT

	Group & Company 29 Dec 2022 £	Group & Company 29 Dec 2021 £
Balance as at 29 December 2021	102,932	223,340
Additions	-	13,488
Disposals	(89,445)	(33,996)
Fair value through profit and loss	(5,313)	(99,900)
Balance as at 29 December 2022	8,174	102,932

The investment represents the holding of 8,174,387 shares in Bezant Resources Plc, which were held at 29 December 2022. At the start of the year the Company held 9,221,072 shares in Galileo Resources Plc, but these were disposed during the year.

12. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Assets – Group

	Swedish Project £	Finnish Projects £	Norwegian projects £	Total £
Opening Balance	-	-	-	-
Transfer from Investment in Nordic Projects & Related Transactions Costs *	254,871	82,386	119,961	457,218
Additions in year	184,438	4,355	160,745	349,538
Northern X Group Acquisition (Note 13):				
Share issues	1,357,473	703,990	163,537	2,225,000
Cash consideration	136,739	70,913	16,474	224,126
Acquisition of Norwegian Projects (Note 17):				
Share issues			566,349	566,349
Cash consideration			74,477	74,477
EMX Deferred Share Consideration (note 14)			36,265	36,265
Balance 29 December 2022	1,933,521	861,644	1,137,808	3,932,973

* There were no Exploration and Evaluation assets as at 29 December 2021 which is why there is no comparative table for 2021. In 2021 the capitalised Nordic Projects & Related Transactions costs were GBP673,755. On the acquisition of the Northern X Group GBP457,218 of these costs were transferred to Group Exploration and Evaluation assets and GBP216,537 were included in the GBP606,575 of listing & transactions costs charged in the Income Statement

Exploration and Evaluation Assets - Company

	Norwegian assets £	Total £
Opening Balance	-	-
Transfer from Investment in Nordic Projects	28,886	28,886
Movement in Year	73,230	73,230
EMX Deferred Share Consideration	36,265	36,265
Acquisition of Norway projects	566,349	566,349
Balance 29 December 2022	704,730	704,730

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

The Nordic Projects comprise vanadium projects in Sweden and Finland which were acquired from Pursuit and consist of competently and comprehensively well drilled tonnages of vanadium ore, estimated at approximately 160 million tonnes.

Summary of Projects: The projects are a portfolio of early to advanced stage exploration projects covering a combined area of 466.72 km2 in Scandinavia. The most advanced of these Projects are the Airijoki and Koitelainen vanadium projects in Sweden and Finland respectively.

However, the projects acquired include several exploration projects in the Nordic region, namely:
* Finland – the Karhujupukka vanadium-magnetite exploration project
* Sweden – the Kramsta, Kullberget, Simesvallen and Sumåssjön exploration projects in Sweden (collectively known as the Central Sweden Project)

The Karhujupukka project also support defined mineral resources prepared in accordance with the JORC Code (2012.) However, these remain subject to further techno-economic assessment. The remaining projects represent brownfield to greenfields exploration opportunities based on the results of historical activities, some with historical mineral estimates that remain to be updated to the requirements of the JORC Code (2012).

On 13 May 2022 the Company exercised its option to conditionally acquire the Espedalen, Hosanger, and Sigdal nickel-copper-cobalt exploration projects in Norway (the "**Norwegian Projects**") (the "**Norwegian Projects Acquisition**") from EMX Scandinavia AB (previously named Eurasian Minerals Sweden AB) ("EMX") by the issue of 20,226,757 new ordinary shares in the Company to EMX or its nominee, 50% of these shares shall be subject to a three-month voluntary escrow and the balance of 50% subject to a six-month voluntary escrow. Kendrick has also made a payment of US$81,949 to EMX. This payment was to meet a shortfall of this amount in the exploration expenditure to be incurred during the option period.

