

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, financial adviser or other independent adviser duly authorised under FSMA if you are in the United Kingdom or, if not, you should immediately consult another appropriately authorised independent professional adviser.

The Company and the Directors, whose names appear on page 20, accept responsibility for the information contained in this document including collective and individual responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and makes no omission likely to affect its import. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Company and the Directors are aware, no facts have been omitted which may render the reproduced information inaccurate or misleading. In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules for Companies in connection with an application for admission to trading on AIM, a market operated by the London Stock Exchange plc, of the entire issued and to be issued share capital of the Company. This document constitutes an MTF admission prospectus within the meaning of the Public Offers and Admission to Trading Regulations 2024 (SI 2024/105, as amended) ("**POATR**"). This document does not constitute an offer or any part of any offer of transferable securities to the public within the meaning of section 102B of the FSMA or otherwise. Accordingly, this document does not constitute a prospectus for the purposes of section 85 of the FSMA or otherwise, and has not been drawn up in accordance with the POATR or filed with or approved by the Financial Conduct Authority or any other competent authority.

Application will be made for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective, and that dealings in the Enlarged Share Capital on AIM will commence on 30 March 2026. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Companies admitted to trading on AIM are required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

The AIM Rules for Companies are less demanding than those which apply to companies whose shares are listed on the Official List. It is emphasised that no application is being made for admission of the Enlarged Share Capital to the Official List or any other recognised investment exchange.

The whole of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is drawn in particular to the discussion of risks and other factors which should be considered in connection with an investment in the Ordinary Shares set out in Part II "Risk Factors" of this document. All statements regarding the Company and the Group's future business should be viewed in light of these risk factors.

HALO
MINERALS

Halo Minerals PLC

(incorporated in England & Wales under the Companies Act 2006 with registered number 06370792)

Placing of 22,222,223 new Ordinary Shares of £0.001 at 18 pence per Ordinary Share

Admission of the Enlarged Share Capital to trading on AIM

Nominated Adviser


Cairn
Cairn Financial Advisers LLP

Broker


GLOBAL
INVESTMENT STRATEGY
Global Investment Strategy UK Limited

Cairn Financial Advisers LLP ("Cairn"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in connection with the proposed admission of the Enlarged Share Capital to trading on AIM. Its responsibility as the Company's nominated adviser under the AIM Rules for Nominated Advisers is owed solely to the London Stock Exchange and is not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Cairn is acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the proposed admission of the Enlarged Share Capital to trading on AIM.

Global Investment Strategy UK Limited (“GIS”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as broker to the Company in connection with the Placing contained in this document. GIS is acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Placing.

No representation or warranty, express or implied, is made by Cairn or GIS as to the contents of this document or any matter transaction or arrangement referred to in it (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Cairn or GIS for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

An investment in the Company carries risk. Prospective investors should read the whole of this document and should carefully consider whether an investment in the Enlarged Share Capital is suitable for them in light of their circumstances and financial resources. The whole of this document should be read. Your attention is drawn, in particular to Part I: “Information on the Group” and the section entitled “Risk Factors” for a more complete discussion of the factors that could affect the Group’s future performance and the industry in which it operates.

This document does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any of the Ordinary Shares in any jurisdiction where it may be unlawful to make such offer or solicitation. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, this document is not for publication or distribution in or into the United States, Canada, Australia, New Zealand, Japan or the Republic of South Africa and is not for distribution directly or indirectly to any US Person. The Ordinary Shares have not been and will not be registered under the US Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of any province or territory of Canada or under the securities laws of Australia, New Zealand, Japan or the Republic of South Africa. Unless an exemption under relevant securities laws is applicable, the Ordinary Shares may not be offered or sold, directly or indirectly, in or into the United States, Australia, Canada, Japan, the Republic of South Africa or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan, the Republic of South Africa or any person located in the United States. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction and is not for distribution in, or into, the United States, Australia, Canada, Japan or the Republic of South Africa. There will be no public offer of the Ordinary Shares in the United States and the Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

No legal, financial, business, investment, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding, or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from the registered office of the Company at 85 Great Portland Street, First Floor, London, England, W1W 7LT from the date of this document and for at least one month from Admission and from the Company’s website: www.halominerals.co.uk.

IMPORTANT NOTICE

This document should be read in its entirety before making any decision to subscribe for or otherwise purchase Ordinary Shares. Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Cairn, or GIS or any of their respective affiliates, officers, directors, partners, employees or agents. Without prejudice to the Company's obligations under the AIM Rules for Companies, neither the delivery of this document nor any subscription made in reliance on this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this document or any subsequent communications from the Company, Cairn or GIS or any of their respective affiliates, officers, directors, partners, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

If you are in any doubt about the contents of this document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the FSMA if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media or any other person, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Admission, the Company and/or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the AIM Rules for Companies, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation of the Ordinary Shares by prospective investors occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules for Companies.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, by the Company, the Directors, Cairn, or GIS or any of their respective representatives, that any recipient of this document should subscribe for or purchase any of the Ordinary Shares. Investing in and holding Ordinary Shares involves financial risk. Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, Part II (Risk Factors) of this document.

Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor's FSMA-authorised or other appropriate advisers) of the Company and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor's own (or such prospective investor's FSMA-authorised or other appropriate advisers') examination of the Company and the Group.

General

No broker, dealer or other person has been authorised by the Company, its Directors, Cairn, or GIS to issue any advertisement or to give any information or make any representation in connection with the offering or sale of any Ordinary Shares other than those contained in this document and if issued, given or made, that advertisement, information or representation must not be relied upon as having been authorised by the Company, its Directors, Cairn or GIS.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal

requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, repurchase or other disposal of Ordinary Shares which they might encounter; and (c) the income or other taxation consequences which may apply in their own countries as a result of the purchase, holding transfer, repurchase or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants as to legal, taxation, investment and other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales (and, where relevant, Chile) and are subject to change therein.

Forward-looking statements

Certain statements in this document are “forward-looking statements” including, without limitation, statements containing the words “believes”, “anticipate”, “expect”, “target”, “estimate”, “will”, “may”, “should”, “would”, “plan”, “goal”, “could”, “intend” and similar expressions. These forward-looking statements are not based on historical facts but rather on the expectations of the Directors regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such forward-looking statements reflect the Directors’ current beliefs and assumptions and are based on information currently available to the Directors. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward-looking statements contained in this document are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules for Companies), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

United States securities laws

The Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Ordinary Shares are only being offered and sold outside the United States in “offshore transactions” within the meaning of and pursuant to Regulation S. There will be no public offer of Ordinary Shares in the United States.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission or by any US state securities commission or authority, nor has any such US authority reviewed, approved or confirmed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

Notice to prospective investors in the United Kingdom

This document is being distributed in the United Kingdom where it is directed only at persons who are “**qualified investors**” within the meaning of paragraph 2 of Schedule 1 of POATR and who are (i) persons having professional experience in matters relating to investments, i.e., investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**FPO**”); or (ii) high net-worth companies, unincorporated associations and other bodies within the meaning of Article 49 of the FPO and at persons to whom it is otherwise lawful to distribute it without any

obligation to issue a prospectus approved by competent regulators. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event, and under no circumstances, should persons of any other description rely on or act upon the contents of this document.

Third party information

The data, statistics and information and other statements in this document regarding the markets in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the third-party sources described in this document.

In relation to these third-party sources, such information has been accurately reproduced from the identified information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of this information, no facts have been omitted which would render such information inaccurate or misleading.

Presentation of financial information

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market, economic and industry data

The data, statistics and information and other statements in this document regarding the markets and industry in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Market and industry data is inherently predictive and speculative and is not necessarily reflective of actual market conditions. Statistics in such data are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. The value of comparisons of statistics for different markets is limited by many factors, including that: (i) the markets are defined differently; (ii) the underlying information was gathered by different methods; and (iii) different assumptions were applied in compiling the data. Consequently, the industry publications and other reports referred to above generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and, in some instances, these reports and publications state expressly that they do not assume liability for such information.

Notice to distributors

UK Product Governance Requirements

Solely for the purposes of Paragraph 3.2.7R regarding the responsibilities of UK Manufacturers under the Product Governance requirements contained within Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of (a) retail investors, (b) investors who meet the criteria of professional clients and (c) eligible counterparties, each as defined in UK Product Governance Requirements; and (ii)

eligible for distribution through all distribution channels as are permitted by UK Product Governance Requirements (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Ordinary Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

EU Product Governance Requirements

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “EU Target Market Assessment”). Notwithstanding the EU Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The EU Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the EU Target Market Assessment, the Broker will only procure investors who meet the criteria of professional clients and eligible counterparties and agreed retail investors consistent with the Placing structure.

For the avoidance of doubt, the EU Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares. Each distributor (including each Intermediary) is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

Time Zone

All times referred to in this document are, unless otherwise stated, references to London time.

Currencies

Unless otherwise indicated, all references in this document to: (a) “**GBP**”, “**£**”, “**pounds sterling**”, “**pounds**”, “**sterling**”, “**pence**” or “**p**” are to the lawful currency of the United Kingdom, (b) “**CLP**”, “**CLP\$**”, “**Chilean peso**”, “**peso**” are to the lawful currency of Chile; and (c) “**USD**”, “**US\$**”, “**US Dollars**”, “**dollars**” are to the lawful currency of the United States of America.

No incorporation of website

The information on the Company’s website (or any other website) does not form part of this document.

Interpretation

Certain terms used in this document are defined and certain technical and other terms used in this document are explained in the “Definitions” and “Glossary of Technical and Commercial Terms” sections as appropriate.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender, and vice versa.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2026
Publication of this document	25 March
Admission becomes effective and dealings in the Enlarged Share Capital expected to commence on AIM	8.00 a.m. on 30 March
CREST accounts expected to be credited (where applicable) in respect of New Shares	8.00 a.m. on 30 March
Definitive share certificates in respect of New Shares expected to be despatched in respect Admission	Week commencing 13 April

Each of the times and dates in the above timetable is subject to change without further notice. All references are to London time unless otherwise stated. Temporary documents of title will not be issued.

PLACING AND ADMISSION STATISTICS

Placing Price	18 pence
Number of Existing Ordinary Shares in issue at the date of this document	85,096,863
Number of Placing Shares to be issued pursuant to the Placing	22,222,223
Estimated gross proceeds of the Placing	£4,000,000
Estimated net proceeds of the Placing (net of VAT)	£3,393,000
Number of Fee Shares to be issued on Admission	1,960,020
Number of Conversion Shares to be issued on Admission	1,465,640
Enlarged Share Capital (number of Ordinary Shares in issue following Admission)*	110,744,746
Market capitalisation of the Company on Admission at the Placing Price	approximately £19.9 million
Percentage of the Enlarged Share Capital represented by the Placing Shares*	20.07%
Number of Options over new Ordinary Shares on Admission	8,000,000
Number of Warrants over new Ordinary Shares on Admission	9,147,197
Fully Diluted Enlarged Share Capital on Admission**	127,891,943
TIDM	HALO
ISIN	GB00BP92JV57
LEI	2138001MKE18HLW9YX42
SEDOL	BP92JV5

* "Enlarged Share Capital" means the issued share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the New Shares.

** Assumes full exercise of the Options and the Warrants

DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise:

“2019 Deferred Shares”	the deferred shares of 0.0999 pence each in the capital of the Company;
“Act” or “Companies Act”	the UK Companies Act 2006 (as amended);
“Acquisition”	the acquisition by the Company of 100 per cent. of the Copper Bay Group in accordance with the terms of the Copper Bay Main Acquisition Agreement and the Copper Bay Minority Acquisition Agreement, further details of which are set out in paragraph 14 of Part V of this document;
“Admission”	admission of the Enlarged Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules” or “AIM Rules for Companies”	the AIM Rules for Companies published by the London Stock Exchange from time to time;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
“Articles” or “Articles of Association”	the articles of association of the Company as amended from time to time;
“Associates”	shall in respect of Shareholders, bear the meaning ascribed to it in paragraph (c) of the definition of “related party” in the AIM Rules for Companies as if such Shareholder fell within paragraphs (a) and/or (b) of such definition;
“Atacama”	Atacama Investments Limited;
“Audit Committee”	the audit committee of the Board as described in paragraph 15 of Part I of this document;
“Board”	the board of directors of the Company from time to time;
“C4”	C4 Energy Limited;
“C4 Loan”	the Loan Notes issued to C4 in 2019;
“Cairn” or “Nomad”	Cairn Financial Advisers LLP, registered in England and Wales with partnership number OC351689, the Company’s nominated adviser pursuant to the AIM Rules;
“CAML”	means Central Asia Metals Plc;
“CAML Share Charge”	has the meaning given to it in paragraph 14.1 of Part V of this document;
“Certificated” or “Certificated Form”	an Ordinary Share which is not in uncertificated form;

“GIS” or “Broker”	Global Investment Strategy UK Limited, broker to the Company, which is authorised and regulated by the FCA;
“CLP”	Chilean Peso;
“Company” or “Halo”	Halo Minerals Plc, a company incorporated in England and Wales with company number 06370792 and its registered office at 85 Great Portland Street, First Floor, London, W1W 7LT;
“Competent Person” or “CP”	EMI Ingenieros y Consultores S.A;
“Conversion Shares”	the 1,465,640 Ordinary Shares to be issued on Admission to certain Directors (through companies which they are connected with) as settlement of portions of their accrued director fees, further details of which are set out in paragraph 9 of Part I;
“Copper Bay”	Copper Bay Limited, the Company’s wholly-owned subsidiary incorporated in England and Wales with company number 07391255 and intermediate holding company of the Copper Bay Group;
“Copper Bay Acquisition Agreements”	the Copper Bay Main Acquisition Agreement and the Copper Bay Minority Acquisition Agreement;
“Copper Bay Group”	together, Copper Bay, Copper Bay UK, Copper Bay Chile and Playa Verde;
“Copper Bay Group Financial Information”	the audited, consolidated financial information of the Copper Bay Group for each of the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the three-month period ended 31 March 2025, as included in Section D “ <i>Copper Bay Group</i> Financial Information” of Part III “ <i>Historical Financial Information</i> ” of this document;
“Copper Bay Main Acquisition Agreement”	the sale and purchase agreement between CAML and the Company dated 6 February 2025, pursuant to which the Company acquired 76.1 per cent. of the entire issued share capital of Copper Bay, further details of which are set out in paragraph 14 of Part V of this document;
“Copper Bay Minority Acquisition Agreement”	the sale and purchase agreement between CAML and certain minority shareholders dated 31 March 2025 pursuant to which the Company acquired 23.9 per cent. of the issued share capital of Copper Bay, further details of which are set out in paragraph 14 of Part V of this document;
“Copper Bay Minority Sellers”	the minority shareholders which sold 23.9 per cent. of the issued share capital of Copper Bay to the Company pursuant to the Copper Bay Minority Acquisition Agreement;
“Copper Bay Security Trust Deed”	the security trust deed relating to Copper Bay entered into between CAML and certain minority shareholders, further details of which are set out in paragraph 14 of Part V of this document;
“Copper Bay UK”	Copper Bay (UK) Ltd, a wholly-owned subsidiary of Copper Bay, incorporated in England and Wales with company number 07840252;
“CPR”	the Competent Person’s Report prepared by the Competent Person which is contained in Part IV of this document;

“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
“Deferred Shares”	the deferred shares of 0.9 pence each in the capital of the Company;
“Disclosure Guidance and Transparency Rules” or “DTR”	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time;
“Directors”	Andrew Dennan, Francis Jackson, Erick Pegot-Ogier Pelagatti, Daniel Bloor and David Minchin;
“EEA”	European Economic Area;
“Enlarged Share Capital”	the entire issued share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the New Shares;
“EU”	the European Union;
“Euroclear”	Euroclear UK & International Limited, a company incorporated in England & Wales with registration number 02878738, being the operator of CREST;
“Existing Options”	the 8,000,000 options over new Ordinary Shares granted to certain Directors, further details of which are set out in paragraph 16 of Part I of this document;
“Existing Ordinary Shares”	the 85,096,863 Ordinary Shares in issue at the date of this document;
“FCA”	the United Kingdom’s Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA;
“Fee Shares”	the 1,960,020 new Ordinary Shares to be issued to a number of contractors and suppliers (providing various historical and continuing services to the Company) on Admission, further details of which are set out in paragraph 9 of Part I of this document;
“FPO”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001;
“FSMA”	the Financial Services and Markets Act 2000 of the UK as amended;
“Fully Diluted Enlarged Share Capital”	the Enlarged Share Capital together with the maximum number of Ordinary Shares capable of being issued upon exercise of the Options and the Warrants;
“Group”	together, the Company, the Copper Bay Group, Guardian Africa, Guardian Mining and Halo Metals;

“Group Financial Information”	the audited, consolidated financial information of the Group for each of the three years ended 31 December 2022, 31 December 2023 and 31 December 2024, as included in Section A “ <i>Group Financial Information</i> ” of Part III “ <i>Historical Financial Information</i> ” of this document;
“Group Interim Financial Information”	the unaudited, consolidated interim financial information of the Group for the six-month period ended 30 June 2025, together with comparative six-month period ended 30 June 2024, as included in Section B “ <i>Group Interim Financial Information</i> ” of Part III “ <i>Historical Financial Information</i> ” of this document;
“Guardian Africa”	the Company’s wholly-owned dormant subsidiary incorporated in the UK with company number 13227659;
“Guardian Mining”	the Company’s wholly-owned dormant subsidiary incorporated in the UK with company number 13236945;
“Halo Metals”	the Company’s wholly-owned dormant subsidiary incorporated in the UK with company number 15960363;
“HMRC”	HM Revenue & Customs;
“IFRS”	International financial reporting standards, as issued by the International Accounting Standards Board and as adopted in the UK;
“Intermediaries”	financial intermediaries authorised by the FCA or the Prudential Regulatory Authority in the United Kingdom;
“ISIN”	International Securities Identification Number;
“Latest Practicable Date”	24 March 2026;
“Loan Notes”	has the meaning given to it in paragraph 14.1 of Part V of this document;
“Lock-in Agreements”	the individual lock-in agreements entered into between the Company and (i) the Rule 7 Locked-In Shareholders (ii) C4, (iii) Origen and (iv) the Directors;
“London Stock Exchange”	London Stock Exchange plc;
“MBD”	MBD Partners S.A.;
“Mining Concessions”	the 6 exploitation mining concessions of the Project named (i) C Uno 1-56; (ii) C Dos 1-40; (iii) C Tres 1-40; (iv) C Cuatro 1-40; (v) C Cinco 1-20; and, (vi) Verde 1-87, all of them located in the Commune of Chañaral, Atacama Region;
“New Options”	the 2,400,000 options over new Ordinary Shares proposed to be granted to certain Directors and employees subject to Admission and Shareholder approval of the New Option Plan, further details of which are set out in paragraph 16 of Part I of this document;
“New Option Plan”	the option plan proposed to be submitted for Shareholder approval at the Company’s 2026 annual general meeting;
“New Shares”	the new Ordinary Shares to be issued at Admission, comprising the Placing Shares, the Fee Shares and the Conversion Shares;

“Official List”	the Official List of the FCA;
“Options”	the Existing Options and the New Options, further details of which are set out in paragraph 16 of Part I of this document;
“Ordinary Shares”	ordinary shares of £0.001 each in the capital of the Company;
“Origen”	has the meaning given to it in paragraph 14 of Part V of this document;
“Panel”	the Panel on Takeovers and Mergers;
“Placees”	the subscribers for Placing Shares at the Placing Price pursuant to the Placing;
“Placing Agreement”	the conditional agreement dated 25 March 2026 between Cairn, GIS, the Company and the Directors relating to the Placing, further details of which are set out in paragraph 14 of Part V of this document;
“Placing Price” or “Issue Price”	18p per Placing Share;
“Placing Shares”	the 22,222,223 new Ordinary Shares to be issued pursuant to the Placing;
“Placing”	the offer of the Placing Shares at the Placing Price;
“Playa Verde”	Minera Playa Verde SpA (previously Minera Playa Verde Limitada), a company incorporated in Chile and owned 99 per cent. by Copper Bay Chile and 1 per cent. by Copper Bay;
“Playa Verde Project” or the “Project”	the Playa Verde project, comprised of the Mining Concessions, located in the Atacama region of northern Chile, further details of which are set out in paragraph 3 of Part I and Part IV of this document;
“Project Concession”	the maritime concession which allows the Municipality of Chañaral to use the surface of the beach at the Project and to grant part of it to third parties (such as Playa Verde) for certain permitted uses;
“QCA Code”	the corporate governance code for small and mid-size quoted companies published by the Quoted Companies Alliance in April 2023;
“Registrar”	Equiniti Limited, the Company’s registrar;
“Regulation S”	Regulation S as promulgated under the Securities Act;
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“Relationship Agreements”	the relationship agreements entered into between the Company and Cairn, conditional on Admission, with each of, Atacama, MBD, Mr J G Bolitho and C4;
“Remuneration Committee”	the remuneration committee of the Board as described in paragraph 15 of Part I of this document;
“Rule 7 Locked-In Shareholders”	each of MBD, Mr John G Bolitho and Atacama;
“Rule 9”	Rule 9 of the Takeover Code;
“SEA”	the Chilean environmental assessment service known as Servicio de Evaluación Ambiental;

“Securities Act”	the United States Securities Act of 1933, as amended;
“Shareholders”	the holders of Ordinary Shares from time to time;
“Subsidiaries” “Subsidiary” or “subsidiary undertaking”	the direct and indirect subsidiary undertakings of the Company, as described in particular detail in paragraph 9 of Part V of this document;
“Takeover Code” or the “Code”	the City Code on Takeovers and Mergers issued and amended by the Panel;
“TIDM”	Tradable Instrument Display Mnemonic;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
“US Persons”	bears the meaning ascribed to such term by Regulation S promulgated under the Securities Act;
“VEC”	the voluntary environmental commitment given by the Company in connection with the Project’s environmental approval, pursuant to which it has agreed to meet environmental standards exceeding Chilean regulatory requirements, including compliance with a 47 mg/kg arsenic limit across all Project areas;
“Warrants”	the various warrants to subscribe for new Ordinary Shares pursuant to the Nomad Warrant Deed, the Atacama Warrant Deed and the Settlement Warrant Holders Warrant Instrument, further details of which are set out in paragraph 16 of Part I and paragraph 14 of Part V of this document;
“YA Global”	YA II PN, Ltd;
“£”	Great British Pounds sterling; and
“\$”	United States Dollars.

GLOSSARY OF TECHNICAL AND COMMERCIAL TERMS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise:

%Cu	Copper grade by weight
Au	Gold
Biotite	Common iron and magnesium-rich mica mineral in the phyllosilicate group
Bornite	Copper iron sulphide mineral (Cu ₅ FeS ₄)
CAPEX	Capital Expenditure
Chalcocite	Copper sulfide mineral (Cu ₂ S) that forms primarily as a secondary mineral through supergene enrichment below oxidation zones
Chalcopyrite	Copper iron sulphide mineral (CuFeS ₂), serving as the most important and abundant copper ore worldwide
CIF	Incoterms defining delivery obligations
COMEX	Commodity Exchange Inc., a leading division of the CME Group
Competent Person (CP)	Individual responsible for the technical report who meets experience, competence and professional membership requirements
Covellite	A rare copper sulfide mineral (CuS) commonly formed as a secondary mineral in the oxidation zones of copper deposits
CRM	Certified Reference Material
Cu	Copper
DTM	Digital Terrain Model
Fe	Iron
Feldspars	The most abundant group of rock-forming aluminosilicate minerals in Earth's crust that contain potassium, sodium and/or calcium
Hedging	Use of futures/options to manage price risk
Hypogenous	Mineral deposits or geologic processes occurring deep below Earth's surface by ascending hot solutions
Indicated Mineral Resource	Part of a Mineral Resource in which the quantity, grade, densities, shape and physical characteristics are estimated with sufficient confidence to permit the application of Modifying Factors in sufficient detail to support mining planning and assessment of the economic viability of the deposit
Inferred Mineral Resource	Part of a Mineral Resource in which the quantity and grade are estimated on the basis of limited geological evidence and sampling
JORC Standard	Australian Code for the Statement of Results of Exploration, Mineral Resources and Ore Reserves

kt/Kton	Thousand tonnes
lb	0.453592 kilograms
LME	London Metal Exchange
long tonne (lt)	1,016.05 kilograms
Market Premium/Discount	Adjustments to benchmark prices
Measured Mineral Resource	Part of a Mineral Resource in which the quantity, grade, densities, shape and physical characteristics are estimated with sufficient confidence to permit the application of Modifying Factors to support mining planning and assessment of the economic viability of the deposit
Mining Reserve	Economically exploitable part of a Measured and/or Indicated Mineral Resource
Mo	Molybdenum
Modifying Factors	Technical, economic, legal, environmental, social and market factors affecting extraction
Molybdenite	Molybdenum disulphide mineral (MoS ₂), serving as the primary ore of molybdenum
Mt	Million tonnes
OPEX	Operating Expenditure.
oz (troy)	31.1035 grams.
Payable Metal	Percentage of contained metal paid to the seller
Penalties	Charges for deleterious elements
Porphyry	Igneous rock characterised by conspicuous large crystals embedded in much finer-grained groundmass, indicating a two-stage cooling history
Probable Ore Reserve	Economically exploitable portion of an Indicated Mineral Resource and in some circumstances a Measured Mineral Resource
Propylitic	Alteration style characterised by chlorite, sericite, quartz, albite and carbonates
Proven Ore Reserve	Economically exploitable portion of a Measured Mineral Resource.
QA/QC	Quality Assurance/Quality Control
QP (Quotational Period)	Period used to average metal prices
Quartz	Silicon dioxide, one of the most abundant minerals in Earth's crust
short ton (st)	907.185 kilograms
Spot/Forward Price	Immediate vs. future delivery pricing
Sulphides	Class of minerals containing the sulphide anion bonded to one or more metals

t	Metric tonne (1,000 kg)
Tailings	Finely ground materials left over from mining and ore processing operations
TC/RC	Treatment and Refining Charges

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Andrew (“ <u>Andy</u> ”) Denis Dennan (<i>Chief Executive Officer</i>) Francis (“ <u>Frank</u> ”) Paul Jackson (<i>Chief Financial Officer</i>) Erick Pegot-Ogier Pelagatti (<i>Chief Operating Officer</i>) David James Minchin (<i>Senior Independent non-executive Director</i>) Daniel (“ <u>Dan</u> ”) James Bloor (<i>Independent non-executive Director</i>)
Company Secretary:	Frank Jackson
Registered office:	85 Great Portland Street First Floor London W1W 7LT
Company phone number:	+44 (0)75 1233 5646
Company’s website:	www.halominerals.co.uk
Nominated Adviser:	Cairn Financial Advisers LLP Ninth Floor 107 Cheapside London EC2V 6DN
Broker:	Global Investment Strategy UK Limited 200 Aldersgate Street London EC1A 4HD
Legal Advisers to the Company:	<i>as to English law:</i> Watson Farley & Williams LLP 15 Appold Street London EC2A 2HB <i>as to the laws of Chile:</i> Baker & McKenzie Avenida Andrés Bello 2457, Piso 19 Providencia, CL 7510689 Santiago, Chile
Solicitors to the Nominated Adviser and Broker:	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Reporting Accountants:	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Competent Person:	EMI Ingenieros y Consultores S.A. Renato Sánchez 3347, 7550316 Las Condes Región Metropolitana, Chile
Registrar:	Equiniti Limited Highdown House Yeoman Way Worthing West Sussex BN99 3HH

PART I

INFORMATION ON THE GROUP

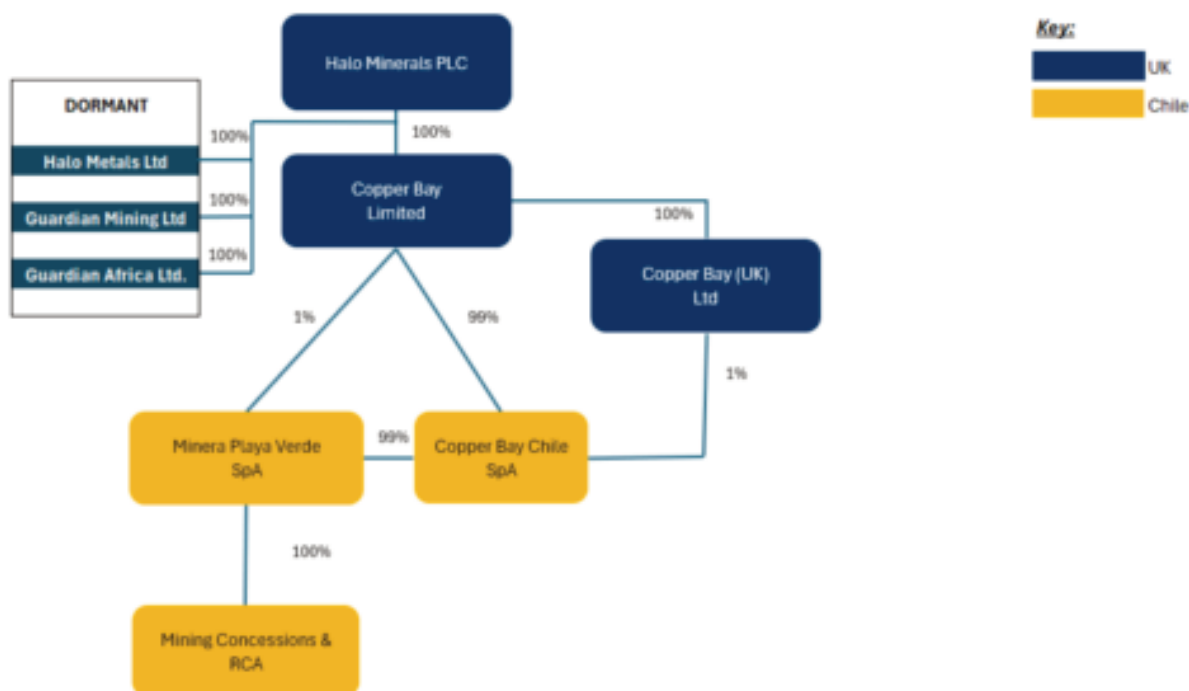
1. Introduction

Halo Minerals plc (company number 06370792) is a mineral development company focused on the evaluation and potential development of mineral assets. The Group's principal asset is the Playa Verde Project comprising 6 mining concessions over an area of approximately 13.57km² of copper-bearing tailings located in the coastal town of Chañaral in the Atacama Region of northern Chile. The Group plans to advance the Playa Verde Project on an accelerated timeline to production utilising the funds raised on Admission which is expected to take the Project to a final investment decision, or to a stage at which alternative project funding options are available for the Project. Following any such decision being made or funding obtained, the Company would intend to begin the construction phase of the Project. The Group also intends to pursue additional growth opportunities in Chile and, potentially, other international jurisdictions.

In March 2025, the Company completed the acquisition of the Copper Bay Group, through which the Playa Verde Project is held. The total consideration payable under the Copper Bay Acquisition Agreements is US\$7.5 million, payable to the previous shareholders of the Copper Bay Group on a deferred milestone basis whereby the first instalment of \$3.75 million will become payable on the production of 7,500 metric tonnes of copper (either in cathode, concentrate or other form) from the Project, and the balance of \$3.75 million will become payable once cumulative production from the Project reaches 15,000 metric tonnes.

The Company also has three wholly-owned dormant UK subsidiaries, Guardian Africa, Guardian Mining and Halo Metals.

The structure of the Group is as follows:



Between 1938 and 1975, tailings generated from the Potrerillos copper mine, and subsequently from the El Salvador mine, were transported via a pipeline system running alongside the Salado River to the coastal area at Chañaral Bay. Over this period, it is estimated that approximately 250 million tonnes of tailings were deposited within the bay where the Project is located.

The resultant tailings deposit along Chañaral beach has been identified over a length of approximately 5 kilometres and a width of up to 900 metres. The tailings are exposed at surface and extend to depths ranging from approximately 0.2 metres to 18 metres, with an average thickness of approximately 9.5 metres.

The Project has a JORC compliant mineral resource of 53Mt at 0.24 per cent. Cu including Ore Reserves of 32.2 million tonnes with an average grade of 0.25 per cent. Cu, with an in-situ fine copper content of 79,359 tonnes. Based solely on the Ore Reserves set out in the Competent Person's Report, the Project has an estimated net present value (NPV10) of US\$154.1 million. The Group also intends to seek to secure maritime access rights over the bay and surf-zone where previous estimates suggest significant volumes of mineralised tailings, which could significantly increase the current mineral resource base if confirmed by further exploration and sampling campaigns.

The Group intends to reclaim and process the copper tailings in a purpose-built facility using low-cost conventional technologies to produce copper cathodes and a copper concentrate (which is also expected to have 5.5 grams per tonne of gold), with first production potentially as early as the second half of 2028.

As a result of the processing of the tailings, the copper sulphides and oxides contained within the beach will be removed to a point where the treated sands may be re-deposited to re-constitute the beach safely such that on completion of the processing operations the beach is expected to be suitable for recreational use. It is expected that the Project will have a significant positive impact on both the local environment and the community. Accordingly, the Company has strong support from the local government.

The Company has conditionally raised gross proceeds of £4 million pursuant to the Placing, providing funding to advance the Playa Verde Project to production, pursue any additional growth opportunities in Chile or globally, and for general working capital purposes.

You should read the whole of this document and not just rely upon the information contained in this Part I. In particular, you should carefully consider the Risk Factors set out in Part II of this document. Your attention is also drawn to the information set out in Part V of this document.

2. Details of the acquisition of Copper Bay

On 6 February 2025, the Company entered into the Copper Bay Main Acquisition Agreement, pursuant to which it agreed to acquire the entire issued share capital of Copper Bay. Subject to the terms and conditions of the Copper Bay Main Acquisition Agreement, CAML agreed to sell 76.1 per cent. of the issued share capital of Copper Bay and, through the exercise of certain drag rights afforded to it, under the Copper Bay Articles of Association, to procure the sale of the remaining 23.9 per cent. of the issued share capital of Copper Bay by the minority shareholders on the terms set out in the Copper Bay Minority Acquisition Agreement. The Acquisition completed in March 2025.

CAML and the Copper Bay Minority Sellers took security over the shares of Copper Bay held by the Company under the terms of the CAML Share Charge to secure the deferred payment obligations of the Company, with CAML holding the benefit of such security for the Copper Bay Minority Sellers on trust under the terms of the Copper Bay Security Trust Deed.

The Company is obligated under the terms of the Copper Bay Main Acquisition Agreement to reimburse CAML for the amount of US\$14,000 (such amount being half of the expenditure which CAML has incurred in progressing certain regulatory approvals). The Company anticipates that the requirement to pay such reimbursement costs will be triggered as part of Admission.

Further details of the Copper Bay Main Acquisition Agreement, the CAML Share Charge and the Copper Bay Security Trust Deed are set out in paragraph 14 of Part V of this document.

3. Assets of the Group/Details of the Group's Tenements – Extracts from CPR

The Group's mining asset corresponds to the project called the Playa Verde Project. The Project contemplates the exploitation of an artificial deposit containing copper ores and traces of gold and molybdenum. This deposit was formed by the deposit of tailings from the Potrerillos and El Salvador mines that dumped their tailings into the River Salado, located approximately 120 km at the mouth of Chañaral

Bay. This deposit was formed during the period 1938 to 1975, a period in which environmental regulations in mining in Chile were limited.

The Group's mineral assets with respect to its Playa Verde Project, Chile, consist of a mineral resource study and a mining reserve estimate. The Project is in northern Chile, Atacama Region, coastal sector of Chañaral Bay, approximately 995 km north of the city of Santiago, Chile's capital city.

Figure 1. Location of the properties of Halo Minerals, Playa Verde Project in the Atacama Region, Chañaral Bay, Chile, South America.



The Playa Verde Project has an extensive history of exploration (from 1972 to 2015), but there is currently no evidence of mining activity in the Chañaral Bay area.

The company Minera Playa Verde SpA, a subsidiary of Copper Bay Limited, is currently the holder of six mining concession licenses covering a total area of 13.57 km², as detailed in the table below. These licenses were acquired from two previous owners, Inversiones E.M. Dos Limitada and Sociedad Minera Limitada C Uno. Both companies were privately held. Most of the licenses have been held since 1993. According to current Chilean legislation, as long as the licenses are kept up to date (i.e., they comply with all legal requirements, including the payment of annual fees), their validity is indefinite.

Table 1. Summary of Playa Verde Project Licenses

N°	Name	Exploitation Licence	Date	Status	Surface (km2)
1.	C Uno 1-56	03101-1157-0	22/06/1993	Valid	2.79
2.	C Dos 1-40	03101-1158-9	22/06/1993	Valid	2
3.	C Tres 1-40	03101-1159-7	10/11/1993	Valid	2
4.	C Cuatro 1-40	03101-1160-0	09/06/1993	Valid	1.8
5.	C Cinco 1-29	03101-1161-9	21/06/1993	Valid	1
6.	Verde 1-87	03101-0790-5	21/03/1995	Valid	3.98

Figure 2. Location Mining concessions granted to Minera Playa Verde SpA



Mineral Resource/Ore Reserve Estimate

The Mineral Resources estimate was developed by Cube Consulting Pty Ltd (“CUBE”) in 2016, under the guidelines of the JORC Code (2012).

Regarding the methodology for estimating grades in Cu, interpolation of grades was applied by means of Ordinary Kriging (OK), complemented with an Inverse Squared Distance (ID2) control estimation. The mineral resource estimate of the Playa Verde Project has demonstrated sufficient geological and copper grade continuity, supporting its definition as a Mineral Resource.

The technical report updated by CUBE presents in detail the procedures carried out in the resource estimation process, and its results consolidate the information obtained in drilling, modelling and validation campaigns, and allow the categories of Measured, Indicated and Inferred to be established with confidence according to the quality and density of the data.

Table 2. Summary of Reserves and Resources by Categorisation

Category	Gross			Net			Operator
	Tonnes (millions)	Grade (%Cu)	Contained metal (tons)	Tonnes (millions)	Grade (%Cu)	Contained metal (tons)	
Ore Reserves per asset							Minera Playa Verde Ltda.
Proved	10.40	0.26	26,609	10.40	0.26	26,609	
Probable	21.80	0.24	52,750	21.80	0.24	52,750	
Sub-total	32.20	0.25	79,359	32.20	0.25	79,359	
Mineral Resources per asset							Minera Playa Verde Ltda.
Measured + Indicated	6.84	0.23	15,800	6.84	0.23	15,800	
Inferred	14.40	0.23	32,400	14.40	0.23	32,400	
Sub-total	21.24	0.23	48,200	21.24	0.23	48,200	
Total	53.44	0.24	125,820	53.44	0.24	125,820	Minera Playa Verde Ltda.

Source: the previous estimates, considered competent

Notes: **Operator:** name of the company that operates the asset.

Gross: refers to 100 per cent. of the reserves and/or resources attributable to the license.

Net: refers to the reserves and/or resources attributable to the Company.

No equivalent metal laws are accepted and they must not be used in the reports.

Minera Playa Verde Ltda has subsequently been re-registered as Minera Playa Verde SpA.

Resource and Reserve Growth Potential

The August 2016 mineral resource estimate for Chañaral covers the beach area only, but there is significant potential for augmentation through the future incorporation of mineralised material in the surf and bay zones, subject to regulatory approvals from the Chilean government.

Analysis of 2008 subsea drilling data and bathymetric modelling were not part of the scope of the 2016 model. However, the WAI report (2014) includes a summary of the “potential” estimate made by NCL Ingeniería y Construcción S.A. in July 2008, which considered the Bay, Surf-zone and Beach areas.

The potential for resource growth at Chañaral lies in the future incorporation of the submarine zones (Bay and Surf-zone), where previous estimates suggest significant volumes of mineralised tailings, which could be 200 per cent. of the current mineral resource base if confirmed by further exploration and sampling campaigns.

Dredging proposal overview

The extraction of the ore (tailings) will be done through dredging. The design leans into the non-cohesive nature of tailings, allowing passive excavation with an electric dredging wheel. The Playa Verde Project has conducted studies into this extraction technique and as part of the finalisation of the Project's existing definitive feasibility study the Project devised a multi-lane pond configuration plan which ensures stability, efficiency and operational continuity, although it implies the need for dividing berms that carry risks of ore loss or dilution. The final scheme achieves a balance between technical feasibility, extraction efficiency and control of operating costs.

A dredging production program was prepared based on the total resources contained in the final design of the dredging pond. The programme was developed using the MineSight® Strategic Schedule Optimiser (MSSO). The programme was developed considering a consolidated copper tailings extraction of 5 million tonnes per year (5 Mtpa). The initial position and direction of the dredging operations were determined in the initial stage of this study using the previously calculated net value attribute for the blocks of the Block Model. According to this plan, there is ore reserves to feed the processing plant for 7 years and obtain 79,359 tonnes of fine copper at the end of its useful life. It is planned that the reprocessed tailings produced by the processing plant will be deposited back into the dredged pond behind the dredging operation. It is estimated that approximately 0.65 Mt of the total 2.5 Mt will need to be pushed via bulldozer before the start of dredging (pre-striping).

Processing operations proposal

The basic process concept for the Playa Verde Project was developed within the framework of the Pre-Feasibility and Definitive Feasibility Studies. At the time of the deposition of the tailings in the bay, the remaining copper was mainly in the form of sulphides, almost exclusively as chalcopyrite. However, over the years, weathering and oxidation processes have transformed approximately 60 per cent. of copper into acid-soluble oxides and chlorides, according to tests carried out by Copper Bay.

From a metallurgical point of view, copper sulphides respond efficiently to concentration by froth flotation but show low recovery by acid leaching. In contrast, copper oxides and chlorides exhibit an inverse behaviour: low flotation efficiency, but high solubility and recovery by leaching.

The metallurgical testing program was designed with the goal of maximising copper extraction from tailings, generating marketable products and environmentally safe waste that allows for the rehabilitation of the current beach. To achieve this, a hybrid process was developed that combines flotation and leaching technologies, taking advantage of each method according to the predominant mineralogy.

The optimised flow sheet strategically combines leaching, SX/EW and flotation, achieving an overall copper recovery of close to 72 per cent. and ensuring the production of commercial-grade cathodes and concentrates. In addition, it incorporates robust environmental measures, such as arsenic treatment and beach rehabilitation, consolidating a technically and environmentally viable process for the Playa Verde Project.

Figure 3. Ore Processing Flow Sheet



Environmental Considerations

Environmental Qualification Resolution

In October 2025, the Playa Verde Project received Environmental Qualification Resolution approval (known in Chile as an RCA). This approval was based on the implementation of the VEC and environmental monitoring pursuant to the operation of the Project.

On 28 November 2025, an individual filed an injunction against the Committee of Ministers which granted the RCA in relation to the Project on the assertion that the decision failed to properly address significant risks to public health, water resources, the marine environment and a nearby conservation site.

On 30 December 2025, the Chilean environmental assessment service known as Servicio de Evaluación Ambiental (“SEA” – a regulatory body who oversee the Chilean Environmental Impact Assessment System) submitted their response (rejoinder), firmly defending the approval of the Project, mainly stating that the latter’s environmental and sanitary risks were indeed duly considered in the assessment process, and therefore there is no basis for the opposing individual’s position.

On 19 January 2026, the Court scheduled an appellate hearing for both parties, to submit to the Court their arguments. Furthermore, on 3 February 2026, the Company’s 100 per cent. indirectly owned subsidiary Minera Playa Verde took part in the case as a third-party intervener. Subsequently, on 9 February 2026, all parties to the lawsuit filed a joint motion to suspend the proceedings from the date of filing of the suspension until 20 March 2026, inclusive, thereby suspending the hearing initially scheduled for 3 March 2026. In this regard, with the suspension of the procedure having ended, on 23 March 2026, the Court scheduled the hearing for presentations of arguments for 29 April 2026. Further details on this matter are set out in the Part II – Risk Factors section of this document.

As of the date of this document, the Project RCA is approved and as no provisional measure was requested by the complainant, nor granted by the environmental court, it is understood that the Project can be executed.

Voluntary Environment Commitment

As part of the Project’s environmental approval process, and in response to regulatory and community concerns in connection with arsenic in mining tailings, Playa Verde proposed, and is bound by, a voluntary environmental commitment, being a measure designed to improve the Project’s environmental performance and facilitate the environmental approval. Pursuant to the VEC, Playa Verde has committed to environmental standards beyond what are strictly required by Chilean environmental regulations.