Deferred Share consideration due to EMX: On or before 27 April 2023, the Company has to issue to EMX or its nominee the number of shares which is the lower of i) 9.9% of the Company's then issued share capital and ii) the number of shares whose value based on the then 5-day VWAP equals 20,000,000 of the shares issued at closing of the acquisition (the "Established Value") divided by the 5 day VWAP at the date of issue of these shares. On 24 April 2023 the Company issued 4,144,395 new Ordinary shares at 0.875 pence each to settle this deferred consideration for £36,265, (the "**EMX Deferred Share Consideration**") . As the liability to pay the EMX Deferred Share Consideration arose during the period a provision of £36,265 was made for this liability with the amount being recognised an exploration and evaluation asset.

The Acquisition was conditional upon the Norwegian Directorate for Mineral Administration approving the transfer of the licences to a wholly owned subsidiary of Kendrick and this process was completed and confirmed on 12 August 2022 and the Company applied for the 20,226,757 new ordinary shares to be admitted to trading on the Standard Segment of the London Stock Exchange on 17 August 2022 (see note15).
The Norwegian Projects comprise:

- The Espedalen Project consisting of 16 contiguous exploration permits covering a combined area of 139.89 km^2 currently contains two nickel deposits
- The Sigdal Project consisting of three exploration licences totalling 30 km^2 containing a geophysical conductor associated with historical mine workings, which has only been tested with two short drill holes, returning gold grades over 10g/t with encouraging nickel and copper mineralisation

The Hosanger Project consisting of a coherent tenure package of four exploration licences covering 40 km^2 and contains the historical Litland nickel mine

Further commitments under Norwegian Projects Acquisition

- beginning on 13 May 2025 and ceasing on the date upon which the Company commissions a Pre-Feasibility Study on any one of the Projects: the Company has committed to one thousand meter drilling for each Project ("**Drilling Commitment**"); and

- upon attainment of each development milestone ((milestone 1) being the completion of an economic assessment of mineral potential and (milestone 2) the completion of a feasibility study), the Company shall pay EMX the sum of USD$500,000. If milestone 1 is not met but milestone 2 is met then an aggregate of USD$1,000,000, will become due ("**Milestone Payments**")

Royalty Agreement: At the closing of the Norwegian 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 three Norwegian 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 accounts for the further commitments under the Norwegian Projects Acquisition above in relation to;

a) the Drilling Commitment as the Company's Projects are in the exploration phase and therefore it is in the normal course to on an ongoing basis to review projects and continue work on projects that remain prospective and it can take several years to get to the stage of commissioning a Pre-Feasibility study therefore there is no certainty as to the period over which the Drilling Commitment would have to be met and whether or not it would be met by the Company's ongoing exploration activities on the Norwegian Projects;

b) Milestone Payments as the Norwegian Projects are in the exploration phase and therefore it is not certain that an economic assessment of mineral potential or a feasibility study will be completed in the next few years, or if at all; or

c) Production Royalty as the Norwegian Projects are in the exploration phase and therefore it is not certain that they will become mines producing ore on which a royalty is due in the next several years, or if at all

13. ACQUISITIONS

Acquisition of Northern X Group

On 6 May 2022 the Company completed the acquisition of;

(a) 100% of Northern X Finland Oy ("Northern X Finland"), which owns 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 owns 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

The acquisition price was as follows:

Consideration		**£**
Equity consideration Ordinary shares issued		2,225,000
Cash consideration		224,126
Total consideration		**2,449,126**
Fair value of assets acquired		
Exploration assets	2,420,245	
Receivables	5,879	
Cash and cash equivalents	23,002	
		2,449,126
		-

As part of the purchase agreement with Pursuit there will be additional 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 Company (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 Company (or any successor or assignee) in respect of any project area in the Nordic Projects.

No provision has been made in these accounts for the additional deferred contingent consideration referred to above as the Company's Projects are in the exploration phase and therefore it is not certain that a Feasibility Study will be completed or a decision to mine be made in the next few years, or if at all.

Acquisition of Caledonian Minerals AS

On 13 May 2022 to facilitate the smooth transfer of the Norwegian Project Licences to the Company after the exercise of the EMX Option the Company acquired Caledonian Minerals AS for £6,186 a Norwegian company established by EMX as a clean special purpose vehicle on 8 November 2021 which at the date of acquisition had not carried out any business and had no assets or liabilities.