Among other things, under the terms of the VEC, Playa Verde must comply with the 47 mg/kg arsenic limit across all Project areas. The Company's scientific test work and studies indicate that it will be able to comply with returning materials to the beach with a bio-accessible arsenic concentration below the 47 mg/kg limit. Further details on this matter are set out in the Part II – Risk Factors section of this document.

Maritime concessions

Under Chilean maritime law, a maritime concession (concesión marítima) is required by the Chilean state in order for individuals and/or legal entities to use and develop activities in areas considered to be national property within the maritime domain, such as beaches, coastal areas and seabed zones. This applies to the Project given its location on the Chañaral beach and therefore a maritime concession is required in order to use and develop the Project.

A maritime concession over the Chañaral beach was originally granted to the Municipality of Chañaral by Decree No. 323 by the Vice Ministry of Defense on 29 October 2004. The Project Concession allowed the Municipality of Chañaral to use the surface of the beach and to grant part of it to third parties for certain permitted uses. Pursuant to a collaboration agreement entered into between the Municipality of Chañaral and Playa Verde, on 28 May 2019, the Municipality of Chañaral agreed to lease (or grant under a form of reattributed tenancy) part of the Project Concession to Playa Verde for the development of the Project.

The Project Concession expired on 31 December 2024. A request for renewal was filed by the Municipality of Chañaral on 30 December 2024, but this request was later disbanded. A new request for renewal of the Project Concession was filed on 8 July 2025 after the period to request the renewal expired, however as of the date of this document the Project Concession has not yet been renewed.

As of the date of this document, the Company is, indirectly through Playa Verde, in the process of applying for the necessary maritime concession. Further details on this matter are set out in the Part II – Risk Factors section of this document.

4. Strategy & Use of Proceeds

Strategy

The Company intends to reclaim and process the copper tailings in a purpose-built facility using low cost conventional technologies to produce copper cathodes and a copper concentrate, with first production potentially as early as the second half of 2028.

The Company also intends to pursue additional growth opportunities in Chile and, potentially, other international jurisdictions.

Use of Proceeds

The Company has raised gross proceeds of £4,000,000 pursuant to the Placing. Expenses in connection with the Placing and Admission are expected to be approximately £1,145,000 (net of VAT) of which £368,000 have been financed out of existing cash resources already secured by the Company and the issue of new equity. The Company intends to settle £170,000 of the residual costs in equity and the balance of £607,000 in cash.

Net proceeds available to the Company are therefore expected to be approximately £3,393,000. The net proceeds from the Placing will be used by the Company to:

- maintain and advance the Playa Verde Project, including optimisation work to support an updated definitive feasibility study and progression towards a final investment decision;
- commence the application process to secure maritime access rights; and
- provide the Group with ongoing working capital to support its business operations.

The Company intends to apply a portion of the net proceeds of the Placing to the activities set out below which are expected to enable the Company to update the definitive feasibility study on the Project:

Planning, Metallurgy and Infrastructure Engineering Studies	£268,000
Environmental, Social and Permitting Workstreams	£362,000
Project Management and Associated Administrative Support	£123,000
Total	£753,000

The balance of the net proceeds will be applied towards the Group's general and administrative working capital requirements.

The Company will require further funding to bring the Project into potential future production.

5. Chile – Copper Sector and Regulatory Framework

High level overview of Chile for Copper

Chile is the world's largest producer of copper and is widely regarded as the most important jurisdiction globally for the supply of the metal. According to the U.S. Geological Survey, Chile produced approximately 5.3 million tonnes of mined copper in 2024, representing around 23–24 per cent. of global mine production. This leading position reflects Chile's extensive endowment of large-scale porphyry copper deposits and its long-established mining industry, supported by mature infrastructure and technical expertise.

Copper mining is a cornerstone of the Chilean economy. Data published by the Central Bank of Chile and international industry bodies indicate that the mining sector contributes approximately 12 per cent. of Chile's gross domestic product, with copper accounting for the majority of mining output. Copper and copper-related products also represent more than 50 per cent. of Chile's total export revenues, underlining the sector's importance to fiscal revenues, foreign exchange earnings and overall macroeconomic stability.

Chile's copper production is primarily concentrated in the northern regions of the country, including Antofagasta and Atacama, where numerous large-scale, long-life copper operations are located. Production is split between the state-owned miner Corporación Nacional del Cobre de Chile (Codelco), which is the world's largest copper producer by attributable output, and a number of major private sector mining companies. This combination of state and private ownership has historically supported sustained investment and the development of extensive mining infrastructure.

In addition to its current production base, Chile holds the largest known copper reserves globally. The USGS estimates that Chile accounts for approximately 19 per cent. of global copper reserves, providing a strong geological foundation for long-term copper supply. However, policy and industry analysis highlights that future production growth is increasingly reliant on brownfield expansions, mine life extensions and the development of deeper and more technically complex deposits.

Looking forward, Chile is expected to remain a critical supplier to global copper markets, particularly in the context of rising long-term demand driven by electrification, renewable energy infrastructure, modern infrastructure (including data centres) and electric vehicles. The International Energy Agency identifies copper as a key mineral in the global energy transition and highlights the importance of established producing jurisdictions such as Chile in meeting forecast demand.

Regulatory Regime Applicable to the Mining Industry in Chile

Under Chilean law, the ownership and regulation of mineral resources are governed principally by the Chilean Constitution, the Constitutional Statute of Mining Concessions and the Chilean Mining Code. The Constitution provides that all mineral deposits located within the territory of Chile are the property of the State. Private parties, whether Chilean or foreign individuals or entities, may however explore for or exploit mineral resources through the grant of a mining concession in accordance with the Mining Code.

A mining concession is recognised as a real property right and grants its holder the exclusive right to explore for or exploit concessionable minerals within the defined concession area. Mining concessions are defined by reference to a surface area, typically in the form of a rectangular or parallelogram-shaped polygon, with the rights extending vertically beneath the surface within those boundaries. Exploration mining concessions may cover up to 5,000 hectares, while exploitation mining concessions may cover up to 1,000 hectares.

Mining concessions are granted through judicial proceedings before the competent Chilean court with jurisdiction over the relevant area. Once granted by a constitutive court ruling, the mining concession must be registered with the relevant Mining Registrar in order to become effective.

Exploration mining concessions are granted for an initial term of four years and may be extended for a further four-year period subject to the submission of geological information relating to exploration work carried out under the mining concession. Both exploration mining concessions and exploitation mining concessions

are subject to the payment of annual licence fees, and failure to pay such fees may result in the mining concession being auctioned.

Exploitation mining concessions are granted on an indefinite basis, subject to continued payment of annual licence fees. Ownership of a mining concession is legally separate from ownership of the surface land, meaning that the holder of the mining concession may differ from the surface landowner. Once granted and registered, a mining concession provides the holder with the legal right to explore for or extract minerals within the concession area in accordance with Chilean mining law.

6. Commodities, Products and Markets

About Copper

Copper (chemical symbol: Cu) is a base metal characterised by high electrical and thermal conductivity, ductility and resistance to corrosion. Owing to these properties, copper is a critical material in a wide range of industrial and infrastructure applications.

Copper is extensively used in electricity transmission and distribution networks, construction, and manufacturing, and being the only critical mineral currently required in all key renewable energy technologies, including wind turbines, solar photovoltaic systems and electric vehicles. Such applications typically require larger quantities of copper per unit than conventional technologies, contributing to structurally higher long-term demand.

Key properties of Copper

- **High electrical conductivity:** Copper has the highest electrical conductivity of any common commercial metal, making it a core material for electricity transmission, distribution networks and electronic applications.
- **High thermal conductivity:** Copper efficiently transfers heat, which supports its widespread use in heat exchangers, cooling systems and industrial thermal management applications.
- **Corrosion resistance:** Copper naturally forms a protective surface layer when exposed to the atmosphere, providing long-term resistance to corrosion and durability in infrastructure, plumbing and marine environments.
- **Ductility and malleability:** Copper can be readily drawn into wire or shaped without loss of performance, enabling efficient fabrication and broad industrial applicability.
- **Recyclability:** Copper can be recycled repeatedly without degradation of its physical or chemical properties, contributing to its sustainability credentials and long-term supply efficiency.
- **Antimicrobial properties:** Copper and its alloys have inherent antimicrobial characteristics, which can reduce the presence of certain bacteria and microorganisms on contact surfaces.

Supply of Copper

Global copper supply is derived primarily from mined copper, supplemented by secondary supply from recycled material. According to the U.S. Geological Survey (“USGS”), global mined copper production was approximately 23 million tonnes in 2024, with supply dominated by a relatively small number of producing countries. Chile is the largest producer, followed by Peru and the Democratic Republic of the Congo, with these three countries together accounting for almost 50 per cent. of global mined copper production in 2024.

In addition to production concentration, structural challenges affect supply growth. The International Energy Agency (“IEA”) highlights that declining ore grades at mature operations, increasing capital intensity and longer permitting and development timelines are constraining the pace at which new supply can be brought to market. Industry analysis indicates that the average time from copper discovery to production now exceeds 15 years, reflecting greater technical complexity and regulatory requirements.

Secondary or recycled copper plays an important role in overall supply, particularly in refined markets. The ICSG estimates that recycled copper contributes approximately one-third of global refined copper supply, helping to partially offset constraints in primary mine production. However, recycled supply is itself dependent on economic conditions, scrap availability and collection efficiency, and is therefore not fully responsive to short-term increases in demand.

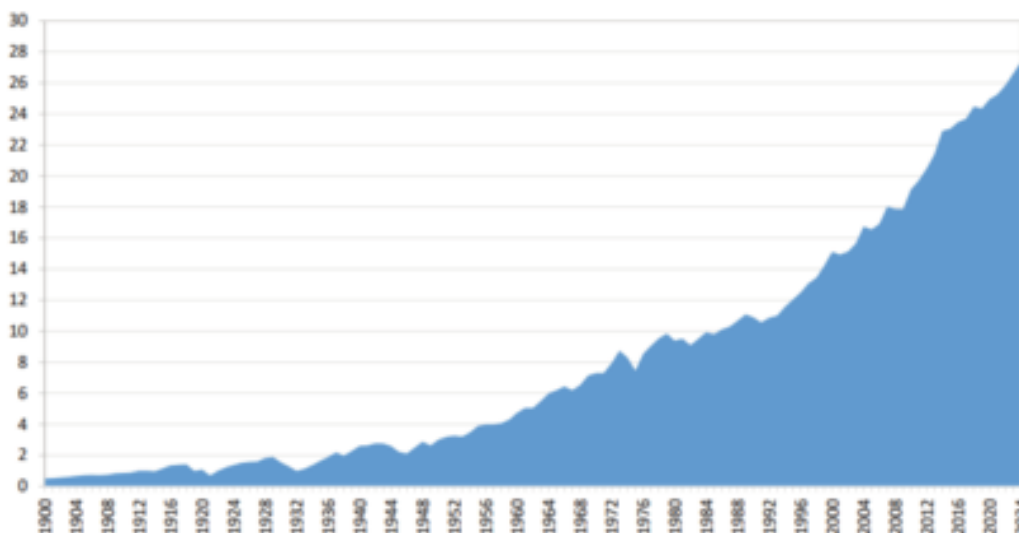
Demand for Copper

Global demand for copper is underpinned by its essential role in electrical conductivity, durability and corrosion resistance, making it difficult to substitute at scale in many applications. According to ICSG, copper demand is driven primarily by construction, electrical and electronic products, transport equipment and industrial machinery, with usage closely linked to global economic activity and infrastructure investment. Refined copper consumption has historically grown broadly in line with global GDP, reflecting copper’s status as a core industrial metal.

Figure 4. World Refined Copper Usage, 1900-2024

Million metric tonnes of copper

Source: ICSG



Global apparent consumption of refined copper increased from less than 0.5 million tonnes in 1900 to approximately 27.4 million tonnes in 2024, representing a compound annual growth rate of around 3.3 per cent. Demand growth accelerated from the early 2000s, driven by industrialisation in China and rising use of copper in electricity networks, renewable energy and electrification technologies.

Structural demand growth is increasingly influenced by electrification and the energy transition. The IEA identifies copper as a critical mineral for clean energy technologies, noting that electric vehicles, renewable power generation, electricity networks and energy storage systems are significantly more copper-intensive than their conventional alternatives. Under the IEA’s stated policy and energy-transition scenarios, demand for copper from clean energy applications is expected to increase materially over the coming decades, contributing to overall growth in global copper consumption.

In addition, the World Bank highlights that copper demand is expected to benefit from long-term trends in urbanisation, infrastructure development and decarbonisation, particularly in emerging markets and developing economies. Copper demand is sensitive in the short term to economic cycles and construction activity; however, over the longer term, demand growth is expected to be supported by sustained investment in electricity networks, transport electrification and renewable energy systems.

7. Reasons for Admission

The Company is seeking Admission of its Ordinary Shares to trading on AIM in order to take advantage of AIM's profile, broad investor base, liquidity and access to institutional and other investors and to further support the achievement of its strategic objectives.

8. Details of the Placing

The Placing of 22,222,223 new Ordinary Shares will raise £4 million for the Company before expenses. The net proceeds of the Placing of approximately £3,393,000 (net VAT), together with the Group's existing resources, will be used as set out in paragraph 4 of this Part I.

The Placing Shares represent approximately 20.07 per cent. of the Enlarged Share Capital. On Admission, at the Placing Price, the Company will have a market capitalisation of approximately £19.9 million.

The Company, the Directors, Cairn and GIS have entered into the Placing Agreement pursuant to which, subject to certain conditions, GIS has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares to be issued by the Company under the Placing. The Placing has not been underwritten. The Placing Shares will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared paid or made after Admission.

The Placing Agreement is conditional upon, amongst other things, Admission having become effective by not later than 8.00 a.m. on 30 March 2026 or such later time and date, being not later than 8.00 a.m. on 16 June 2026, as the Company, Cairn and GIS shall agree. Further details of the Placing Agreement are set out in paragraph 14 of Part V of this document.

9. Conversion Shares & Fee Shares

As part of the Company's desire to align itself and its shareholders with its Directors and a number of third party consultants and advisers, the Company has agreed a number of engagements which secure aligned vested interests in the continued positive performance of the Company with such counterparties agreeing to receive some or all of their remuneration and/or accrued fees in new Ordinary Shares in the Company which will be issued at the Placing Price upon Admission.

In respect of accrued director fees, Andrew Dennan and Francis Jackson have each agreed to convert £120,000 of accrued director fees into shares on the same terms as the Placing such that they shall each receive 666,667 Conversion Shares (which shall be held by companies which they are connected with as detailed in Part V of this document) and Erick Pegot-Ogier Pelagatti has agreed to convert £23,815 of accrued director fees into 132,306 Conversion Shares at the same time. The issue of the Conversion Shares to such Directors is considered to be a related party transaction for the purposes of Rule 13 of the AIM Rules. David Minchin and Daniel Bloor (the non-executive Directors of the Company) will not receive any Conversion Shares and are therefore independent with respect to the matter of the issue of the Conversion Shares and they each consider, having consulted with the Nomad, that the terms of the proposed issue of the Conversion Shares are fair and reasonable insofar as the Shareholders are concerned.

In addition, the Company has engaged a number of third party consultants and suppliers who have also agreed to receive some or all of their fees in shares ("Fee Shares"). The Company has agreed with its Broker, Global Investment Strategy UK Limited, to pay them a portion of their fees associated with the Placing in shares and subsequently Global Investment Strategy UK Limited will receive 805,556 Fee Shares in the Company issued at the Placing Price upon Admission. The Company has also retained a number of consultants and advisers in the fields of business development, finance, and investor and public relations who between them have agreed to take £207,803.50 of fees in new Ordinary Shares in the Company at the Placing Price upon Admission such that a total of a further 1,154,464 Fee Shares will be issued between them. Further details of the relevant parties to which these shares are being issued are set out in paragraph 14 of Part V of this document.

10. Directors

The Board consists of a professional team with experience in natural resources and developing companies.

The Board

Andrew Dennan (aged 41) – Chief Executive Officer

Mr Dennan has extensive public company experience and has served as Chief Executive Officer of Halo Minerals PLC since 2024 (having previously been a non-executive Director of the Company since 2019). Additionally, he has been a Director of Gemi Global Limited since 2025, Copper Bay Limited since 2025, and an investment adviser at Almace Asset Management LLP since 2023. Previously he was Chief Executive Officer at Ascent Resources PLC from 2020-2025, Chief Financial Officer at Coro Energy PLC from 2018-2020 (followed by non-executive Director from 2020-2022) and a non-executive Director at Alpha Growth PLC from 2015-2019. Prior to this, Mr Dennan was a partner at Baron Lux LLP from 2013-2020, Head of Investments at Darwin Strategic Limited from 2013-2018 and partner at Astin Capital LLP from 2011-2012. Mr Dennan graduated from Cass Business School in 2007 with a BSc Actuarial Science; he commenced his career at Bridge Hall Stockbrokers Limited followed by Pretium Securities Limited.

Francis Jackson (aged 77) – Chief Financial Officer

Mr Jackson currently serves as Chief Financial Officer and Director at Halo Minerals PLC since 2024 (he was previously a non-executive director of the Company since 2011). Prior to this he was the founding shareholder and director of Cool Planet Technologies from 2019 until 2024; the Commercial Director at Aurelian Oil & Gas Limited from 2002-2009, Chief Financial Officer at Saudi Arabian Amiantit Company from 2000-2005, Chief Executive Officer at Trade & Investment Bank Limited in Zimbabwe from 1997-2000, and Director at Ryan Group from 1988-1989, having joined the company in the early 1980s. Mr Jackson was a founder and Chairman of the British Polish Chamber of Commerce from 1992-1993, remaining a Director until 1995, and Chairman of a school and a theatre in Harare, Zimbabwe between 1979-1999. Additionally, he was a co-Founder of St John's College Cardiff in 1983.

Erick Pegot-Ogier Pelagatti (aged 43) – Chief Operating Officer

Mr Pegot-Ogier Pelagatti was the General Manager at Boku Resources SAC from 2024-2025, co-Founder and Chief Executive Officer at Quantica Inversiones Peru SAC, Director at Cuantica Metals SAC and its affiliates from 2017-2023. Prior to this, he was General Manager at Promotores Ejecutivos SAC (trading as Promesa) from 2014-2017. Mr Pegot-Ogier Pelagatti graduated from Lima University in 2007 with an LLB Law and commenced his career as legal counsel at Consorcio de Inversiones del Pacifico SAC (Pacific Investment JV) from 2008-2013; he subsequently gained an MBA from Hult International Business School in 2014.

David Minchin (aged 45) – Senior Independent Non-executive Director

David Minchin is a highly experienced Managing Director with over 20 years in exploration geology and corporate finance. He has a proven track record in project management, M&A, and fundraising, having successfully led several London IPOs. Mr Minchin has extensive experience in African operations, having managed \$450 million in private equity investments into exploration projects across various commodities. His recent roles include Chairman of Helix Exploration plc, Chief Geologist at Evechem GmbH, CEO of Helium One Global Limited, and Director of Geology at AMED Funds. Mr Minchin's leadership has been instrumental in advancing projects from exploration to production and generating value for stakeholders.

Daniel Bloor (aged 44) – Independent Non-executive Director

Daniel Bloor brings over 22 years of international minerals and exploration experience to the Board. Starting as a geologist, Mr Bloor progressed into consulting, advisory and executive leadership, establishing ventures focused on raw materials, technology and sustainability. He is skilled in fundraising, technical due diligence, strategic development and currently holds multiple executive positions. Mr Bloor's career highlights include co-founding The CloudMiner Limited, leading international business development for Chengdu Chemphys Chemical Industries as well as serving as Technical Director for Tethyan Mining Resources and Barracuda Holdings. He has significant expertise in project valuations, capital raising, and technical oversight across Europe, Asia, Africa, and the Americas.

Further details of the terms on which the Directors are appointed are set out in paragraph 11 of Part V of this document.

11. Financial Information

This document contains audited historical financial information of the Group for the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 included in Section A “Group Financial Information” and unaudited interim financial of the Group for the six-month period ended 30 June 2025 included in Section B “Group Interim Financial Information” of Part III “Historical Financial Information”. The Group Interim Financial Information includes the results of the Copper Bay Group from the date of its acquisition on 31 March 2025 to 30 June 2025.

In addition, this document includes audited financial information of the Copper Bay Group for each of the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the three-month period ended 31 March 2025, being the date of its acquisition by the Company, included in Section D “Copper Bay Group Financial Information” of Part III “Historical Financial Information”.

This document therefore contains historical financial information of the Group and its constituent parts for the period from 1 January 2022 through to 30 June 2025.

A summary of the key financial information, as extracted from the Group Financial Information, the Group Interim Financial Information and the Copper Bay Group Financial Information is as follows:

<i>Group</i> £'000	<i>Audited</i> 31 December 2022	<i>Audited</i> 31 December 2023	<i>Audited</i> 31 December 2024	<i>Unaudited</i> 30 June 2025
Operating (loss)/profit	(161)	(156)	152	(238)
Loss after tax	(499)	(578)	(489)	(442)
Total comprehensive loss	<u>(499)</u>	<u>(578)</u>	<u>(489)</u>	<u>(643)</u>
Non-current assets	–	–	–	3,649
Current assets	<u>5</u>	<u>2</u>	<u>26</u>	<u>161</u>
Total assets	<u>5</u>	<u>2</u>	<u>26</u>	<u>3,810</u>
Current liabilities	(1,176)	(3,391)	(693)	(2,176)
Non-current liabilities	<u>(1,690)</u>	<u>–</u>	<u>(500)</u>	<u>(3,440)</u>
Total liabilities	<u>(2,866)</u>	<u>(3,391)</u>	<u>(1,193)</u>	<u>(5,616)</u>
Net liabilities	<u>(2,861)</u>	<u>(3,389)</u>	<u>(1,167)</u>	<u>(1,806)</u>
Net cash (outflow)/inflow for the period	<u><u>(23)</u></u>	<u><u>(4)</u></u>	<u><u>13</u></u>	<u><u>91</u></u>
<i>Copper Bay Group</i> £'000	<i>Audited</i> 31 December 2022	<i>Audited</i> 31 December 2023	<i>Audited</i> 31 December 2024	<i>Audited</i> 31 March 2025
Operating (loss)/profit	(143)	(111)	(117)	(21)
Loss after tax	(143)	(111)	(117)	(22)
Total comprehensive (loss)/income	<u>(571)</u>	<u>(309)</u>	<u>(343)</u>	<u>6</u>
Non-current assets	2,126	2,122	1,932	1,974
Current assets	<u>54</u>	<u>60</u>	<u>49</u>	<u>28</u>
Total assets	<u>2,180</u>	<u>2,182</u>	<u>1,981</u>	<u>2,002</u>
Current liabilities	<u>(40)</u>	<u>(75)</u>	<u>(27)</u>	<u>(21)</u>
Net assets	<u>2,140</u>	<u>2,107</u>	<u>1,954</u>	<u>1,981</u>
Net cash (outflow)/inflow for the period	<u><u>52</u></u>	<u><u>58</u></u>	<u><u>47</u></u>	<u><u>26</u></u>

12. Current trading, future prospects and significant trends

In terms of any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for at least the current financial year, investors should refer to paragraph 6 of Part I above (in relation to commodities, products and markets) and Part II (in respect of risk factors).

13. Lock-ins and orderly market arrangements

The Directors and each of the substantial shareholders in the Company, being MBD, Atacama and Mr J G Bolitho (in accordance with Rule 7 of the AIM Rules for Companies) who, on Admission, will hold in aggregate 55,547,806 Ordinary Shares (representing approximately 50.16 per cent. of the Enlarged Share Capital) have undertaken not to (and to procure that their associates shall not), save in limited circumstances permitted by the AIM Rules for Companies, dispose of any of their interests in Ordinary Shares (including any Ordinary Shares that they may acquire through the exercise of Options or otherwise) at any time prior to the first anniversary of Admission.

In addition, C4 (in which Mr Andrew Dennan is a non-controlling 25 per cent. minority shareholder) which holds 8,856,113 Ordinary Shares (representing approximately 8.00 per cent. of the Enlarged Share Capital) has undertaken not to (and to procure that their associates shall not), save in limited circumstances permitted by the AIM Rules for Companies, dispose of any of its interests in Ordinary Shares (including any Ordinary Shares that they may acquire through the exercise of Options or otherwise) at any time prior to the first anniversary of Admission.

Origen, which will receive a total of 277,778 Fee Shares, has further undertaken that it shall not save in limited circumstances permitted by the AIM Rules for Companies, dispose of any of its interests in Ordinary Shares (including any Ordinary Shares that they may acquire through the exercise of Options or otherwise) at any time for the period of 6 months following Admission.

The Directors and Rule 7 Locked-In Shareholders have also undertaken that for the period of 12 months following the anniversary of the date of Admission, subject to certain conditions, it will only dispose of Ordinary Shares held by it in consultation with each of the Nomad and the Broker (in order to maintain an orderly market in the Ordinary Shares) and then through the Broker.

Further details of the lock-in and orderly-market arrangements are set out in paragraph 14 of Part V of this document.

14. Relationship Agreements

Each of the Rule 7 Locked-In Shareholders, the Company and Cairn has entered into a Relationship Agreement to regulate the relationship between each of the Rule 7 Locked-In Shareholders and the Company from the time of Admission. The Relationship Agreements for each of the Rule 7 Locked-In Shareholders shall come into full force and effect on Admission and shall continue thereafter, subject to each of the relevant Rule 7 Locked-in Shareholders continuing to hold at least 10 per cent. of the Enlarged Share Capital.

In addition, C4 has entered into a Relationship Agreement to regulate the relationship between itself and the Company from the time of Admission. The C4 Relationship Agreement shall come into full force and effect on Admission, subject to it holding at least 5 per cent. of the Enlarged Share Capital on Admission.

Further details of the Relationship Agreements are set out in paragraph 14 of Part V of this document.

15. Corporate Governance

Corporate Governance

The Board recognises its responsibility for the proper management of the Company and is committed to maintaining a high standard of corporate governance. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its Shareholders. The Directors have decided that the Company will, from Admission, adopt the QCA Code. The Board notes that all AIM companies must provide details on their corporate websites of the recognised

code that they have decided to apply, how they comply with such code and, where the company departs from such code, an explanation of the reasons for doing so. As such, from Admission, the Group's website at <https://halominerals.co.uk/> will set out the extent of any non-compliance with the QCA Code.

The Board comprises three executive directors and two non-executive directors, reflecting a blend of different skills, experiences and backgrounds. Daniel Bloor and David Minchin are considered to be independent for the purposes of the QCA Code. The Directors believe that the proposed Board composition is appropriate in light of the balance of skills and experience of its members and the Company's size at Admission, however it will monitor this position on an ongoing basis as the Group grows and develops and seek to make appropriate changes or additions to the composition of the Board as necessary. The Board is satisfied that all Directors will have adequate time to fulfil their roles.

The Company will hold regular Board meetings as required and the Board will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure.

The Company has established an Audit Committee, a Remuneration Committee, a Nomination Committee and an AIM Rules and UK MAR Compliance Committee with formally delegated duties and responsibilities and has adopted a share dealing code and an anti-bribery and corruption policy.

Audit Committee

The Audit Committee will receive reports from management and the external auditors relating to the interim report and the annual report and financial statements, review reporting requirements and ensure that the maintenance of accounting systems and controls is effective. The Audit Committee has and will continue to have unrestricted access to the Company's auditors. The Audit Committee will also monitor the controls which are in force for the Group and any perceived gaps in the control environment. The Board believes that the size of the Group will not justify the establishment of an independent internal audit department. The Audit Committee will be chaired by Mr David Minchin, with its other member being Mr Daniel Bloor.

Remuneration Committee

The Remuneration Committee will determine the scale and structure of the remuneration of the executive Directors and approve the granting of options to Directors, senior employees and consultants and the performance related conditions thereof. The Remuneration Committee will also recommend to the Board a framework for rewarding senior management, including executive directors, bearing in mind the need to attract and retain individuals of the highest calibre and with the appropriate experience to make a significant contribution to the Group's development and ensure that the elements of remuneration packages are competitive and help in underpinning the performance-driven culture of the Group. The Remuneration Committee will be chaired by Mr David Minchin, with its other member being Mr Daniel Bloor.

Nomination Committee

The Nominations Committee will be responsible for reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis. The Nomination Committee will be chaired by Mr Daniel Bloor, with its other member being Mr David Minchin.

AIM Rules and UK MAR Compliance Committee or the Market Disclosure Committee

The Market Disclosure Committee will monitor the Company's compliance with the AIM Rules and UK MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and vice versa. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and UK MAR. This includes being responsible for retrieving and sourcing information pertaining to assets and projects that the Company has invested in. The committee will also ensure that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Nomad and other advisers, as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, will ensure that they are appropriately updated on their AIM responsibilities and obligations. The Market Disclosure Committee will be chaired by Andrew Dennan with its other members being Francis Jackson and David Minchin.

Share Dealing Code

With effect from Admission, the Company has adopted a share dealing code which sets out the requirements and procedures for dealings by the Board and applicable employees in the Company's securities in accordance with the provisions of MAR and the AIM Rules for Companies.

Anti-Bribery and Corruption Policy

The Company has adopted an anti-corruption and bribery policy which sets out the responsibilities of the Group and its employees in observing and upholding the Group's position on bribery and corruption. The Group's policy is to uphold all laws relevant to countering bribery and corruption in the jurisdictions in which it operates, including the UK Bribery Act 2010. The Group's anti-corruption and bribery policy outlines information and guidance to its employees on how to recognise and deal with bribery and corruption issues.

Environmental and climate-related compliance

In pursuing its business objectives, the Company seeks to deliver lasting benefit to the local communities and environments where it works as well as to its shareholders, employees and contractors. Factored into this will be environmental and climate-related risks and opportunities. With a view to advancing the Project, the Company has established measures and arrangements to ensure environmental considerations are central to the operation of the business. This has included the obtaining of an environmental approval in connection with the Project pursuant to which the Company made a voluntary environmental commitment to reduce arsenic levels and implement environmental monitoring at the Project.

The business of mining and mineral exploration is subject to a number of risks and hazards including adverse weather conditions, environmental hazards, industrial accidents, mechanical factors, labour disputes, unexpected geological formations, rock falls, flooding and other conditions involved in the drilling and removal of material. The Company's strategy for the Project has been developed with the goal of maximising copper extraction from tailings, generating marketable products and environmentally safe waste that allows for the rehabilitation of the beach where the Project is based. The Company intends to consider and implement available technologies to ensure that the Project is conducted with environmental and climate related factors in consideration. The Company intends to employ staff and engage contractors in order to operate the Project in accordance with these principles and those persons will be responsible for ensuring that the Company's commitment to environmental matters are adhered to. The Board will oversee the operation of the business of the Group in order to manage and monitor environmental and climate-related compliance and governance.

16. Options and Warrants

Options

As part of the Company's policy to retain key executives, the Company has issued the following Existing Options to key executives of the Company:

<i>Option holder</i>	<i>Number of existing options held</i>	<i>Exercise price</i>	<i>Exercisable from</i>	<i>Exercisable to</i>
Andrew Dennan	2,500,000	2.5624p	Admission	25/08/2035
	1,000,000	10.19p	Admission	25/08/2035
Francis Jackson	2,500,000	2.5624p	Admission	25/08/2035
	1,000,000	10.19p	Admission	25/08/2035
Erick Pegot-Ogier Pelagatti	1,000,000	10.19p	Admission	25/08/2035
Total	8,000,000			

The Company intends to grant the following New Options to key staff and non-executive Directors following Admission, subject to Shareholder approval of the terms of the New Option Plan which the Company intends to seek at the Company's 2026 annual general meeting:

<i>Option holder</i>	<i>Number of options to be granted</i>	<i>Exercise price</i>
Daniel Bloor	500,000	20p
David Minchin	500,000	20p
Lionel Therond	300,000	20p
Colin Hunter	300,000	20p
Juan Pastern	300,000	20p
Patrica de la Sotta	200,000	20p
Camilo Gonzales	300,000	20p
Total	2,400,000	

Further details of the Options are set out in paragraph 12 of Part V of this document.

Warrants

The Company will have the following Warrants in issue on Admission:

<i>Option holder</i>	<i>Number of Warrants</i>	<i>Exercise price</i>	<i>Warrant Expiry Date</i>
Atacama Investments Limited	7,500,000	18p	4 year anniversary of Admission
March 2021 placees	539,750	25p	17/03/2028
Cairn	1,107,447	18p	7 year anniversary of Admission
Total	9,147,197		

Further details of the Warrants are set out in paragraphs 14 of Part V of this document.

17. Dividend Policy

The Directors do not intend to commence the payment of dividends in the immediate future. They consider that it is likely to be more prudent to retain cash generated to fund the expansion of the Group. They will reconsider the Company's dividend policy from time to time. The declaration and payment by the Company of any dividends depends on the results of the Group's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

18. Taxation

Information regarding certain taxation considerations for corporate, individual and trustee Shareholders in the United Kingdom with regard to Admission is set out in paragraph 15 of Part V of this document.

19. Applicability of the Takeover Code

The Takeover Code (the "Code") will continue to apply to Company from Admission. Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

Further, under Rule 37.1 of the Code, when a company redeems or purchases its own shares, any resulting increase in the percentage of voting rights carried by the shares in which a person, or group of persons acting in concert, is interested will be treated as an acquisition of interests in shares carrying voting rights for the purpose of Rule 9.1 of the Code.

An offer under Rule 9 of the Code must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

20. Admission, Settlement and Dealings

Application will be made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings will commence in the Ordinary Shares at 8.00 a.m. on 30 March 2026. No application has or will be made for the Ordinary Shares to be admitted to trading or to be listed on any other stock exchange.

No application has or will be made for the Deferred Shares, the 2019 Deferred Shares, the Options or the Warrants to be admitted to trading or to be listed on any other stock exchange. Upon exercise of an Option or a Warrant, a holder will be issued new Ordinary Shares which the Company will procure to be admitted to trading on AIM. Further details of the Options and Warrants are set out in paragraph 16 of Part I and in paragraphs 12 and 14 of Part V of this document.

The above-mentioned dates and times may be changed without further notice.

The Ordinary Shares are in registered form and are capable of being held in either certificated or uncertificated form (i.e. in CREST).

Cairn has been appointed as the Company's nominated adviser in relation to Admission and GIS has been appointed as the Company's Broker in relation to Admission.

21. CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission, settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & International Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

22. Risk Factors and Additional Information

Your attention is drawn to the information set out in Parts II to V (inclusive) of this document. You are recommended to read all the information contained in this document and not just rely on the key or summarised information. In particular, prospective investors should read in full the Risk Factors set out in Part II of this document.

The technical information contained in this document has been reviewed and approved by the Competent Person insofar as it relates to the contents of their Competent Person's Report which is included in Part IV of this document. The Competent Person has consented to the inclusion of the technical information in this document relating to their Competent Person's Report in the form and context in which it appears.

23. Extraction of information from the Competent Person's Report

This Part I contains cross-references to information contained in the Competent Person's Report set out in Part IV of this document. The Company confirms that such information has been accurately reproduced and that so far as the Company is aware and is able to ascertain from the Competent Person's Report, no facts have been omitted which would render such extracts inaccurate or misleading. The Competent Person has reviewed the information contained in this document which relates to information contained in their Competent Person's Report and has confirmed in writing to the Company and Cairn that the information presented is accurate, balanced and complete and not inconsistent with the Competent Person's Report from which such information has been extracted.

PART II

RISK FACTORS

An investment in the Ordinary Shares may not be suitable for all prospective investors and is subject to a number of risks. Before making an investment decision, prospective investors are advised to consider carefully the risks and uncertainties associated with an investment in the Ordinary Shares, the Group's business and the industry in which it operates and to consult a professional adviser authorised under FSMA who specialises in advising on investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

The exploration for, and development of, natural resources is a highly speculative activity which involves a high degree of risk. Accordingly, the Ordinary Shares should be regarded as a highly speculative investment and an investment in the Company should only be made by those with the necessary expertise to evaluate the investment fully.

In addition to the other relevant information set out in this document, the Directors consider that the following risk factors, which are not set out in any particular order of priority, magnitude or probability, are of particular relevance to the Group's activities and to any investment in the Company. It should be noted that additional risks and uncertainties not presently known to the Directors or which they currently believe to be immaterial may individually or cumulatively also have a material adverse effect on the Group's business, operating results, financial condition and prospects. Any one or more of these risk factors could have a materially adverse impact on the value of the Ordinary Shares and/or the Group's business, financial condition, results of operations or prospects and should be taken into consideration when assessing the Group.

There can be no certainty that the Group will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Group and there can be no assurance that the Group will achieve its objectives.

It should be noted that the factors listed below are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group. An investment in the Company is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). There can be no certainty that the Company will be able to implement successfully the strategy set out in this document. Neither the Company nor the Directors provide any assurances or guarantees of future profitability, distributions, payment of dividends, return of capital or the performance of the Company or its Ordinary Shares and there can be no assurance that the Company will achieve its objectives.

If any of the risks referred to in this Part II occur, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

RISKS RELATING TO THE OPERATIONS OF THE GROUP

Extraction, exploration and development risks

There can be no guarantee that any copper discovered will be developed into profitable production, or that copper will be discovered in commercial quantities or developed to profitable production. The business of development and exploitation of copper deposits is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. Copper deposits

assessed by the Group may not ultimately contain economically recoverable volumes of resources and even if they do, delays in the construction and commissioning of production projects or other technical difficulties may result in any projected target dates for production being delayed or further capital expenditure being required. The interpretations and conclusions reached in the CPR are based on current understanding and the best evidence available at the time of writing and they make no guarantee of certainty as to the presence of economic mineralisation of any commodity within the Project area.

The Project involves a number of risks and hazards, including but not limited to industrial accidents, labour disputes, unusual or unexpected geological conditions, equipment failure, changes in the regulatory environment, environmental hazards and other natural phenomena such as extreme weather conditions, floods, alluvium flows and tsunamis. The Group's activities may be disrupted, delayed, curtailed, reduced or cancelled as a result of any of the above factors. Such occurrences could result in work stoppages, human exposure to pollution, personal injury or death, environmental and natural resource damage, monetary losses and possible legal liability, any of which could materially adversely affect the Company's results of operations. Although precautions to minimise risk are taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks. In addition, not all of these risks are insurable.

Copper Bay transaction costs

As detailed further in Part V of this document, on 6 February 2025 and 31 March 2025, the Company entered into the Copper Bay Main Acquisition Agreement and the Copper Bay Minority Acquisition Agreement respectively, pursuant to which it acquired the entire issued share capital of Copper Bay from CAML and the Copper Bay Minority Sellers.

The consideration under the Copper Bay Acquisition Agreements consists of deferred consideration of up to a total of US\$7,500,000, which is payable by the Company in two tranches subject to the production of specified amounts of metric tonnes of copper being produced from the Group's licences, with there being no specific time limitation connected with production of such amounts.

The Company's obligation to pay such consideration is an absolute requirement upon the above milestones being satisfied. There can be no guarantee that the Company will have sufficient funds to pay the consideration when it falls due and in any event, the Group's business, cash flow, financial condition and operations may be materially adversely affected following the payment of the consideration.

Copper Bay transaction risk – enforceability of security

Pursuant to the CAML Share Charge, as security for its obligations to pay the deferred consideration to CAML and the minority shareholders under the terms of the Copper Bay Acquisition Agreements, the Company has granted CAML a fixed charge over its present and future right, title and interest in its shares in Copper Bay together with all dividends, interest, coupons and other distributions paid or payable in respect of such shares.

The security under the CAML Share Charge will become immediately enforceable if (i) the Company fails to pay any of the deferred consideration in accordance with the terms of the Copper Bay Acquisition Agreements unless (A) its failure to pay is caused by administrative or technical error or a force majeure event and (B) payment is made within 5 Business Days of its due date; or (ii) the Company requests that CAML exercises any of its powers under the CAML Share Charge as security trustee.

In the event that CAML enforces its rights under the CAML Share Charge, legal title to the entire issued share capital of Copper Bay would pass to CAML (including all voting and other rights attaching to such shares) and CAML would be able to dispose of the shares to repay the secured liabilities, with the result that the Company would lose title to the Group's licences. This would have a material adverse impact on the Group's operations and financial condition as a whole.

The Group is a development-stage mining company with no operating revenues

The Group does not have an established track record. The Project has not yet entered construction or commercial production and there is no history of mining operations at the site. The Group has not generated

revenues or and will require significant capital expenditure and external funding prior to first production. There can be no assurance that the Project will be developed on the anticipated timetable or within budget, or that forecast production, operating costs, commodity prices or economic returns will be achieved in practice. The Group has not earned profits to date and there is no assurance that it will do so in the future. Success will depend, amongst other things, upon the Directors' ability to manage the current Project and to identify and take advantage of further opportunities which may arise.

Historical facts, information gained from historic experience, present facts, circumstances and information, and assumptions from all or any of these are not a guide to the future. Aims, targets, plans and intentions referred to herein are no more than that and do not imply forecasts. The Ordinary Shares should be regarded as a highly speculative investment and an investment in Ordinary Shares should only be made by those with the necessary expertise to fully evaluate the investment.

Licences, permits and mining claims

The operations of the Group require licences, permits and leases from various governmental authorities, as well as private land owners. There can be no assurance that the Group will be able to obtain (either through a new application, a renewal as a result of expiry, or conversion) all necessary licences, permits and leases that are required to carry out exploration and development at its properties. Regulations and policies relating to licences, permits and leases may change, be implemented in a way that the Company does not currently anticipate or take significantly greater time to obtain. These licences, permits and leases are subject to numerous requirements, including compliance with the environmental regulations. Revocation or suspension of the Group's environmental and operating permits could have a material adverse effect on its business, financial condition and results of operations.

Maritime concession

Under Chilean maritime law, a maritime concession (concesión marítima) is required by the Chilean state in order for individuals and/or legal entities to use and develop activities in areas considered to be national property within the maritime domain, such as beaches, coastal areas and seabed zones. This applies to the Project given its location on the Chañaral beach and therefore a maritime concession is required in order to use and develop the Project.

A maritime concession over the Chañaral beach was originally granted to the Municipality of Chañaral by Decree No. 323 by the Vice Ministry of Defence on 29 October 2004 (the "**Project Concession**"). The Project Concession allowed the Municipality of Chañaral to use the surface of the beach and to grant part of it to third parties for certain permitted uses. Pursuant to a collaboration agreement entered into between the Municipality of Chañaral and Playa Verde, on 28 May 2019, the Municipality of Chañaral agreed to lease (or grant under a form of reattributed tenancy) part of the Project Concession to Playa Verde for the development of the Project.

The Project Concession expired on 31 December 2024. A request for renewal was filed by the Municipality of Chañaral on December 30, 2024, but this request was later disbanded. A new request for renewal of the Project Concession was filed on 8 July 2025 after the period to request the renewal expired, however as of the date of this document the Project Concession has not yet been renewed.

As such, Playa Verde currently does not own or hold any kind of right under a maritime concession over Chañaral's beach or for the potential resource in the bay area of the Project's license area. In the absence of the Project Concession, no work on the beach, or within a distance of 80 meters from the high tide line can occur. Whilst other preparatory works adjacent to the Project may be carried out by the Group prior to such time as a maritime concession is granted, processes relating to the core mining activities of the Project are unable to take place.

As of the date of this document, the Company is, indirectly through Playa Verde, in the process of applying for the necessary maritime concession, with the expected timeline for a decision being made by the maritime authority being in the region of up to 24 to 36 months from the date of submission of the application. There can be no guarantee that the maritime authority will approve the application and, in the event that the application is not approved, the Group would be unable to carry out core mining activities relating to the Project, which would have a material impact upon the Group's operations and financial position.

Surface access

Under Chilean mining law, an easement is required to access the surface land above which the mineral rights attaching to the Mining Concessions sit. Whilst, given the characteristics of the Project, in terms of access and public roads, such easements are not likely to be immediately required, as at the date of this document, the Group does not hold such easements, and the lack of these could limit the installation of infrastructure required for the development of the Project and therefore serve to hinder the Group's medium to long term objectives for the Project.

The Company is currently, indirectly through Playa Verde, in the process of applying for the necessary mining easements to grant it surface access to the Mining Concessions. Whilst the timing for a decision from the relevant Chañaral court is expected to be in the region of 8 to 12 months from the date of the application, Chilean law provides for the granting of a temporary mining easement, which may be granted by the relevant Chañaral court in the shorter period of between 4 to 8 weeks from the date of application which would enable the Group to occupy inland plots for the installation of infrastructure, construction, roads and electrification. As at the date of this document, the Company is well advanced in preparing its application for the temporary mining easement and the longer term mining easements are expected to be submitted to the relevant court shortly.