Consideration		**£**
Cash consideration		6,186
Total consideration		**6,186**
Fair value of assets acquired		
Exploration assets	6,186	
		6,186
		-

14. INVESTMENT IN SUBSIDIARIES

	Company Investment in Subsidiaries 29 Dec 2022 £	**Loans to Subsidiaries 29 Dec 2022 £**	**Total Investment in Subsidiaries 29 Dec 2022 £**
Acquisition of Northern X Group	2,449,126		**2,449,126**
Acquisition of Caledonian Minerals AS	6,186		**6,186**
Loans to Northern X Scandinavia AB		497,064	**497,064**
Loans to Northern X Finland OY		86,741	**86,741**
Loans to Caledonian Minerals AS		246,882	**246,882**
	2,455,312	**830,687**	**3,285,999**

Movement in the Year	**Company Investment in Subsidiaries 29 Dec 2022 £**	**Loans to Subsidiaries 29 Dec 2022 £**	**Total Investment in Subsidiaries 29 Dec 2022 £**
Brought forward	-	-	-
Transfer from Investment in Nordic Projects	146,070	282,262	**428,332**
Movement in Year	78,056	554,611	**632,667**
Shares Issued in Year	2,225,000	-	**2,225,000**

Balance 29 December 2022	**2,449,126**	**836,873**	**3,285,999**

There were no subsidiaries as at 29 December 2021 which is why there is no comparative table for 2021. In 2021 the capitalised Nordic Projects & Related Transactions costs were GBP673,755. On the acquisition of the Northern X Group GBP428,332 of these costs were transferred to the Company's investment in and loans to subsidiaries and on the acquisition of the Norwegian Assets GBP28,886 was transferred to the Company's exploration and evaluation asset in relation to the Norwegian projects

To facilitate the smooth transfer of the Project Licences the Company has per note 13 for £6,186 acquired Caledonian Minerals AS a Norwegian company established by EMX as a clean special purpose vehicle on13 May 2022 which at that date had not carried out any business and had no assets of liabilities.

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

The Company conducted an impairment review and is satisfied that the carrying value of £3,285,999 is reasonable and no impairment is necessary. (2021- Nil).

Principal Subsidiaries

Name & registered office address	**Country of incorporation and residence**	**Nature of business**	**Proportion of equity shares held by Company**
Northern X Scandinavia AB Hellstrom Advokatbyra 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%

15. TRADE AND OTHER RECEIVABLES

	Group 2022 £	**Company 2022 £**	Group & Company 2021 £
Other receivables	**-**	**-**	890
Vat receivable	**76,589**	**76,590**	24,598
Prepayments	**8,290**	**8,290**	-

Other debtors	**7,879**	**2,000**	64,000
	92,758	**86,880**	89,488

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 & Company 2022 £	Group & Company 2021 £
Trade and other payables	**169,173**	263,299
Amount owed to director	**41,500**	143,750
Accruals	**37,000**	34,910
	247,673	441,959

17. SHARE CAPITAL AND SHARE PREMIUM

	2022		2021	
Issued equity share capital	**Number**	**£**	Number	£
Issued and fully paid				
Ordinary shares of £0.0003 each	**239,738,373**	**71,921**	11,190,363	3,357
Deferred shares of £0.00999 each	**335,710,863**	**3,353,752**	335,710,863	3,353,752
Deferred shares of £0.009 each	**1,346,853,81**	**12,121,684**	1,346,853,817	12,121,684
Deferred shares of £0.01 each	**19,579,925**	**195,799**	19,579,925	195,799
Deferred shares of £0.04 each	**181,378,766**	**7,255,151**	181,378,766	7,255,151
		22,998,307		22,929,743