There can be no guarantee that the relevant Chañaral court will approve the application and grant the mining easements for surface access to the Mining Concessions and, in the event that the application is not approved, the Group would be restricted from installing infrastructure which could hamper the development of the Project and have a material impact on the Group's operations and financial position.

Appeal against Project Environmental Approval

The Project's environmental approval was initially rejected by the regional Chilean environmental authority due to what it deemed unresolved risks. Following an appeal issued by Playa Verde, the Project was later approved on 28 March 2025 based on a commitment by Playa Verde to reduce arsenic levels to no more than 47 mg/kg and implement environmental monitoring in relation to the Project.

On 28 November 2025, an individual filed an injunction against the committee which granted the environmental approval in relation to the Project on the basis that the decision failed to properly address significant risks to public health, water resources, the marine environment and a nearby conservation site.

On 30 December 2025, the Chilean environmental assessment service known as Servicio de Evaluación Ambiental ("SEA" – a regulatory body who oversee the Chilean Environmental Impact Assessment System) submitted their response (rejoinder), firmly defending the approval of the Project, mainly stating that the latter's environmental and sanitary risks were indeed duly considered in the assessment process, and therefore there is no basis for the opposing individual's position.

On 19 January 2026, the Chilean court scheduled an appellate hearing for both parties, to submit to the Chilean court their arguments. On 3 February 2026 the Company's 100 per cent. indirectly owned subsidiary Minera Playa Verde took part in the case as a third party intervener. Subsequently, on 9 February 2026, all parties to the lawsuit filed a joint motion to suspend the proceedings from the date of filing of the suspension until 20 March 2026, inclusive, and the Chilean court scheduled the hearing for presentations of arguments for 29 April 2026. Following the appellate hearings, pursuant to Chilean law, the court will have 30 days to issue a ruling in relation to the matter, however this time period is not mandatory and in practice the relevant court could take between 3 to 6 months to issue its decision. There can be no further appeal to the relevant court following the issue of the relevant decision, though the individual could still pursue an additional remedy before the Supreme Court in Chile.

Whilst the Group intends to support the SEA's rebuttal of the relevant individual's arguments in the strongest terms at the appellate hearing and has been advised that the chances of the appeal being successful are unlikely, particularly in light of the fact that the Project's environmental and sanitary risks were duly considered by the committee which granted the environmental approval in relation to the Project during the assessment process, there is no guarantee that the individual's appeal will be unsuccessful. A successful appeal could trigger the requirement for a new environmental evaluation process, incurring additional costs, extended timelines and uncertainty regarding the Project's future environmental approval. In the event that the Chilean court at the appellate hearing decides in the Group's favour, the individual could still pursue a separate

appeal through the Chilean Supreme Court, though this remedy would require the appellant to pass an admissibility exam whereby the Chilean Supreme Court would probe if there were sufficient grounds for the appeal, reviewing the points of law and legal merits of the case.

Ultimately, a successful appeal secured by the relevant individual through one or a combination of the above methods could lead to the suspension or annulment of the Project's environmental approval which could have a material adverse impact on the Group's financial condition and prospects.

As of the date of this document the Project RCA is approved and as no provisional measure was requested by the complainant, nor granted by the environmental court, it is understood that the Project can be executed.

Voluntary Environmental Commitment

As part of the Project's environmental approval process, and in response to regulatory and community concerns in connection with arsenic in mining tailings, Playa Verde proposed, and is bound by, a voluntary environmental commitment (the "VEC"), being a measure designed to improve the Project's environmental performance and facilitate the environmental approval. Pursuant to the VEC, Playa Verde has committed to environmental standards beyond what are strictly required by Chilean environmental regulations.

Among other things, under the terms of the VEC, Playa Verde must comply with the 47 mg/kg arsenic limit across all Project areas. The Company's scientific test work and studies indicate that it will be able to comply with returning materials to the beach with a bio-accessible arsenic concentration below the 47 mg/kg limit, however strict compliance with this limit across all Project areas may prove technically challenging and could substantially increase the costs of the Group's operations. Additionally, failure to meet any of the standards set out within the VEC risks regulatory sanctions, delays and even the revocation of the environmental approval and non-compliance can result in fines ranging from USD 900 to USD 9,000,000 depending on the severity of the breach.

Overlap with third party mining concessions

The Group's Mining Concession entitled *Verde 1 a 87*, overlaps approximately 2 hectares of concession *Playa 1 a 107* owned by a third party, state-owned mining company. The overlap is confined to a narrow strip along the northern boundary of the Mining Concession, and is not expected to materially impact the development or operation of the Project. Moreover, given the overlapping has been continuing for a period of greater than 10 years, this has exceeded the relevant statute of limitations, reducing the likelihood of any successful claim being brought against the Group by the relevant third party.

As at the date of this document, the Group is in discussions to secure the rights to the overlapping area to further mitigate the issue, however there remains a risk that a third party claim may be brought against the Group in relation to the overlapping area, which could lead to the Group incurring significant costs and have a material adverse impact on the Group's financial position.

Gap in mining concession coverage

Though the whole of the Chañaral beach is wholly surrounded by mining concessions, it is not completely covered by them. There are therefore gaps of beach which are not covered by a mining concession and such parcels of land are too small (in terms of area) to be covered by a new mining concession.

Under the Chilean Mining Code, by virtue of law (*Demasías*) the oldest concessions adjacent to the area not covered by a concession (in this case *Verde 1 al 87*, owned by the Group), may temporarily "capture" such area and extend the oldest concession such that it encompasses the area.

However, unless a prescribed court procedure is followed, the expansion right which operates by virtue of law would expire if one of the concessions surrounding the uncovered area of beach expires. To ensure that the right becomes permanent, the Group has therefore initiated the process with the relevant court in Chile, with such process expected to take a period of between 4 to 5 months from submission of the application to be implemented.

There remains a risk that, if one of the concessions on either side of the area not covered by a concession expires, the expansion right would expire and therefore gaps in the coverage of the mining concessions would continue, which could have a material adverse impact on the operations of the Group.

Substantial funding requirements

The successful extraction of minerals requires substantial funds to determine whether commercial deposits exist and can be commercially extracted in respect of the Mining Concessions. Any potential development and production of the Mining Concessions depends upon the results of exploration programmes and/or feasibility studies and the recommendations of duly qualified engineers, geologists and other professional advisers.

Such programmes require substantial additional funds. Any decision to further expand the Group's operations in respect of the Mining Concessions is anticipated to involve consideration and evaluation of several significant factors including, but not limited to:

- the cost of bringing the Project into production, including exploration work, finalisation of definitive feasibility studies and construction of production facilities;
- the availability and cost of financing;
- the ongoing costs of production;
- the market prices for the resources to be produced;
- environmental compliance regulations and restraints; and
- the political climate and/or governmental regulation and control.

Capital expenditure estimates may not be accurate

Forecasted capital expenditure requirements are estimates based on anticipated costs and are made on certain assumptions. Should the Group's capital expenditure requirements turn out to be higher than currently anticipated (for example, if there are unanticipated difficulties in mining or connecting to infrastructure or price rises) the Group or its partners may need to seek additional funds which it may not be able to secure on reasonable commercial terms to satisfy the increased capital expenditure requirements. If this happens, the Group's business, cash flow, financial condition and operations may be materially adversely affected.

Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Changes in commodities prices and exchange rates

Should the Group succeed in developing a mineral deposit, the profitability of its operations will depend to a large degree on the market price of commodities and on exchange rates.

If commodity prices decrease significantly or for an extended period of time, the value of the Ordinary Shares could be adversely affected. A decline in commodity prices may render reserves uneconomic and may in certain circumstances ultimately lead to a restatement of reserves. The performance of an exploration company's share price may, but will not necessarily, exhibit a correlation with the price of commodities. In addition, the Company could determine that it is not economically viable to continue the development of some or all of the Group's projects. Commodity prices are also affected by macroeconomic factors including confidence in the global monetary system, expectations of the future rate of inflation, the strength of (and

confidence in) the US dollar and other currencies, interest rates, and global or regional political or economic events.

Fluctuations in exchange rates between currencies in which the Group invests, reports or derives income, may cause fluctuations in the Group's financial results that are not necessarily related to the Group's underlying operations. This may result in additions to the Group's reported costs or reductions in the Group's reported revenues.

The Company's Ordinary Shares are priced in pounds sterling and will be quoted and traded in pounds sterling. The financial statements of the Group are presented in the currency of the primary economic environment in which it operates (its functional currency). Most of the operations of the Group will be reported in pounds. The functional currency of the Group will be reviewed as the business of the Group develops.

Single country risk

From Admission, Group's assets, properties and non-administrative operations will be located in Chile. In the future, the Group may choose to diversify its single country risk or otherwise need to identify new resources and development opportunities through exploration and acquisition targets should it become unable to operate in Chile. The identification of potential growth opportunities in other territories may be required to strengthen the business through geographic diversification in order to mitigate the effects that significant in-country developments could have on the Group's operations and business.

The loss of certain key individuals could have an adverse effect on the Group and the Group does not maintain key man insurance to compensate the Group for such loss

The Group's success depends to a degree upon certain key members of the management team. Those individuals have developed important government and industry relationships, historical knowledge of the Mining Concessions which is not recorded in tangible form or shared through data rooms and have extensive experience of developing projects.

These individuals are likely to be a significant factor in the Group's future growth and potential success. The loss of such individuals could result in delays in developing the Mining Concessions and have a material adverse effect on the Group. The labour market for these key individuals is very competitive and therefore loss of such individuals would have a significant impact on the Group's operations. The Group does not currently have key man insurance in place in respect of any of its Directors or officers. There can be no assurance that the Group would be able to attract or retain suitable replacements.

External contractors and sub-contractors

During periods of growth within the natural resources industry, there may be increased competition for the services of suitably qualified and/or experienced sub-contractors, such as drilling contractors, assay laboratories, test work facilities and other providers of engineering, project management, transport, logistics and processing services.

As a result, the Group may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors either at a price considered economic by the Board or at all. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors, an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Infrastructure

The commercialisation of the Group's projects will depend to a significant degree on the existence of adequate infrastructure. In the course of developing its operations, the Group may need to improve existing infrastructure or construct and support the construction of new infrastructure, which includes permanent water supplies, power, transport and logistics services which affect capital and operating costs. Significant additional funding will be required to develop such infrastructure. Unusual or infrequent weather phenomena, government or other interference in the maintenance or provision of such infrastructure or any failure or

unavailability in such infrastructure could materially adversely affect the Group's operations, financial condition and results of operations.

Reserves and resource estimates

There is significant uncertainty in any resource or reserve estimate and the assumptions used or judgments made may prove to be inaccurate; the economic viability of mining may differ materially from the Group's estimates. As further information becomes available through additional field work and analysis, the estimates are likely to change. This may result in alterations to development and mining plans, which may in turn adversely affect the financial position of the Group.

No assurance can be given that any mineral reserves and resources reported by the Group in the future are present as estimated, will be recovered at the rates estimated or that they can be brought into profitable production. A decline in the market price for natural resources that the Group may discover could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

Natural and environmental risks

The business of mining and mineral exploration is subject to a number of risks and hazards including adverse weather conditions, environmental hazards, industrial accidents, mechanical factors, labour disputes, unexpected geological formations, rock falls, flooding and other conditions involved in the drilling and removal of material. Such risks could result in damage to, or destruction of production/processing facilities, death, personal injury, environmental damage, delays and monetary losses.

Many aspects of the Group's business present environmental risks and hazards, including the risk that the Group may be in non-compliance with an environmental law, regulation, permit, licence, or other regulatory approval, possibly unintentionally or without knowledge. Such risks may expose the Company to fines or penalties, third party liabilities or to the requirement to remediate, which could be material.

The operational hazards may require the Company to incur costs and delays to undertake corrective actions and could result in environmental damage or contamination, or could result in serious injury or death to employees, consultants, contractors, or members of the public, creating the potential for significant liability to the Group. Also, the occurrence of any such incident could damage the Group's reputation in the surrounding communities and make it more difficult for the Group to pursue its operations in those areas.

Compliance with environmental laws and regulations could materially increase the Group's costs. The Company may incur substantial capital and operating costs to comply with increasingly complex laws and regulations covering the protection of the environment and human health and safety.

Climate change and related regulation

Many participants in the mining sector are large users of energy. Various regulatory measures aimed at reducing emissions and improving energy efficiency may affect the Group's operations and acquisition opportunities. Policy developments at an international, regional, national and subnational level could adversely affect the Group's profitability if projects that it invests in have material greenhouse gas-intensive and energy-intensive assets.

In addition, the impact of climate change on any of the Group's potential acquisitions is uncertain and will depend on circumstances at individual operating sites. These may increase costs, reduce production levels or otherwise impact the results of operations of the Group's acquisitions.

The Company expects regulations targeting reduced emissions to have a wider geographical application than today. There is continuing uncertainty over the detail of anticipated regulatory and policy developments, including the targets, mechanisms and penalties to be employed, the timeline for legislative change, the degree of global cooperation among nations and the homogeneity of the measures to be adopted across different regions. This ambiguity, in turn, creates uncertainty over the long-term implications for the Group's expected projects and operating costs and the constraints the Group may face in order to comply with any such new regulations. For example, to meet regulatory targets imposed in the future, the Group may be required to adopt new technological solutions for its assets within a limited timeframe to reduce greenhouse

gas emissions, and there can be no assurance that the Group would be successful in making such adaptations.

Cost of new technologies

The exploration and mining industry is characterised by rapid and significant technological advancements and introduction of new products and services utilising new technologies. Other companies may have greater financial, technical and personnel resources that give them technological advantages and may in the future allow them to implement new technologies before the Group. There can be no assurance that the Group will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. If the Group implements such technologies, there is no assurance that it will do so successfully. One or more of the technologies currently utilised by the Group or implemented in the future may become obsolete. In such case, the Group's business, financial condition, and results of operations could be adversely and materially affected. If the Group is unable to utilise the most commercially advanced technology, or is unsuccessful in implementing certain technologies, the Group's business, financial condition, and results of operations could also be adversely affected in a material way.

Insurance arrangements

The Group's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, mechanical failures, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to properties or production facilities, personal injury or death, environmental damage to the properties of the Group, or the properties of others, delays in exploration, development and production activities, monetary losses and possible legal liability.

Although the Group seeks to obtain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with exploration and mining operations. The Group may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to the Group or to other companies in the natural resources industry on acceptable terms. The Group might also become subject to liability for pollution or other hazards that may not be insured against or which the Group may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Group to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

The Group intends to ensure that insurance is maintained within ranges of coverage that the Group believe to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Group will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

The Group may be unable to compete effectively with larger companies, which may adversely affect the Group's revenues and results of operations

The copper exploration and production business is competitive in all of its phases. The Group competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Group, in the search for and acquisition and development rights on attractive mining properties. The Group's ability to acquire exploration and production rights on licence areas in the future will depend not only on its ability to develop the Mining Concessions pursuant to which it currently has exploration rights, but also on its ability to select and acquire additional exploration and production rights in suitable areas for exploration and development. There is no assurance that the Group will continue to be able to compete successfully in acquiring exploration and production rights on such properties.

Taxation

This document has been prepared in accordance with current UK tax legislation, practice and concessions and the interpretation thereof. Any change in the Group's tax status or the tax applicable to a holding of shares or in taxation legislation or its interpretation could affect the value of the investments held by the Group, affect the Group's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. It should be noted that the information contained in paragraph 15 of Part V of this document relating to the taxation of the Group and its investors is based upon current tax law and practice which is subject to legislative change. The tax consequences to each Shareholder of owning Ordinary Shares will depend on the tax laws in the jurisdiction in which that Shareholder is resident or domiciled. Potential investors should consult their professional advisers on the possible tax consequences of subscribing for, buying, holding, selling, transferring or redeeming Ordinary Shares under the laws of their country of citizenship, residence or domicile.

Future litigation

While the Group currently has no material outstanding litigation other than as noted above or in Part I of this document, there can be no guarantee that the current or future actions of the Group will not result in litigation since there have been a number of cases where the rights and privileges of natural resource companies have been the subject of litigation and the natural resources industry, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Board cannot preclude that such litigation may be brought against the Group in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

Risks associated with the need to maintain an effective system of internal controls

The Group's future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Group's growth could have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO CHILE

Economic and regulatory risks

Changes in the general economic climate in which the Group operates may adversely affect the financial performance of the Group. Factors which may contribute to the general economic climate include the level of direct and industrial disruption, the rate of growth of Chile's gross domestic product, interest rates and the rate of inflation. The profitability of the Company and the long term viability of its assets are dependent to a large extent on the market price of the commodities it will produce. Market prices of commodities fluctuate widely and are affected by various factors beyond the Group's control.

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and government policies in Chile may have an adverse effect on the assets, operations and ultimately the financial performance of the Group. These factors may ultimately affect the financial performance of the Group and the market price of its securities. In addition to the normal level of income tax imposed on all industries, the Group may be required to pay government royalties, indirect taxes, GST/VAT (or other equivalent) and other charges which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies. Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in Chile. There is a risk that such changes may affect the Group's exploration plans.

Future applications

Development and operational activities in the natural resources industry are subject to extensive laws and regulations. These include, but are not limited to, laws and regulations relating to taxation, environmental protection, management and use of hazardous substances and explosives, management of natural resources, licences over resources owned by governments, development of assets, production and post-closure reclamation, the employment of local and expatriate labour, and occupational health and safety

standards. Mining companies are required to seek and to comply with the terms of governmental licences, permits, authorisations and other approvals in connection with their construction and operating activities, for example in relation to their licences, and environmental management. Obtaining the necessary governmental permits can be a complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors that are outside the Group's control.

Exchange risks

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Shareholders are subject to risks arising from adverse movements in the value of their local currencies, which may reduce the value of the Ordinary Shares in their local currency, as well as that of any potential future dividends.

The Group is subject to political risks

The Group's underlying business interests will be located and carried out in Chile. As a result, the Group may be subject to political and other uncertainties, including but not limited to, changes in governments or the personnel administering them, nationalisation or expropriation of property, cancellation or modification of contractual rights, foreign exchange restrictions, currency fluctuations, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Group's operations are conducted.

Changes in exchange rates, control of fiscal regulations and regulatory regimes, labour unrest, inflation or economic recession could affect the Group's business. The management of the Group will closely monitor events and take advice, if necessary, from experts to prepare for any eventualities.

Geographical hazards

Earthquakes, volcanic eruptions and mass movements are frequent in Chile. The subduction zone along Chile's coast has produced the most powerful earthquake ever recorded. Earthquakes are known to have triggered the eruption of volcanoes. Landslides may also occur with some frequency in the Andes of central and southern Chile, most such events happening following earthquakes. Mud flows, known as lahars, are also common in some places and occur after large rainfall events. Lahars are among the most lethal volcanic hazards in Chile and have previously destroyed towns. The coastal location of the Chañaral Project exposes it to the risk from tsunamis that travel across the Pacific, as well as triggered from South American earthquakes. Numerous tsunamis are recorded along the coast of Chile, the most serious of which at Chañaral Bay occurred in 1922. The occurrence of these natural disasters in the Chañaral Bay area would have a significant detrimental effect on the Chañaral Project.

GENERAL RISKS RELATING TO THE ORDINARY SHARES

Suitability

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

Investment in shares of companies traded on AIM

Investment in the shares of companies traded on AIM involves a higher degree of risk than investments in the shares of companies with a listing on the Equity Shares (Commercial Companies) ("**ESCC**") category on the Official List, and such shareholdings may be illiquid. The AIM Rules are different and may be less

demanding than those rules that govern companies with a listing on the ESCC category on the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Share price volatility and liquidity

The share price of AIM-traded companies can be highly volatile and shareholdings can be illiquid. There can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. The Issue Price may not be indicative of prices that will prevail in the trading market, and investors may not be able to resell the Ordinary Shares at or above the price they paid for them. The price of the Ordinary Shares may fall in response to market appraisal of the Group's business, financial condition, operating results and prospects, or in response to regulatory changes affecting its operations. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions. Shareholders should therefore be aware that the value of the Ordinary Shares can go down as well as up. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying net asset value or the prospects of the Group.

The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-in period in respect of the Directors, the Rule 7 Locked-in Shareholders, C4 and Origen, or the perception that these sales could occur.

Following Admission, the Directors, the Rule 7 Locked-in Shareholders, C4 and Origen will own, in aggregate, approximately 58.4 per cent. of the Enlarged Share Capital. The Directors, the Rule 7 Locked-in Shareholders, C4 and Origen are subject to restrictions on the sale and transfer of their respective holdings in the Company's issued share capital as described in paragraphs 14 of Part V of this document. The sale of a substantial number of Ordinary Shares by the Directors, the Rule 7 Locked-in Shareholders, C4 and/or Origen in the public market after the lock-in restrictions expire (or are waived in respect of the orderly market period), or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the issue of additional equity.

Dilution

The Company will need to raise further capital in the future to be able to achieve its stated goals which could potentially be through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it will be likely to cause dilution for the Company's existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or issue Options under a long-term incentive plan or any other scheme put in place by the Company, as part of its employee remuneration policy, or issue further Ordinary Shares or warrants over Ordinary Shares to third parties in respect of services provided to the Group, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

Dividends

There can be no assurance as to the level of future dividends, if any. In the near to medium term, the Directors do not intend to pay dividends as the focus will be on investing in the development of its assets. Subject to compliance with the Companies Act and the Articles, the declaration, payment and amount of any future dividends are subject to the discretion of the Directors, and will depend on, *inter alia*, the Group's earnings, financial position, cash requirements, availability of profits and the Group's ability to access, and repatriate

within the Group, cash flow and profits generated outside the UK. A dividend may never be paid and, at present, there is no intention to pay a dividend in the short to medium term. In forming their dividend policy, the Directors have taken into account, *inter alia*, the trading outlook for the foreseeable future, recent operating results, budgets for the following financial year and the current capital requirements of the Group. Any material change or combination of changes to these factors may require a revision of this policy.