Group & Company	29 December 2022 Number of Ordinary shares	Share capital	Share Premium
		£	£
As at 1 January 2022	11,190,363	3,357	25,027,278
Shares issued during the year	228,548,010	68,564	6,992,528
Share issue costs	-	-	(209,699)
As at 29 December 2022	**239,738,373**	**71,921**	**31,810,107**
Movement in shares issued during the period			
Shares issued from placing on admission	92,857,143	27,857	3,222,143
Shares issued on acquisition on subsidiaries	77,857,142	23,357	2,201,643
Conversion of loans and share subscriptions	27,885,714	8,366	671,134
Advisers and director's fees settled by shares	9,721,254	2,916	337,327
Shares issued on acquisition of the Norwegian projects	20,226,757	6,068	560,281
Total	**228,548,010**	**68,564**	**6,992,528**

1) At the Annual General Meeting held on 4 February 2021, shareholders approved that the 335,710,863Existing 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.
2) At the Annual General Meeting held on 25 October 2021, shareholders approved an ordinary resolution that for every thirty (30) issued and unissued ordinary share of £0.00001 each in the share capital of the Company ("**Existing Shares**") be consolidated into one (1) ordinary share of £0.0003 each ("**New Shares**") such New Shares having the same rights and being subject to the same restrictions, save as to nominal value, as the Existing Shares.

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

The deferred shares of £0.04 each have no rights to vote or to participate in dividends and carry limited rights on return of capital. No shares were issued during the year.

There were no warrants in issue during 2020 at Admission the warrants in the table below over ordinary shares in the issued share capital of the Company were issued and at the period end had not been exercised.

	Number of Warrants	Exercise price (p)	Expiry
Fundraising Warrants	92,857,143	6.0	6 May 2025
Broker Warrants	4,642,856	3.5	6 May

			2025
Convertible Note Warrants	17,885,714	3.5	6 Nov 2023
Consultant Warrants	4,375,943	3.5	6 May 2025

18. SHARE OPTIONS

Share Options

The Company's previous share options scheme for directors and consultants ceased on 12 June 2020 and no options were exercised prior to this date.

A new Executive 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. No options were issued under the Executive Share Option Scheme during the period but there was an issue of options post the period end as disclosed in Note 23

19. CONVERTIBLE LOAN NOTES

On 30 December 2020, the Company executed a £210,000 unsecured convertible loan note instrument and received subscriptions of £210,000 in January 2021 in respect of the December 2020 Convertible Loan Note from private investors. The December 2020 Convertible Loan Note does not pay interest and was repaid at Admission by the issue of 10,000,000 New Ordinary Shares at a 40% discount to the Placing.

On 2 July 2021, the Company executed a £350,000 unsecured convertible loan note instrument (the "July 2021 Convertible Loan Note") and has received subscriptions of £350,000 in respect of the July 2021 Convertible Loan Note from private investors and £30,000 from Kjeld Thygesen and £48,000 from Colin Bird, who are directors of the Company. The July 2021 Convertible Loan Note did not pay interest and was repaid at Admission by the issue of i) 13,333,333 New Ordinary Shares at a 25% discount to the Placing Price of which 1,142,857 was issued to Kjeld Thygesen and 1,828,571 to Colin Bird and ii) one (1) warrant for each New Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 13,333,333 warrants will be valid for a period of 18 months from Admission and 1,142,857 of the warrants will be issued to Kjeld Thygesen and 1,828,571 to Colin Bird.

On 15 November 2021, the Company executed a £150,000 unsecured convertible loan note instrument which was, with the consent of the noteholder, subsequently increased to £150,000 (the "November 2021 Convertible Loan Note") and has received subscriptions of £119,500 in respect of the November 2021 Convertible Loan Note from private investors including £37,000 from Lion Mining Finance Ltd, a company controlled by Colin Bird, a director of the Company. The November 2021 Convertible Loan Note did not pay interest and was repaid at Admission by the issue of i) 4,552,381 New Ordinary Shares at a 25% discount to the Placing Price of which 1,409,524 was issued to Lion Mining Finance Ltd and ii) one (1) warrant for each New Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 4,552,381 warrants will be valid for a period of 18 months from Admission and 1,409,524 of the warrants will be issued to Lion Mining Finance Ltd.

Before conversion the Convertible loan notes as detailed in the three previous paragraphs they were treated as liability as it closely resembles the characteristics of a financial liability.

20. FINANCIAL INSTRUMENTS

Capital risk management

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

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

Categories of financial instruments

	2022	2021
	£	£
Financial assets		
Current asset investment	**8,174**	102,932
Cash and cash equivalents	**1,817,706**	16,871
Other receivables	**92,758**	89,488
	1,918,638	209,291
Financial liabilities classified as held at amortised cost		
Trade and other payables	**169,173**	263,299
Convertible loan notes	**-**	679,500
	169,173	942,799

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.

Fair value hierarchy

The Company 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;
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 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 Company 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 f low interest rate risk. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

As the Company has no committed borrowings, the Company is not exposed to any risks associated with fluctuations in interest rates on loans. Fluctuation in interest rates applied to cash balances held at the balance sheet date would have minimal impact on the Company.

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 Company holds the majority of its funds in Sterling.

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

	Financial liabilities		Financial assets	
	2022	2021	**2022**	2021
	£	£	**£**	£
US Dollars	**-**	-	**389**	167
Swedish Krona	133,836	118,342	**-**	-
Euros	4,617	1,387	**-**	-
Australian Dollars	-	1,846	**-**	-

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 Company. The Company does not have any significant credit risk exposure on trade receivables. The Company 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 credit risk on liquid funds (cash) is considered to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

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

Liquidity risk management
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management monitor forecasts of the Company's liquidity reserve, comprising cash and cash equivalent, on the basis of expected cash flow. At 29 December 2022, the Group held cash and cash equivalent of £1,817,706 (2021: £16,871) and the directors assess the liquidity risk as part of their going concern assessment (see note 3).

The maturity of the Company'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 Company aim to maintain appropriate cash balances in order to meet its liabilities as they fall due.

Maturity analysis

Company 2022	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	**247,673**	-	125,836	121,827	-	-

Company 2021	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	441,959	-	219,669	222,290	-	-
Convertible loan notes	679,500	-	-	679,500	-	-

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.

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

	29 December 2022		29 December 2021	
Director	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	45,069,227	18.80%	16,875	0.15%
Kjeld Thygesen	2,142,857	0.89%	-	-
Alex Borrelli	82,777	0.03%	82,777	0.74%
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

1. Issue of shares at the IPO as disclosed in the Prospectus

(a) On 20 January 2021, the Company was assigned the Binding Sales Agreement by Lion Mining Finance Ltd and Camden Park Trading FZE-LLC, companies controlled by Colin Bird, (the "**Assignment Agreemen**t"). The Assignment Agreement was conditional on the completion of the Binding Sales Agreement and at the IPO the consideration due under the Assignment Agreement was £802,000 of which £52,000 is to be settled in cash and £750,000 was settled by the issue of 35,714,285 Ordinary Shares in the Company at an issue price of 2.1 pence per Ordinary Share (2,285,714 Ordinary Shares to Lion Mining Finance Ltd and 33,428,571 Ordinary Shares to Camden Park Trading FZE-LLC).

(b) Colin Bird pursuant to the Fundraising at the IPO subscribed for 1,571,400 Ordinary Shares at the Placing Price and was also issued at the 1,571,400 Placing Warrants.

(c) Colin Bird was at the IPO issued 4,528,571 Ordinary Shares at the Placing Price to settle £158,500 of accrued unpaid fees.

(d) Colin Bird was at the IPO issued 1,828,571 Ordinary Shares and 1,828,571 Convertible Note Warrants arising from his participation in the July 2021 Convertible Loan Note.

(e) Kjeld Thygesen pursuant to the Fundraising at the IPO subscribed for 1,000,000 Ordinary Shares at the Placing Price and was issued 1,000,000 Placing Warrants.

(f) Kjeld Thygesen was at the IPO issued 1,142,857 Ordinary Shares and 1,142,857 Convertible Note Warrants arising from his participation in the July 2021 Convertible Loan Note.