Shareholders outside the United Kingdom may not be able to participate in future equity offerings

The Companies Act provides for pre-emptive rights to be granted to Shareholders unless such rights are disapplied by a special resolution in accordance with the Articles. However, securities laws of certain jurisdictions may restrict the Company's ability to allow the participation of Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Ordinary Shares are registered under the Securities Act or the rights and Ordinary Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Any Shareholder who is unable to participate in future equity offerings may suffer dilution.

Restrictions on transfers under US securities legislation

The Ordinary Shares have not been registered in the United States under the Securities Act or under other applicable securities law and are subject to restrictions on transfer contained in such law. They may not be resold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities law.

Resales of the Ordinary Shares or Warrants

The Ordinary Shares constitute "restricted securities," as defined in Rule 144 under the Securities Act, and, accordingly, are not freely tradable in the United States. The Company does not intend to list the Ordinary Shares or Warrants on an established securities exchange, have them quoted on an automated inter-dealer quotation system or otherwise create a public market in the United States for resale of the Ordinary Shares or Warrants.

Overseas Shareholders may be subject to exchange rate risks

The Ordinary Shares are, and any dividends to be paid on them will be, denominated in pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

Forward looking statements

Any forward looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. Investors are cautioned not to place undue reliance on forward-looking information. To the extent lawfully permitted, the Company disclaims any obligations to update any such forward looking statements in this document to reflect future events or developments.

PART III – HISTORICAL FINANCIAL INFORMATION

Introduction

The Company acquired all of the issued share capital of Copper Bay, and hence the Copper Bay Group, on 31 March 2025. As such, the Group has a complex financial history. The following financial information is included in this document to ensure that the trading results and financial positions of each of the Group and the Copper Bay Group are reported on for each of the three years ended 31 December 2022, 31 December 2023 and 31 December 2024, together with the six-month period ended 30 June 2025:

Section A “*Group Financial Information*” includes the audited, consolidated financial information of the Group for the each of the three years ended 31 December 2022, 31 December 2023 and 31 December 2024. This financial information includes the trading results of the Group for the 36-month period. The audited Statements of Financial Position as at each of 31 December 2022, 31 December 2023 and 31 December 2024 represent the Group’s assets, liabilities and equity as at those dates.

Section B “*Group Interim Financial Information*” includes the unaudited, consolidated interim financial information of the Group for the six-month period ended 30 June 2025. This financial information includes the trading results of the Group for this six-month period, together with the trading results of the Copper Bay Group for the three-month period from the date of its acquisition by the Company on 31 March 2025 to 30 June 2025. The unaudited Statement of Financial Position as at 30 June 2025 represents the consolidated Group’s assets, liabilities and equity as at that date.

Section D “*Copper Bay Group Financial Information*” includes the audited, consolidated financial information of the Copper Bay Group for the each of the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the three-month period ended 31 March 2025, being the date of acquisition of Copper Bay by the Company. This financial information includes the trading results of the Copper Bay Group for the 39-month period from 1 January 2022 to the date of its acquisition by the Company on 31 March 2025. The audited Statements of Financial Position as at each of 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 represent the consolidated Copper Bay Group’s assets, liabilities and equity as at those dates.

Section A – Group Financial Information

Guardian Global Security plc (formerly Nu-Oil and Gas plc)

Incorporated and registered in England and Wales with registered number 06370792

Annual Reports and Accounts for the period ended 31 December 2022

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Corporate Information

Directors

Jay Bhattacharjee, non-executive Chairman (resigned on 27 January 2023)

Andrew Dennan, non-executive Director

Frank Jackson, non-executive Director

Registered office

Guardian Global Security plc Audley House 13 Palace Street London SW1E 5HX United Kingdom

Nominated adviser

Strand Hanson Limited 26 Mount Row Mayfair London W1K 3SQ United Kingdom

Broker

NOVUM Securities Limited 8-10 Grosvenor Gardens London SW1W 0DH United Kingdom

Solicitors

FieldFisher Riverbank House 2 Swan Lane, London EC4R 3TT United Kingdom

Bankers

HSBC 5 Great Underbank, Stockport, Cheshire SK1 1LH United Kingdom

Auditor

Crowe U.K. LLP 3rd Floor The Lexicon, Mount Street, Manchester M2 5NT

Registrars

SLC Registrars, Elder House, St Georges Business Park Brooklands Road Weybridge Surrey KT13 0TS United Kingdom

Incorporation details

The Company is incorporated and registered in England and Wales with registered number 06370792

Directors' Report

The Directors submit their report together with the audited Financial Statements of Guardian Global Security plc, a publicly limited company, for the year to 31 December 2022.

Results and dividends

The Financial Statements for year to 31 December 2022 are as set out on pages 10 to 25. The Company's loss for the period was £499,000 (2021: £1,111,000). The Company is unable to recommend the payment of a dividend at this time (2021: £nil).

Future developments

The Company continues its efforts to identify and secure a suitable project to acquire, with the intention that such an acquisition be settled through the issuance of shares and lead to the readmission of the company to trading on AIM. Whilst efforts continue in this regard the Company is not in a position to provide any definitive plans or details at date of this report.

Capital structure and significant shareholders

Details of the issued share capital together with details of movements in share capital during the year are included in the Statement of Changes in Equity on page 12 and in Note 14 to the Financial Statements.

Annual General Meeting

The Company intends to hold its next Annual General Meeting in the first quarter of 2024. A notice of the Annual General Meeting will be issued at least 21 days in advance.

Independent auditors

A resolution to reappoint Crowe U.K. LLP ("Crowe") as the Company's independent auditors will be proposed at the forthcoming Annual General Meeting.

Going concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. Funding has been secured sufficient to meet the aspirations of the business plan over the subsequent twelve months. The Directors have also negotiated a sale and purchase agreement to acquire the entire issued share capital Copper bay Limited, which acquisition will form the foundation of the company's business going forward.

The Directors have concluded that to the extent that these assumptions are not valid there exists a material uncertainty that casts a significant doubt upon the Company's ability to continue as a going concern.

The Directors therefore consider the assumptions as valid and consequently continue to adopt the going concern basis in preparing the financial statements.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Disclosure of information to auditors

As far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware. In addition, each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Approved by the Board of Directors on 2 February 2024 and signed on its behalf by

F Jackson Director

Guardian Global Security plc, Registered number 0637079

Directors' responsibilities statement

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

The directors have elected to prepare the financial statements in accordance with applicable law and UK adopted International Accounting Standards (IAS). 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 the period for which they are being prepared.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the 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 keeping 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 to 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.

These financial statements were approved by the Board on 2 February 2024 and signed on its behalf by:

Frank Jackson

Director

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF GUARDIAN GLOBAL SECURITY PLC

Opinion

We have audited the financial statements of Guardian Global Security plc for the year ended 31 December 2022, which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of the company's loss for the year then ended;
- have been properly prepared in accordance with International Accounting Standards as adopted by the United Kingdom, and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the Section titled "Going Concern" in Note 2 in the financial statements, which indicates that the continued going concern status of the Company is dependent on share-based settlement of liabilities being agreed with creditors and ratified by the Company's members, and on the successful completion of the proposed reverse takeover and readmission of the company to being traded on a public exchange. The Directors expect these actions to be completed within the next 12 months, but as stated in Note 2, a material uncertainty exists in relation to these events or conditions and may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the 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 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of the audit report

This report is made solely to the company's directors, 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 company's directors 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 company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Jayson (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd Floor, The Lexicon
Manchester
M2 5NT
2 February 2024

INCOME STATEMENT

£'000	Note	12 months ended 31 Dec 22	Audited 18 months ended 31 Dec 21
Administrative expenses		(76)	(748)
Impairment of VAT recoverable		(85)	–
Other income		–	23
Loss from operations		<u>(161)</u>	<u>(725)</u>
Finance costs	7	<u>(338)</u>	<u>(386)</u>
Loss for before tax		(499)	(1,111)
Taxation	8	–	–
Profit / (Loss) after tax		<u>(499)</u>	<u>(1,111)</u>
Loss attributable to continuing operations		<u>(499)</u>	<u>(1,111)</u>
Loss for the period		<u>(499)</u>	<u>(1,111)</u>

STATEMENT OF COMPREHENSIVE INCOME

£'000	Note	12 months ended 31 Dec 22	Audited 18 months ended 31 Dec 21
Loss for the period		(499)	(1,111)
Other comprehensive expense:			
Currency translation differences		–	–
Other comprehensive income, net of tax		–	–
Total comprehensive expense for the period		<u>(499)</u>	<u>(1,111)</u>

STATEMENT OF FINANCIAL POSITION

£'000	Note	12 months ended 31 Dec 22	Audited 18 months ended 31 Dec 21
Non-current assets			
Property, plant & equipment	19	–	–
		–	–
Current assets			
Trade and other receivables	10	–	86
Cash and cash equivalents		5	28
		–	114
Total assets		<u>5</u>	<u>114</u>
Current liabilities			
Loans	15	(190)	(190)
Trade and other payables	11	(986)	(932)
		(1,176)	(1,122)
Non-current liabilities			
C4 Loan	15	(1,690)	(1,352)
Total liabilities		<u>(2,866)</u>	<u>(2,474)</u>
Net liabilities		<u>(2,861)</u>	<u>(2,362)</u>
Shareholders' equity			
Ordinary share capital	13	194	194
Share premium account		32,535	32,535
Warrant reserve	415	415	
Other reserves		3,016	3,016
C4 Loan reserve		1,682	1,682
Accumulated losses		(40,703)	(40,204)
Total equity		<u>(2,861)</u>	<u>(2,362)</u>

Registration Number: 06370792

The financial statements together with the notes to the financial statements were approved by the Board of directors and authorised for issue on 2 February 2024. They were signed on its behalf by:

Frank Jackson

Director

STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary Share Capital	Share Premium Account	C4 Loan reserve	Warrant and Other Reserves	Accumulated Losses	Total Equity
Balance, 30 June 2020	193	32,321	1,682	3,431	(39,093)	(1,466)
Loss for the period	–	–	–	–	(1,111)	(1,111)
Currency translation differences	–	–	–	–	–	–
Comprehensive loss	–	–	–	–	(1,111)	(1,111)
Equity fundraise	1	214	–	–	–	215
Transactions with owners	1	214	–	–	–	215
Balance, 31 December 2021	194	32,535	1,682	3,431	(40,204)	(2,362)
Loss for the period	–	–	–	–	(499)	(499)
Currency translation differences	–	–	–	–	–	–
Comprehensive loss	–	–	–	–	(499)	(499)
Equity fundraise	–	–	–	–	–	–
Transactions with owners	–	–	–	–	–	–
Balance, 31 December 2022	194	32,535	1,682	3,431	(40,703)	(2,861)

At 31 December 2022, the balance for warrants and other reserves comprises: a warrant reserve of £415,000, reflecting the total cost of warrants issued pre and post IPO; and a deferred shares reserve of £3,016,000 which arose following the share sub-division in November 2019.

STATEMENT OF CASH FLOW

£'000	Note	12 months ended 31 Dec 22	Audited 18 months ended 31 Dec 21
Cash flows from operating activities			
Cash used in operations	12	<u>(23)</u>	<u>(378)</u>
Net cash used in operating activities		<u>(23)</u>	<u>(378)</u>
Cash flows from financing activities			
Share capital issued for cash		<u>–</u>	<u>215</u>
Net cash from financing activities		<u>–</u>	<u>215</u>
Net increase / (decrease) in cash and cash equivalents		<u>(23)</u>	<u>(163)</u>
Cash and cash equivalents at the start of the period		<u>28</u>	<u>191</u>
Cash and cash equivalents at the end of the period		<u><u>5</u></u>	<u><u>28</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1. General

Corporate Information

Guardian Global Security plc (the 'Company') is a company incorporated in England on 13 September 2007 and has registered address of 85 Great Portland Street, London, W1W 7LT and registration number 06370792. The Company is domiciled in the UK for tax purposes.

With effect from 21 January 2022, the name of the Company was changed from Nu-Oil and Gas plc to Guardian Global Security plc.

Basis of Preparation

The financial statements have been prepared on a going concern basis and in accordance with UK adopted international accounting standards ('IAS') in conformity with the requirements of the Companies Act 2006. In addition, they have been prepared under the historical cost convention. The preparation of the financial statements in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

2. Significant Accounting Policies

The principal accounting policies have been applied consistently throughout the period.

Going Concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Company will be able to achieve the key milestones of the business plan, notably with regard to securing an acquisition or acquisitions which will constitute a reverse takeover, which they believe will result in the availability of adequate additional funding. On 12 January 2024, the Company entered into an agreement to raise up to £750,000 of funding for application against general working capital needs and proposed transaction costs, with an initial tranche of £250,000 available on execution for drawdown and a second tranche of £500,000 becoming available on a suitable acquisition being successfully completed as described in more detail in Note 18..

In addition to the funding noted above, the Directors have been in discussions with a variety of creditors of the Company to reach agreement for settlement of these liabilities by way of share issuance on completion of a suitable project acquisition and readmission of the Company to trading on AIM/LSE.

On consideration of the above, the Directors believe that the Company will remain able to meet its obligations as they fall due for a period of at least 12 months from the date of this report, and hence that preparation of the financial statements on the going concern basis remains appropriate.

However, given there remains a level of uncertainty regarding the completion of settlement agreements with the Company creditors, including loan balances which mature for settlement within the next 12 months, the Directors consider that there remains a material uncertainty over the capacity of the Company to continue meeting its obligations as they fall due over this period and hence the status of the Company as a going concern.

Government grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants received in the period were for the Coronavirus Job retention scheme and are included in other income. There are no unfulfilled conditions or other contingencies attaching to these grants. The Company did not benefit directly

from any other forms of government assistance. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Financial instruments

Financial assets

All of the Company's financial assets are held within a business model whose objective is to collect contractual cash flows which are solely payments of principals and interest and therefore classified as subsequently measured at amortised cost. The Company's financial assets include cash and cash equivalents and trade and other receivables. The Company assesses, on a forward-looking basis, any expected credit loss, defined as the difference between the contractual cash flows and the cash flows that are expected to be received.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a nonderivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. To the extent that this definition is not met, the financial instrument is classified as a financial liability.

As such, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest of the assets of the Company after deducting all of its liabilities.

Borrowings

Borrowings are recognised initially at the fair value of the proceeds received which is determined using a discount rate which reflects the cost of borrowing to the Company. In subsequent periods borrowings are recognised at amortised costs, using an effective interest rate method. Any difference between the fair value of the proceeds costs and the redemption amount is recognised as a finance cost over the period of the borrowings.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholder's equity, net of income tax effects.

Trade and other payables

Trade payables are non-interest bearing and are stated initially at fair value and then amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Foreign currency translation

The Company's presentation and functional currency is sterling.

In preparing the financial statements, transactions in foreign currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At

each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange rate differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange rate differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Income taxes

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Share capital

Issued share capital is recorded in the Statement of Financial Position at nominal value with any premium at the date of issue being credited to the share premium account.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a warrants and other reserve as a component of equity until related options or warrants are exercised or lapse.

The warrant and other reserve includes share warrants issued to shareholders in connection with share capital issues that are measured at fair value at the date of issue and treated as a separate component of equity.

The C4 Loan reserve includes the transfer and refinancing of the loan amount with C4.

The merger relief reserve is recognised when the equity interests of the acquiree are acquired during the completion of a deemed reverse takeover.

Retained earnings includes all current and prior period results as disclosed in the income statement.

Share-based transactions

From time to time, the Company may pay for goods or services through the issue of new shares. The cost of such equity-settled transactions is recognised in the income statement, together with a corresponding increase in equity, in the period during which the goods or services are received. The value of such share based payments is measured by reference to the fair value of the goods or services received or the market value of the shares issued, whichever value is more readily determinable.

Warrants

From time to time, the Company may issue warrants to suppliers as partial payment for goods or services or to investors or advisers in relation to the raising of new equity finance. When warrants are issued as partial payment for goods or services related to operations, the fair value of those warrants is recognised as a cost in the income statement. When warrants are issued in relation to the raising of new equity finance, the fair value of those warrants is set off against share premium. Warrants issued but not exercised are held in a warrant reserve within equity.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

Critical accounting judgements and estimates in applying the Company's accounting policies

The preparation of the financial statements in conformity with IFRS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. In the process of applying the Company's accounting policies, management have made the following estimates that may have a significant effect on the amounts recognised in the financial statements.

Going Concern: The financial statements have been prepared assuming the Company will continue as a going concern. The basis to which the Directors have formed this critical accounting judgement is further outlined in note 1 of the Company's financial statements which discloses a material uncertainty.

Determination of Discount Rates: Where settlement of the liability component of a compound financial instrument is deferred, the amounts payable in the future are discounted to their present value as at the date of initial recognition. The discount rate used is generally judged to be the entity's incremental borrowing rate, being the rate at which a similar borrowing might be obtained from an independent financier under comparable terms and conditions; in other words, a similar liability (including any embedded nonequity derivative features) that does not have an associated equity component.

New Standards and revisions to existing standards issued that are effective at 1 January 2022

Certain new accounting standards and interpretations have been published that are effective at 1 January 2022:

	<i>Effective Date</i>
Amendments to IFRS 3: Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16: Property, Plant and Equipment	1 January 2022
Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

New Standards and revisions to existing standards issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not yet effective

	<i>Effective Date</i>
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement	1 January 2023

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

3. Grant income

The Company has availed of government initiatives designed to support businesses impacted by Covid-19. Regarding the job retention scheme support initiatives, the Company has recognised £nil (2021: £13,250) in respect of grant income for employees furloughed during the period.

4. Staff Costs

	12 months ended 31 Dec 22	18 months ended 31 Dec 21
£'000		
Wages and salaries	–	405
Pension	–	(4)
Social security costs, net of allowances	–	4
Total Staff Costs	<u>–</u>	<u>405</u>

During the prior period, amounts accrued as staff pension contributions totalling £4,189 were written back, resulting in a credit to the results for the period.

	12 months ended 31 Dec 22	18 months ended 31 Dec 21
Number		
Executives/ Directors	3	3
Administration	0	1
Total	<u>3</u>	<u>4</u>

5. Directors Emoluments

	12 months ended 31 Dec 22	18 months ended 31 Dec 21
£'000		
J Bhattacharjee	–	136
A Dennen	–	125
F Jackson	–	115
Total Directors Emoluments	<u>–</u>	<u>376</u>

Pension contributions accrued during the 12 months ended 31 December 2022 to Directors was £nil (Period ended to 31 December 2021 £nil).

There were no other related party transactions in the 12 months to 31 December 2022 or the period ending 30 December 2021.

6. Operating Loss

Operating loss is after charging:

	12 months ended 31 Dec 22	18 months ended 31 Dec 21
£'000		
Depreciation, amortisation and impairment	85	3
Directors fees	–	376
	<u>85</u>	<u>379</u>

During the period, the Company obtained various services from its auditors, the costs of which are set out below:

	12 months ended 31 Dec 22	18 months ended 31 Dec 21
£'000		
Audit fees	30	20
	<u>30</u>	<u>20</u>

7. Finance Costs

	<i>12 months ended 31 Dec 22</i>	<i>18 months ended 31 Dec 21</i>
£'000		
Interest expense	<u>338</u>	<u>386</u>

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes are convertible into ordinary shares at a fixed price of 0.05p per share at the option of the lender, are freely transferable and have a maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

8. Taxation

	<i>12 months ended 31 Dec 22</i>	<i>18 months ended 31 Dec 21</i>
£'000		
Statutory income tax rate	<u>19%</u>	<u>19%</u>
Loss for the period	(499)	(1,111)
Expected income tax recovery	(95)	(211)
Transferred to losses	<u>95</u>	<u>211</u>
Total tax	<u>-</u>	<u>-</u>

The deferred income tax asset not recognised at 31 December 2022 and 31 December 2021 are £11,354,000 and £11,259,000 respectively.

9. Property Plant and Equipment

£'000	<i>Fixtures, fittings and equipment</i>	<i>Total</i>
Cost		
30 June 2020	3	3
Net Additions / disposals	<u>-</u>	<u>-</u>
31 December 2021	<u>3</u>	<u>3</u>
Net Additions / disposals	-	-
31 December 2022	<u>3</u>	<u>3</u>
Charge / impairment		
30 June 2020	<u>-</u>	<u>-</u>
31 December 2021	<u>(3)</u>	<u>(3)</u>
31 December 2022	<u>(3)</u>	<u>(3)</u>
Carrying Value		
31 December 2021	<u>-</u>	<u>-</u>
31 December 2022	<u>-</u>	<u>-</u>

10. Trade and Other Receivables

	<i>Audited as at 31 Dec 22</i>	<i>Audited as at 31 Dec 21</i>
£'000		
VAT recoverable	–	78
Prepayments and other receivables	–	8
	<u>–</u>	<u>86</u>

11. Trade and Other Payables

	<i>Audited as at 31 Dec 22</i>	<i>Audited as at 31 Dec 21</i>
£'000		
Trade payables	307	254
Accruals	679	674
Social security	–	4
	<u>986</u>	<u>932</u>

12. Cash Used in Operations

	<i>12 months ended 31 Dec 22</i>	<i>18 months ended 31 Dec 21</i>
£'000		
Loss before income tax – continuing operations	(499)	(1,111)
Gain before income tax discontinued operations	–	–
Loss before tax	(499)	(1,111)
Discontinued operations	–	–
Increase/(decrease) in trade and other payables	54	246
Depreciation, amortisation and impairment	–	3
Decrease/(increase) in receivables	84	36
Non-cash transaction – effective interest charge	338	386
Cash flows used in operating activities	<u>(23)</u>	<u>(378)</u>

13. Ordinary Share Capital and Share Premium Account

The company undertook a reorganisation of its share capital in October 2015 and again in year ended June 2020. Under the Companies act 2006 a company is unable to issue shares at a subscription price which is lower than the nominal value. Therefore, in order to raise additional funding a reorganisation of the Company's share capital was performed. The reorganisation subdivided existing shares into new ordinary shares with a nominal value of £0.001 and deferred shares with a nominal value of £0.009. The deferred shares, amongst other things, are not traded, do not receive dividends and do not have voting rights. The issuance of new ordinary shares will not require the issuance of deferred shares to new subscribers.

	<i>Number of 000's</i>	<i>Ordinary Share Capital £</i>
<i>Authorised, issued and fully paid:</i>		
Ordinary shares of 0.0001p each	4,465,393	4,465
Deferred shares of 0.0999p each	<u>180,792</u>	<u>189,603</u>

The weighted average number of ordinary shares in issue during the period was 3,969,616,961 (December 2021: 3,969,616,961)

As at 31 December 2022, the following warrants relating to the Company's ordinary share capital had been issued.