(g) Lion Mining Finance Limited (a company controlled by Colin Bird) at the IPO was issued 1,409,524 Ordinary Shares and 1,409,524 Convertible Note Warrants arising from its participation in the November 2021 Convertible Loan Note

No warrants were issued to Directors in 2021, at Admission the warrants in the table below over ordinary shares in the issued share capital of the Company were issued to directors and at the period end had not been exercised:

Director	Number of Warrants	Exercise price (p)	Expiry
Colin Bird			
Fundraising Warrants	1,571,400		
Convertible Note Warrants *	3,238,095	3.5	6 Nov 2023
Kjeld Thygesen			-
Fundraising Warrants	1,000,000		
Convertible Note Warrants	1,142,857	3.5 pence	6 Nov 2023
Alex Borrelli	-	-	-
Evan Kirby	-	-	-
Martyn Churchouse	-	-	-

* Includes 1,409,524 Convertible Note Warrants issued to Lion Mining Finance Limited a company controlled by Colin Bird

Included in the £350,000 in respect of the July 2021 Convertible Loan Notes subscriptions received was £30,000 from Kjeld Thygesen and £48,000 from Colin Bird, both directors of the Company. Included in the £150,000 in respect of the November 2021 Convertible Loan Notes subscriptions received was £37,000 from Lion Mining Finance Limited, a company controlled by Colin Bird, a director of the Company. These subscriptions by Colin Bird, Kjeld Thygesen and Lion Mining Finance Limited were on the same terms as the other subscribers to these convertible loan notes which are detailed in Note 17.

Colin Bird was non-executive chairman of Jubilee Metals Group Plc (he resigned on 26 May 2022) which at Admission had an interest of 1.48% in the Company. There were no transactions with Jubilee during the year.

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). Pursuant to this agreement, the Company has been granted a licence to use the premises at 7-8 Kendrick Mews, London SW7 for a period of 12 months with effect from 1 December 2021 for a licence fee of £1,500 per month. In addition, Lion Mining Finance Limited provides basic administrative and support services as required by the Company from time-to-time.

Directors' Letters of Appointment and Service Agreements as disclosed in the Prospectus.

(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.

(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.

(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.

(d) Pursuant to an agreement dated 29 April 2022, Alex Borrelli was appointed as a nonexecutive 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.

(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.

Loans to Subsidiaries

	2022	**2021**
Loans to Northern X Scandinavia AB	497,064	-
Loans to Northern X Finland OY	86,741	-
Loans to Caledonian Minerals AS	253,068	-
	836,873	-

All intra-group loans are interest-free and form part of the Company's investment in subsidiaries

22. NET DEBT

	Group 2022 £	**Company** 2022 £	Group & Company 2021 £
Cash and cash equivalent	1,817,706	1,769,719	16,871
Net debt	1,817,706	1,769,719	16,871
Net debt as at 29 December	16,871	16,871	9,496
Cash flow from operations	(620,102)	(610,332)	(70,809)
Proceeds from issue of shares, net of costs	3,340,318	3,340,318	-
Proceeds from convertible loan notes	-	-	679,500
Investment in Exploration and evaluation costs	(997,953)	(1,055,710)	(673,755)
Cash flow from sale of Investment shares	78,572	78,572	72,439
Net debt	1,817,706	1,769,719	16,871

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

23. EVENTS AFTER THE REPORTING DATE

On 2 February 2023 the Company announced that 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 Executive 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.

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

On 24 April 2023 the Company announced it had issued 4,144,395 new ordinary shares to settle the share consideration due to be issued on or before 27 April 2023 in relation to the Company's acquisition of the Espedalen, Hosanger, and Sigdal nickel-copper-cobalt exploration projects in Norway from EMX Scandinavia AB. 50% of these shares are subject to a three-month voluntary escrow and the balance of 50% subject to a six-month voluntary escrow. 3,683,906 of the new ordinary shares will be issued to EMX Scandinavia AB which will increase the combined shareholding of EMX Scandinavia AB and EMX Royalty Corporation to 21,663,284 shares representing 8.9% of the enlarged share capital on the Company.