	<i>Ord. Shares</i>	<i>Exercise Price GBP £</i>	<i>Expiry</i>
Warrants: Company's Broker	8,333,333	0.00030	3 April 2024
Warrants: Various	110,000,000	0.000625	19 January 2024
Warrants: Various	<u>1,075,000,000</u>	<u>0.00025</u>	<u>11 March 2023</u>

14. Share-based payments

The Company operated an equity-settled share-based payment arrangement in the year, whereby share options have been granted to qualifying employees, and to certain members of senior management who are self-employed.

The Company recognised an expense relating to equity-settled share-based payment transactions of £nil during the period to 31 December 2022 (31 December 2021: £nil).

Details of movements in share options during the current and prior periods are as follows:

	<i>Audited as at 31-Dec 22</i>		<i>Audited as at 31-Dec 21</i>	
	<i>Number of share options thousand</i>	<i>Weighted average exercise price pence</i>	<i>Number of share options thousand</i>	<i>Weighted average exercise price pence</i>
Outstanding at start of period	192,000,000	0.0961	192,000,000	0.0961
Granted during the period	–	–	–	–
Lapsed during the period	(12,000,000)	0.0375	–	–
Exercised during the period	–	–	–	–
Outstanding at period end	<u>180,000,000</u>	<u>0.0625</u>	<u>192,000,000</u>	<u>0.0961</u>
Exercisable at period end	<u>180,000,000</u>	<u>0.0625</u>	<u>192,000,000</u>	<u>0.0961</u>

The table below shows details in relation to options outstanding at the period end:

	<i>31 Dec 2022</i>			<i>31 Dec 2021</i>	
<i>Performance share plan</i>	<i>Average exercise price pence</i>	<i>Number of share options thousand</i>	<i>Contractual life remaining years</i>	<i>Number of share options thousand</i>	<i>Contractual life remaining years</i>
27 Feb 2017	0.6000	–	–	12,000,000	0.16
11 Apr 2018	1.2540	–	–	–	–
5 Mar 2019	0.6700	–	–	–	–
4 Nov 2019	0.0625	180,000,000	1.84	180,000,000	2.84

There were no performance share plan options granted during the period 31 December 2022 (31 December 2021: nil).

15. Net debt

£'000	YA Global	C4 Loan	Total
Balance 30 Jun 20	(200)	(966)	(1,166)
Loan write-off	10	–	10
Effective interest charge	–	(386)	(386)
Balance 31 Dec 21	(190)	(1,352)	(1,542)
Loan write-off	–	–	–
Effective interest charge	–	(338)	(338)
Balance 31 Dec 22	(190)	(1,690)	(1,880)

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes are convertible into ordinary shares at a fixed price of 0.05p per share at the option of the lender, are freely transferable and repayable in full at the maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

In accordance with IAS 32, judgement is requirement when determining the classification of financial instruments in terms of liability or equity. These judgements include an assessment of whether the financial instrument includes any embedded derivative features, whether it includes contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, and whether that obligation will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Under the terms of accounting standard IAS 32, the C4 loan note instrument is assessed to be a non-derivative compound financial instrument and as such the Company is required to recognise separately the components of the financial instrument that (a) creates a financial liability and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. In establishing the value of these components, an effective interest rate must be used. The value of the liability component is determined by discounting the par value at the effective interest rate upon initial recognition. The discount rate used for this purpose has been assessed to be 25%. By reference, the cost of capital of the Shard loan was used as a start point in forming this judgement; a sensitivity of +/- 5% in the interest rate would result in a decrease/increase in the value of the liability component as at the reporting date of £146,000/£185,000 and an increase in the finance expense of £3,000/£2,000. The discount is then unwound over the remaining life of the loan. The value attributable to equity component represents the residual interest in the instrument upon initial recognition. Consequently, at the point of initial recognition, the sum of the carrying amounts assigned to the liability and equity components is always equal to the value of the instrument as a whole, namely £2,500,000.

The Company remains contractually obligated to settle the full £2,500,000 which remains outstanding until it is extinguished through conversion, maturity of the instrument, or some other transaction.

The Company also has a loan with YA Global. In March 2020, the Company reached a settlement agreement with YA Global regarding amounts owing to them upon satisfactory completion of a transaction constituting a reverse takeover. YA Global has indicated it may accept settlement via newly issued ordinary shares.

16. Financial Instruments

The Company's principal financial instruments comprise cash, trade and other receivables, trade and other payables and accruals and loan amounts owed, which are set out in the Statement of Financial Position. The carrying values of the Company's financial instruments approximate their fair values due to the short-term maturity and normal trade credit terms of these instruments.

Financial instruments issued by the Company are treated as equity only to the extent they meet the relevant conditions in accordance with IAS 32. Specifically, the Company's loan with C4 is the only such instrument issued by the Company, refer Note 15. Credit risk and expected credit losses on receivables is considered negligible.

Credit risk on liquid funds is considered limited because the Company counterparty exposure is to a UK and international bank with an investment grade credit rating. Credit risk and expected credit losses on receivables is considered negligible. Liquidity risk implies maintaining sufficient funds to meet the Company's liabilities when they fall due. The Board has been disciplined in managing the Company's cash and commitment positions actively engaging with creditors and advisors to ensure committed credit lines are agreed and reasonable and through its regular review of the Company's cash forecast. The liquidity risk associated with the C4 loan is considered negligible.

17. Related party transactions

There have been no related party transactions in the year.

18. Events subsequent to period end

On 12 January 2024 the Company entered into an agreement with MBD Partners SA to raise up to £750,000 of funding for the purpose of working capital and acquisition transaction costs, via the issuance of a convertible loan note maturing 24 months from the date of issue and convertible at the election of the noteholder into ordinary shares of the Company at 80% of the relisting share price of the Company on readmission to trading on AIM/LSE following completion of an acquisition of a suitable project by way of Reverse Take Over (RTO). The funding under this agreement is available to the Company in 2 tranches, with the first tranche of £250,000 having been made available on execution of the agreement and the second tranche of £500,000 becoming available to the Company to drawn down once an SPA for the acquisition of a suitable project has been executed.

On 15 December 2023, creditors to whom the company owed £148,204 agreed, subject to Shareholder's approval in a general meeting, that the Company shall issue 973,007,475 new ordinary shares on readmission of the Company shares to trading on AIM/LSE, in full and final settlement of the amount owed.

On 8 December 2023, an agreement was entered into with the holders of the £2,500,000 convertible loan notes in issue at the reporting date. The parties agreed that the entire balance of £2,500,000 owing shall be settled in full through the issuance of 16,192,122,950 new ordinary shares on readmission of the Company shares to trading on AIM/LSE, subject to Shareholder approval at a general meeting.

On 22 November 2023 the Company announced that it had raised a further £50,000 in funding by the placing of 892,857,143 new ordinary shares in the Company at a price of 0.0056 pence per share.

Guardian Global Security plc

Incorporated and registered in England and Wales with registered number 06370792

Annual Reports and Accounts for the year ended 31 December 2023

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Corporate Information

Directors

Jay Bhattacharjee, non-executive Chairman
(resigned on 27 January 2023)

Andrew Dennan, non-executive Director

Frank Jackson, non-executive Director

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Road Weybridge Surrey KT13 0TS United Kingdom

Incorporation details

The Company is incorporated and registered in England and Wales
with registered number 06370792

Directors' Report

The Directors submit their report together with the audited Financial Statements of Guardian Global Security plc, a publicly limited company, for the year to 31 December 2023.

Results and dividends

The Financial Statements for year to 31 December 2023 are as set out on pages 10 to 23. The Company's loss for the period was £578k (2022: £499k). The Company is unable to recommend the payment of a dividend at this time (2022: £nil).

Future developments

The Company continues its efforts to identify and secure a suitable project to acquire, with the intention that such an acquisition be settled through the issuance of shares and lead to the readmission of the company to trading on AIM. Whilst efforts continue in this regard the Company is not in a position to provide any definitive plans or details at date of this report.

Capital structure and significant shareholders

Details of the issued share capital together with details of movements in share capital during the year are included in the Statement of Changes in Equity on page 12 and in Note 10 to the Financial Statements.

Annual General Meeting

The Company intends to hold its next Annual General Meeting in the second quarter of 2024. A notice of the Annual General Meeting will be issued at least 21 days in advance.

Independent auditors

A resolution to reappoint Crowe U.K. LLP ("Crowe") as the Company's independent auditors will be proposed at the forthcoming Annual General Meeting.

Going concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. Funding has been secured sufficient to meet the aspirations of the business plan over the subsequent twelve months. The Directors are negotiating a sale and purchase agreement for a business that they believe will be suitable to form the foundation of the future business of the company.

The Directors have concluded that to the extent that these assumptions are not valid there exists a material uncertainty that casts a significant doubt upon the Company's ability to continue as a going concern.

The Directors therefore consider the assumptions as valid and consequently continue to adopt the going concern basis in preparing the financial statements. See note 2 to these financial statements for more details.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Disclosure of information to auditors

As far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware. In addition, each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Approved by the Board of Directors on 30 May 2024 and signed on its behalf by

F Jackson Director

Guardian Global Security plc, Registered number 0637079

Directors' responsibilities statement

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

The directors have elected to prepare the financial statements in accordance with applicable law and UK adopted International Accounting Standards (IAS). 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 the period for which they are being prepared.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the 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 keeping 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 to 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.

These financial statements were approved by the Board on 30 May 2024 and signed on its behalf by:

Frank Jackson

Director

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF GUARDIAN GLOBAL SECURITY PLC

Opinion

We have audited the financial statements of Guardian Global Security plc for the year ended 31 December 2023, which comprise the statement of total comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of the company's loss for the year then ended;
- have been properly prepared in accordance with International Accounting Standards as adopted by the United Kingdom, and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the Section titled "Going Concern" in Note 2, and to Note 15 in the financial statements, which indicates that the continued going concern status of the Company is dependent on the share-based settlement of liabilities as agreed with creditors being ratified by the Company's members, and on the successful execution of an SPA for the acquisition of a suitable project, and readmission of the Company's shares to trading on a public exchange. The Directors expect these actions to be completed within the next 12 months, but as stated in Note 2, a material uncertainty exists in relation to these events or conditions and may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the 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 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of the audit report

This report is made solely to the company's directors, 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 company's directors 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 company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Jayson (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd Floor, The Lexicon
Manchester
M2 5NT
30 May 2024

STATEMENT OF TOTAL COMPREHENSIVE INCOME

£'000	Note	12 months ended 31 Dec 23	<i>Audited</i> 18 months ended 31 Dec 22
Administrative expenses		(156)	(76)
Impairment of VAT recoverable		<u>–</u>	<u>(85)</u>
Loss from operations		<u>(156)</u>	<u>(161)</u>
Finance costs	6	<u>(422)</u>	<u>(338)</u>
Loss for before tax		(578)	(499)
Taxation	7	<u>–</u>	<u>–</u>
Profit / (Loss) after tax		<u>(578)</u>	<u>(499)</u>
Loss attributable to continuing operations		<u>(578)</u>	<u>(499)</u>
Total Comprehensive Income for the period		<u>(578)</u>	<u>(499)</u>

STATEMENT OF FINANCIAL POSITION

£'000	Note	12 months ended 31 Dec 23	Audited 18 months ended 31 Dec 22
Current assets			
Cash and cash equivalents		<u>2</u>	<u>5</u>
Total assets		<u>2</u>	<u>5</u>
Current liabilities			
Loans	12	(2,301)	(190)
Trade and other payables	8	<u>(1,090)</u>	<u>(986)</u>
		<u>(3,391)</u>	<u>(1,176)</u>
Non-current liabilities			
Loans	12	<u>–</u>	<u>(1,690)</u>
Total liabilities		<u>(3,391)</u>	<u>(2,866)</u>
Net liabilities		<u>(3,389)</u>	<u>(2,861)</u>
Shareholders' equity			
Ordinary share capital	10	195	194
Share premium account		32,584	32,535
Warrant reserve		415	415
Other reserves		3,016	3,016
C4 Loan reserve		1,682	1,682
Accumulated losses		<u>(41,281)</u>	<u>(40,703)</u>
Total equity		<u>(3,389)</u>	<u>(2,861)</u>

Registration Number: 06370792

The financial statements together with the notes to the financial statements were approved by the Board of directors and authorised for issue on 30 May 2024. They were signed on its behalf by:

Frank Jackson

Director

STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary Share Capital	Share Premium Account	C4 Loan reserve	Warrant and Other Reserves	Accumulated Losses	Total Equity
Balance, 31 December 2021	194	32,535	1,682	3,431	(40,204)	(2,362)
Loss for the period	-	-	-	-	(499)	(499)
Currency translation differences	-	-	-	-	-	-
Comprehensive loss	-	-	-	-	(499)	(499)
Equity fundraise	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-
Balance, 31 December 2022	194	32,535	1,682	3,431	(40,703)	(2,861)
Loss for the period	-	-	-	-	(578)	(578)
Comprehensive loss	-	-	-	-	(578)	(578)
Issue of shares	1	49	-	-	-	50
Transactions with owners	1	49	-	-	-	50
Balance, 31 December 2023	195	32,584	1,682	3,431	(41,281)	(3,389)

At 31 December 2023, the balance for warrants and other reserves comprises: a warrant reserve of £415,000, reflecting the total cost of warrants issued pre and post IPO; and a deferred shares reserve of £3,016,000 which arose following the share sub-division in November 2019.

STATEMENT OF CASH FLOW

£'000	Note	12 months ended 31 Dec 23	Audited 18 months ended 31 Dec 22
Cash flows from operating activities			
Cash used in operations	9	<u>(53)</u>	<u>(23)</u>
Net cash used in operating activities		<u>(53)</u>	<u>(23)</u>
Cash flows from financing activities			
Issue of shares		<u>50</u>	<u>–</u>
Net cash from financing activities		<u>50</u>	<u>–</u>
Net increase / (decrease) in cash and cash equivalents		<u>(3)</u>	<u>(23)</u>
Cash and cash equivalents at the start of the period		<u>5</u>	<u>28</u>
Cash and cash equivalents at the end of the period		<u><u>2</u></u>	<u><u>5</u></u>

NOTES TO THE FINANCIAL STATEMENTS

1. General

Corporate Information

Guardian Global Security plc (the 'Company') is a company incorporated in England on 13 September 2007 and has registered address of 85 Great Portland Street, London, W1W 7LT and registration number 06370792. The Company is domiciled in the UK for tax purposes.

Basis of Preparation

The financial statements have been prepared on a going concern basis and in accordance with UK adopted international accounting standards ('IAS') in conformity with the requirements of the Companies Act 2006. In addition, they have been prepared under the historical cost convention. The preparation of the financial statements in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

2. Significant Accounting Policies

The principal accounting policies have been applied consistently throughout the period.

Going Concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Company will be able to achieve the key milestones of the business plan, notably with regard to securing an acquisition or acquisitions of a suitable project or projects, which they believe will result in the availability of adequate additional funding. On 12 January 2024, the Company entered into an agreement to raise up to £750,000 of funding for application against general working capital needs and proposed transaction costs, with an initial tranche of £250,000 available on execution for drawdown and a second tranche of £500,000 becoming available on a suitable acquisition being successfully completed as described in more detail in Note 15.

In addition to the funding noted above, the Directors have been in discussions with a variety of creditors of the Company to reach agreement for settlement of these liabilities by way of share issuance on completion of a suitable project acquisition and readmission of the Company to trading on AIM/LSE.

On consideration of the above, the Directors believe that the Company will remain able to meet its obligations as they fall due for a period of at least 12 months from the date of this report, and hence that preparation of the financial statements on the going concern basis remains appropriate.

However, given there remains a level of uncertainty regarding the completion of settlement agreements with the Company creditors, including loan balances which mature for settlement within the next 12 months, the Directors consider that there remains a material uncertainty over the capacity of the Company to continue meeting its obligations as they fall due over this period and hence the status of the Company as a going concern.

Financial instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis. Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and

are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a nonderivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. To the extent that this definition is not met, the financial instrument is classified as a financial liability.

As such, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest of the assets of the Company after deducting all of its liabilities.

Borrowings

Borrowings are recognised initially at the fair value of the proceeds received which is determined using a discount rate which reflects the cost of borrowing to the Company. In subsequent periods borrowings are recognised at amortised costs, using an effective interest rate method. Any difference between the fair value of the proceeds costs and the redemption amount is recognised as a finance cost over the period of the borrowings.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholder's equity, net of income tax effects.

Trade and other payables

Trade payables are non-interest bearing and are stated initially at fair value and then amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Foreign currency translation

The Company's presentation and functional currency is sterling.

In preparing the financial statements, transactions in foreign currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange rate differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange rate differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Income taxes

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a warrants and other reserve as a component of equity until related options or warrants are exercised or lapse.

The warrant and other reserve includes share warrants issued to shareholders in connection with share capital issues that are measured at fair value at the date of issue and treated as a separate component of equity.

The C4 Loan reserve includes the transfer and refinancing of the loan amount with C4.

The merger relief reserve is recognised when the equity interests of the acquiree are acquired during the completion of a deemed reverse takeover.

Retained earnings includes all current and prior period results as disclosed in the income statement.

Share-based transactions

From time to time, the Company may pay for goods or services through the issue of new shares. The cost of such equity-settled transactions is recognised in the income statement, together with a corresponding increase in equity, in the period during which the goods or services are received. The value of such share based payments is measured by reference to the fair value of the goods or services received or the market value of the shares issued, whichever value is more readily determinable.

Warrants

From time to time, the Company may issue warrants to suppliers as partial payment for goods or services or to investors or advisers in relation to the raising of new equity finance. When warrants are issued as partial payment for goods or services related to operations, the fair value of those warrants is recognised as a cost in the income statement. When warrants are issued in relation to the raising of new equity finance, the fair value of those warrants is set off against share premium. Warrants issued but not exercised are held in a warrant reserve within equity.

Critical accounting judgements and estimates in applying the Company's accounting policies

The preparation of the financial statements in conformity with UK adopted IAS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. In the process of applying the Company's accounting policies, management have made the following estimates that may have a significant effect on the amounts recognised in the financial statements.

Going Concern: The financial statements have been prepared assuming the Company will continue as a going concern. The basis to which the Directors have formed this critical accounting judgement is further outlined in note 1 of the Company's financial statements which discloses a material uncertainty.

Determination of Discount Rates: Where settlement of the liability component of a compound financial instrument is deferred, the amounts payable in the future are discounted to their present value as at the

date of initial recognition. The discount rate used is generally judged to be the entity's incremental borrowing rate, being the rate at which a similar borrowing might be obtained from an independent financier under comparable terms and conditions; in other words, a similar liability (including any embedded nonequity derivative features) that does not have an associated equity component.

New Standards and revisions to existing standards issued that are effective at 1 January 2023

Certain new accounting standards and interpretations have been published that are effective at 1 January 2023:

	<i>Effective Date</i>
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement	1 January 2023

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

New Standards and revisions to existing standards issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not yet effective

	<i>Effective Date</i>
Amendments to IAS 1: Presentation of financial statements	1 January 2024
Amendments of IAS 7 – Statement of cashflows	1 January 2024
Amendments to IFRS 16 – Leases	1 January 2024
Amendments to IFRS 7 – Financial instrument disclosures (supplier finance)	1 January 2024

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

3. Staff Costs

In the year ended 31 December 2023 there were no staff costs (2022: £nil).

<i>Average number</i>	<i>12 months ended 31 Dec 23</i>	<i>18 months ended 31 Dec 22</i>
Executives/Directors	2	3
Administration	–	–
Total	<u>2</u>	<u>3</u>

4. Directors Emoluments

In the year ended 31 December 2023 there were no directors emoluments (2022: £nil).

There were no other related party transactions in the year ended 31 December 2023 or the period ending 30 December 2022.

5. Operating Loss

Operating loss is after charging:

	<i>12 months ended 31 Dec 23</i>	<i>18 months ended 31 Dec 23</i>
£'000		
Depreciation, amortisation and impairment	–	85
Directors fees	–	–
	<u>–</u>	<u>85</u>

During the period, the Company obtained various services from its auditors, the costs of which are set out below:

	<i>12 months ended 31 Dec 23</i>	<i>18 months ended 31 Dec 23</i>
£'000		
Audit fees	20	30
	<u>20</u>	<u>30</u>

6. Finance Costs

	<i>12 months ended 31 Dec 23</i>	<i>18 months ended 31 Dec 23</i>
£'000		
Interest expense	422	338
	<u>422</u>	<u>338</u>

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes are convertible into ordinary shares at a fixed price of 0.05p per share at the option of the lender, are freely transferable and have a maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

7. Taxation

	<i>12 months ended 31 Dec 23</i>	<i>18 months ended 31 Dec 23</i>
£'000		
Statutory income tax rate	19%	19%
Loss for the period	(578)	(499)
Expected income tax recovery	(110)	(95)
Transferred to losses	110	95
Total tax	<u>–</u>	<u>–</u>

The deferred income tax asset not recognised at 31 December 2023 and 31 December 2022 are £11,464,000 and £11,354,000 respectively.

8. Trade and Other Payables

	12 months ended 31 Dec 23	18 months ended 31 Dec 23
£'000		
Trade payables	398	307
Accruals	692	679
	<u>1,030</u>	<u>986</u>

As at 31 December 2023, creditors to whom the company owed £148,204 agreed, subject to Shareholder's approval in a general meeting, that the Company shall issue 973,007,475 new ordinary shares on readmission of the Company shares to trading on AIM/LSE, in full and final settlement of the amount owed.

9. Cash Used in Operations

	12 months ended 31 Dec 23	18 months ended 31 Dec 23
£'000		
Loss before income tax – continuing operations	(578)	(499)
Gain before income tax discontinued operations	–	–
Loss before tax	<u>(578)</u>	<u>(499)</u>
Increase/(decrease) in trade and other payables	103	54
Decrease/(increase) in receivables	–	84
Non-cash transaction – effective interest charge	422	338
Cash flows used in operating activities	<u>(53)</u>	<u>(23)</u>

10. Ordinary Share Capital and Share Premium Account

The company undertook a reorganisation of its share capital in October 2015 and again in year ended June 2020. Under the Companies act 2006 a company is unable to issue shares at a subscription price which is lower than the nominal value. Therefore, in order to raise additional funding a reorganisation of the Company's share capital was performed. The reorganisation subdivided existing shares into new ordinary shares with a nominal value of £0.001 and deferred shares with a nominal value of £0.009. The deferred shares, amongst other things, are not traded, do not receive dividends and do not have voting rights. The issuance of new ordinary shares will not require the issuance of deferred shares to new subscribers.

	Number of shares 000's	Ordinary Share Capital £
<i>Authorised, issued and fully paid:</i>		
Ordinary shares of 0.0001p each	5,358,250	5,358
Deferred shares of 0.0999p each	<u>189,792</u>	<u>189,603</u>

During the year, 892,857,143 new ordinary shares were issued at a price of £0.000056 per share, giving rise to £893 in additional ordinary share capital and £49,107 in additional share premium reserves.

The weighted average number of ordinary shares in issue during the period was 4,560,794,391 (December 2022: 4,465,393,000).

As at 31 December 2023, the following warrants relating to the Company's ordinary share capital had been issued.

	<i>Ord. Shares</i>	<i>Exercise Price GBP £</i>	<i>Expiry</i>
Warrants: Company's Broker	8,333,333	0.00030	3 April 2024
Warrants: Various	<u>110,000,000</u>	<u>0.000625</u>	<u>19 January 2024</u>

11. Share-based payments

The Company operated an equity-settled share-based payment arrangement in the year, whereby share options have been granted to qualifying employees, and to certain members of senior management who are self-employed.

The Company recognised an expense relating to equity-settled share-based payment transactions of £nil during the period to 31 December 2023 (31 December 2022: £nil).

Details of movements in share options during the current and prior periods are as follows:

	<i>Audited as at 31-Dec 23</i>		<i>Audited as at 31-Dec 22</i>	
	<i>Number of share options thousand</i>	<i>Weighted average exercise price pence</i>	<i>Number of share options thousand</i>	<i>Weighted average exercise price pence</i>
Outstanding at start of period	180,000,000	0.0625	192,000,000	0.0961
Granted during the period	–	–	–	–
Lapsed during the period	–	–	(12,000,000)	0.0375
Exercised during the period	–	–	–	–
Outstanding at period end	<u>180,000,000</u>	<u>0.0625</u>	<u>180,000,000</u>	<u>0.0625</u>
Exercisable at period end	<u>180,000,000</u>	<u>0.0625</u>	<u>180,000,000</u>	<u>0.0625</u>

The table below shows details in relation to options outstanding at the period end:

	<i>31 Dec 2023</i>			<i>31 Dec 2022</i>	
	<i>Average exercise price pence</i>	<i>Number of share options thousand</i>	<i>Contractual life remaining years</i>	<i>Number of share options thousand</i>	<i>Contractual life remaining years</i>
<i>Performance share plan</i>					
27 Feb 2017	0.6000	–	–	–	–
11 Apr 2018	1.2540	–	–	–	–
5 Mar 2019	0.6700	–	–	–	–
4 Nov 2019	0.0625	180,000,000	0.84	180,000,000	1.84

There were no performance share plan options granted during the period 31 December 2023 (31 December 2022: nil).

12. Net debt

£'000	YA Global	C4 Loan	Total
Balance 31 Dec 21	(190)	(1,352)	(1,542)
Loan write-off	–	–	–
Effective interest charge	–	(338)	(338)
Balance 31 Dec 22	(190)	(1,690)	(1,880)
Loan write-off	–	–	–
Effective interest charge	–	(422)	(422)
Balance 31 Dec 23	(190)	(2,112)	(2,302)

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes are convertible into ordinary shares at a fixed price of 0.05p per share at the option of the lender, are freely transferable and repayable in full at the maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

In accordance with IAS 32, judgement is requirement when determining the classification of financial instruments in terms of liability or equity. These judgements include an assessment of whether the financial instrument includes any embedded derivative features, whether it includes contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, and whether that obligation will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Under the terms of accounting standard IAS 32, the C4 loan note instrument is assessed to be a non-derivative compound financial instrument and as such the Company is required to recognise separately the components of the financial instrument that (a) creates a financial liability and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. In establishing the value of these components, an effective interest rate must be used. The value of the liability component is determined by discounting the par value at the effective interest rate upon initial recognition. The discount rate used for this purpose has been assessed to be 25%. By reference, the cost of capital of the Shard loan was used as a start point in forming this judgement; a sensitivity of +/- 5% in the interest rate would result in a decrease/increase in the value of the liability component as at the reporting date of £146,000/£185,000 and an increase in the finance expense of £3,000/£2,000. The discount is then unwound over the remaining life of the loan. The value attributable to equity component represents the residual interest in the instrument upon initial recognition. Consequently, at the point of initial recognition, the sum of the carrying amounts assigned to the liability and equity components is always equal to the value of the instrument as a whole, namely £2,500,000.

On 8 December 2023, an agreement was entered into with the holders of the £2,500,000 convertible loan notes in issue at the reporting date. The parties agreed that the entire balance of £2,500,000 owing shall be settled in full through the issuance of 16,192,122,950 new ordinary shares on readmission of the Company shares to trading on AIM/LSE, subject to Shareholder approval at a general meeting.

The Company also has a loan with YA Global. In March 2020, the Company reached a settlement agreement with YA Global regarding amounts owing to them upon satisfactory completion of a transaction constituting a reverse takeover. YA Global has indicated it may accept settlement via newly issued ordinary shares.

£2,111,836 (2022: £1,689,467) is owed to C4, a related party entity as a result of having a common Director.

13. Financial Instruments

The Company's principal financial instruments comprise cash, trade and other receivables, trade and other payables and accruals and loan amounts owed, which are set out in the Statement of Financial Position. The carrying values of the Company's financial instruments approximate their fair values due to the short-term maturity and normal trade credit terms of these instruments.

Financial instruments issued by the Company are treated as equity only to the extent they meet the relevant conditions in accordance with IAS 32. Specifically, the Company's loan with C4 is the only such instrument issued by the Company, refer Note 15. Credit risk and expected credit losses on receivables is considered negligible.

Credit risk on liquid funds is considered limited because the Company counterparty exposure is to a UK and international bank with an investment grade credit rating. Credit risk and expected credit losses on receivables is considered negligible. Liquidity risk implies maintaining sufficient funds to meet the Company's liabilities when they fall due. The Board has been disciplined in managing the Company's cash and commitment positions actively engaging with creditors and advisors to ensure committed credit lines are agreed and reasonable and through its regular review of the Company's cash forecast. The liquidity risk associated with the C4 loan is considered negligible.

14. Related party transactions

- Related party loans are disclosed in Note 12.
- In the current year the Company incurred travel costs totalling £2,396 from Sustainable Energy Projects Limited, a related party as a result of having a common director. At the 31 December the Company owes the total value and is included within the trade creditors balance within Note 8.

15. Events subsequent to period end

On 12 January 2024 the Company entered into an agreement with MBD Partners SA to raise up to £750,000 of funding for the purpose of working capital and acquisition transaction costs, via the issuance of a convertible loan note maturing 24 months from the date of issue, bearing a coupon of 100% of principal payable on maturity and convertible as follows:

- Principal – on the earliest of the election of the noteholder or the execution of an SPA for the acquisition of a suitable project as defined in the agreement, with such conversion resulting in the issuance of shares equating to 50% of the issued share capital of the Company at such time;
- Coupon – on readmission of the Company's shares to trading on a recognised exchange, with such conversion resulting in the issuance of shares at 80% of the readmission price;

The funding under this agreement is available to the Company in 2 tranches, with the first tranche of £250,000 having been made available on execution of the agreement and the second tranche of £500,000 becoming available to the Company to be drawn down once an SPA for the acquisition of a suitable project has been executed.

Guardian Metals PLC (Formerly Guardian Global Security PLC)

Incorporated and registered in England and Wales with registered number 06370792

Annual Reports and Accounts for the year ended 31 December 2024

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Corporate Information

Chairmans Statement

Directors

Andrew Dennan, Executive Chairman

Frank Jackson, Group Managing Director

Erick Pegot-Ogier Pelagatti, Chilean Group Managing Director
(appointed to GMP Board 12 February 2025)

Registered office

85 Great Portland Street, First Floor, London, England, W1W 7LT

Solicitors

Watson Farley & Williams LLP, 15 Appold Street, London, EC2A 2HB

Bankers

HSBC 5 Great Underbank, Stockport, Cheshire SK1 1LH United Kingdom

Auditor

Crowe U.K. LLP 3rd Floor St George's House, Peter Street,
Manchester M2 3NQ

Registrars

Equiniti Limited, Aspect House, Spencer Road
Lancing, West Sussex, BN99 6DA, United Kingdom

Incorporation details

The Company is incorporated and registered in England and Wales with registered number 06370792

Chairman's Statement

We are excited to share updates on the Company's progress throughout 2024, a transformative year during which we established a solid foundation to rebuild the company as a battery and strategic metals reprocessing business, with a focus on Latin America and Africa.

Thanks to the team's efforts, the Company is now well-positioned with access to capital and has, post period under review, successfully acquired a 100% interest in the advanced Playa Verde copper tailings project in Chile. This flagship asset, supported by a JORC resource study and definitive feasibility study, has, post period under review and post completion of the acquisition, received unanimous approval for its Environmental Impact Assessment (EIA) in March 2025, enabling the project to be positioned to move forward. With bullish copper and gold prices, the project economics are highly promising, and we are actively evaluating financing options for its development while exploring opportunities to re-list our shares on a stock exchange when the Company can meet the required criteria.

This transformation was made possible by addressing the balance sheet, converting key creditors into equity, and the Directors' decision to forgo accrued fees up to January 2024. These measures allowed the Company to secure £750,000 in convertible loan financing, which facilitated the acquisition of Copper Bay Limited, the UK-based owner of the Playa Verde project. The project, located in Chañaral, Chile, holds 53 million tonnes of measured, indicated, and inferred resources with a 0.24% copper grade, containing over 120,000 tonnes of copper. The acquisition cost of \$7.5 million will be paid in two instalments tied to future production milestones.

The project involves reprocessing tailings via an on-site plant, producing LME-grade copper cathode and a concentrate containing copper and up to 5.5 g/t of gold. With an 11-year mine life, the project aims to transform the toxic beach into an eco-tourism area with recreational facilities, enhancing the quality of life for Chañaral's 16,000 residents and attracting tourists to the region.

The Company is committed to advancing the Playa Verde project and pursuing additional tailings reprocessing opportunities in Chile, Peru, and Africa. We thank our shareholders for their patience and look forward to delivering significant free cash flows once the project is operational, expected in 2028. Updates will be provided as we progress with this flagship asset and our acquisition strategy.

Andrew Dennan

Executive Chairman

Directors' Report

The Directors submit their report together with the audited Financial Statements of Guardian Metals PLC, a publicly limited company, for the year to 31 December 2024. On 12 August 2024, the company changed its name from Guardian Global Security Plc to Guardian Metals Plc.

Results and dividends

The Financial Statements for year to 31 December 2024 are as set out on pages 11 to 26. The Company's loss for the period was £489k (2023: £578k). The Company is unable to recommend the payment of a dividend at this time due to insufficient distributable reserves (2023: £nil).

Significant transactions in the year

On 12 January 2024 the Company entered into an agreement with MBD Partners SA to raise up to £750,000 of funding for the purpose of working capital and acquisition transaction costs, via the issuance of a convertible loan note maturing 24 months from the date of issue, bearing a coupon of 100% of principal payable on maturity. The Company drew down £250,000 of this funding by the year end, and a further £325,000 was drawn down in three tranches after the year end. See note 12 and 15 for further details.

During the year, 19,236,082,606 new ordinary shares were issued at a price of £0.00014 per share, giving rise to £19,238 in additional ordinary share capital and £2,691,877 in additional share premium reserves. This issue was a part of the conversion of debts owed by the company to equity.

Future developments

On 6 February 2025 the Company entered into a Sale and Purchase Agreement (SPA) for the acquisition of a copper project in Chile, which completed on 31 March 2025. See the Chairmans Statement and note 15 to these financial statements for further detail. The Company is therefore now in the process of raising the necessary funding to advance the project to production, with a variety of such funding options under consideration.

Capital structure and significant shareholders

Details of the issued share capital together with details of movements in share capital during the year are included in the Statement of Changes in Equity on page 13 and in Note 10 to the Financial Statements.

Annual General Meeting

The Company is calling its next Annual General Meeting to be held on the 26th June 2025. A notice of the Annual General Meeting will be issued on the 2nd June 2025.

Independent auditors

A resolution to reappoint Crowe U.K. LLP ('Crowe') as the Company's independent auditors will be proposed at the forthcoming Annual General Meeting.

Going concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Company will be able to achieve the key milestones of the business plan, notably with regard to securing suitable funding for the project acquired on the 31 March 2025. See note 2 to these financial statements for more details.

On consideration of the above, the Directors believe that the Company will remain able to meet its obligations as they fall due for a period of at least 12 months from the date of this report, and hence that preparation of the financial statements on the going concern basis remains appropriate.

However, given there remains a level of uncertainty regarding the availability of further funding, the Directors consider that there remains a material uncertainty over the capacity of the Company to continue meeting its obligations as they fall due over this period and hence the status of the Company as a going concern.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Disclosure of information to auditors

As far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware. In addition, each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Approved by the Board of Directors on 30 June 2025 and signed on its behalf by

F Jackson Director

Guardian Metals plc, Registered number 0637079

Directors' responsibilities statement

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

The directors have elected to prepare the financial statements in accordance with applicable law and UK adopted International Accounting Standards (IAS). 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 the period for which they are being prepared.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the 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 keeping 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 to 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.

These financial statements were approved by the Board on 30 June 2025 and signed on its behalf by:

Frank Jackson

Director

INDEPENDENT AUDITOR’S REPORT TO THE DIRECTORS OF GUARDIAN METALS PLC

Opinion

We have audited the financial statements of Guardian Metals PLC for the year ended 31 December 2024, which comprise the statement of total comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flow, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2024 and of the company’s loss for the year then ended;
- have been properly prepared in accordance with International Accounting Standards as adopted by the United Kingdom, and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the Section titled “Going Concern” in Note 2, and to Note 15 in the financial statements, which indicates that the continued going concern status of the Company is dependent on further funding being obtained to allow the Chañaral Copper Project, as acquired on 31 March 2025, to be successfully undertaken. The Directors can access a further £125,000 of funding against the Senior loan note facility, besides the £250,000 received during the year ended 31 December 2024, and the further £375,000 received subsequently to that date, as disclosed in Note 15. The Directors expect that additional sources of funding can be identified within the next 12 months, but as stated in Note 2, a material uncertainty exists in relation to these events or conditions and may cast doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the 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 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of the audit report

This report is made solely to the company's directors, 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 company's directors 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 company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Harvey (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
3rd Floor, St George's House
Peter Street
Manchester
M2 3NQ

30 June 2025

STATEMENT OF TOTAL COMPREHENSIVE INCOME

£'000	Note	12 months ended 31 Dec 24	Audited 18 months ended 31 Dec 23
Administrative credit*/(expenses)		<u>152</u>	<u>(156)</u>
Operating profit/(loss)	5	<u>152</u>	<u>(156)</u>
Finance costs	6	<u>(641)</u>	<u>(422)</u>
Loss before tax		<u>(489)</u>	<u>(578)</u>
Taxation	7	<u>-</u>	<u>-</u>
Loss after tax		<u>(489)</u>	<u>(578)</u>
Loss attributable to continuing operations		<u>(489)</u>	<u>(578)</u>
Total Comprehensive Income for the period		<u><u>(489)</u></u>	<u><u>(578)</u></u>

*Administrative expenses in the year represents a net credit due to the inclusion of £614,000 of write-backs of prior year directors fee accruals in the current year (see note 3 for further details) (2023: nil).

STATEMENT OF FINANCIAL POSITION

£'000	Note	As at 31 Dec 24	As at 31 Dec 23
Current assets			
Cash and cash equivalents		14	2
Trade and other receivables		<u>12</u>	<u>–</u>
Total assets		<u>26</u>	<u>2</u>
Current liabilities			
Loans	12	(190)	(2,301)
Trade and other payables	8	<u>(503)</u>	<u>(1,090)</u>
		<u>(693)</u>	<u>(3,391)</u>
Non-current liabilities			
Loans	12	<u>(500)</u>	<u>–</u>
Total liabilities		<u>(1,193)</u>	<u>(3,391)</u>
Net liabilities		<u>(1,167)</u>	<u>(3,389)</u>
Shareholders' equity			
Ordinary share capital	10	214	195
Share premium account		35,276	32,584
Warrant reserve		–	415
Other reserves		3,016	3,016
C4 Loan reserve		–	1,682
Accumulated losses		<u>(39,673)</u>	<u>(41,281)</u>
Total equity		<u>(1,167)</u>	<u>(3,389)</u>

Registration Number: 06370792

The financial statements together with the notes to the financial statements were approved by the Board of directors and authorised for issue on 30 June 2025. They were signed on its behalf by:

Frank Jackson

Director

STATEMENT OF CHANGES IN EQUITY

£'000	Ordinary Share Capital	Share Premium Account	C4 Loan reserve	Warrant and Other Reserves	Accumulated Losses	Total Equity
Balance, 31 December 2022	194	32,535	1,682	3,431	(40,703)	(2,861)
Loss for the period	–	–	–	–	(578)	(578)
Comprehensive loss	–	–	–	–	(578)	(578)
Issue of shares	1	49	–	–	–	50
Transactions with owners	1	49	–	–	–	50
Balance, 31 December 2023	195	32,584	1,682	3,431	(41,281)	(3,389)
Loss for the period	–	–	–	–	(489)	(489)
Comprehensive loss	–	–	–	–	(489)	(489)
Issue of shares	1	210	–	–	–	211
Expiry of options/warrants	–	–	–	(415)	415	–
Conversion of Convertible Loan Note	18	2,482	(1,682)	–	1,682	2,500
Transactions with owners	19	2,692	(1,682)	(415)	2,097	2,711
Balance, 31 December 2024	214	35,276	–	3,016	(39,673)	(1,167)

At 31 December 2024, the balance for warrants and other reserves comprises a deferred shares reserve of £3,016,000 which arose following the share sub-division in November 2019.

STATEMENT OF CASH FLOWS

£'000	Note	12 months ended 31 Dec 24	12 months ended 31 Dec 23
Cash flows from operating activities			
Cash used in operations	9	<u>(238)</u>	<u>(53)</u>
Net cash used in operating activities		<u>(238)</u>	<u>(53)</u>
Cash flows from financing activities			
Issue of shares		–	50
Proceeds from drawdown of loans		<u>250</u>	<u>–</u>
Net cash from financing activities		<u>250</u>	<u>50</u>
Net increase/(decrease) in cash and cash equivalents		12	(3)
Cash and cash equivalents at the start of the period		<u>2</u>	<u>5</u>
Cash and cash equivalents at the end of the period		<u><u>14</u></u>	<u><u>2</u></u>

The only major non-cash transaction in the year was the issuance of 19,236,082,606 shares in relation to the settlement of creditors. See note 12 for further details.

NOTES TO THE FINANCIAL STATEMENTS

1. General

Corporate Information

Guardian Metals PLC (the 'Company') is a company incorporated in England on 13 September 2007 and has registered address of 85 Great Portland Street, London, W1W 7LT and registration number 06370792. The Company is domiciled in the UK for tax purposes.

At the reporting date, the Company held a 100% interest in the following UK incorporated subsidiary companies:

- Guardian Africa Limited – 13227659 - 85 Great Portland Street, First Floor, London, England, W1W 7LT
- Guardian West Africa Limited – 15960363 - 85 Great Portland Street, First Floor, London, England, W1W 7LT
- Guardian Mining Limited – 13236945 - 85 Great Portland Street, First Floor, London, England, W1W 7LT

None of the above subsidiary companies have commenced trading since incorporation and therefore remain dormant at the reporting date. The Company is exempt from audit by virtue of s479A of Companies Act 2006. The aggregate amount of their capital and reserves as at 31 December 2024 was immaterial to the group.

Basis of Preparation

The financial statements have been prepared on a going concern basis and in accordance with UK adopted international accounting standards ('IAS') in conformity with the requirements of the Companies Act 2006. In addition, they have been prepared under the historical cost convention. The preparation of the financial statements in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

2. Significant Accounting Policies

The principal accounting policies have been applied consistently throughout the period.

Going Concern

The Directors judge it appropriate to adopt the going concern basis in preparing the financial statements.

In forming this judgement, the Directors reviewed the Company's funding, budget and business plan for the twelve months from signing the financial statements. The Directors have relied upon the critical assumption that the Company will be able to achieve the key milestones of the business plan, notably with regard to securing suitable funding for the project acquired on the 31st March 2025.

On 12 January 2024, the Company entered into an agreement to raise up to £750,000 of funding for application against general working capital needs and proposed transaction costs, with an initial tranche of £250,000 having been drawn down in the year, a further £50,000 having been drawn down in January 2025. On 6 February 2025 the Company entered into an SPA for the acquisition of a Chilean copper project, which completed on 31st March 2025, see note 15 for further details. In April, the company completed an agreement to draw down a further £200,000 under this facility, with the lender indicating that a further £250,000 would become available within sixty days. A further draw down of £125,000 has been completed in June 2025, leaving a remaining £125,000 accessible under this facility. The Company is in the process of assessing various further funding options available to advance its newly acquired project to production.

In addition to the funding noted above, the Directors have been in discussions with a variety of creditors of the Company to reach agreement for settlement of these liabilities by way of conversion of amounts payable into ordinary shares, with a total of £2.7m in loans and other payables having been so converted during the

year. The Directors remain in discussions with the remaining legacy creditors regarding the conversion of these amounts and remain confident that agreement for such conversions will be made during the course of 2025, further reducing the funding needs of the business over the 12 months from the date of signing of this report.

The financial statements do not include any adjustments that may arise in the event that the company is not a going concern.

On consideration of the above, the Directors believe that the Company will remain able to meet its obligations as they fall due for a period of at least 12 months from the date of this report, and hence that preparation of the financial statements on the going concern basis remains appropriate.

However, given there remains a level of uncertainty regarding the availability of further funding, the Directors consider that there remains a material uncertainty over the capacity of the Company to continue meeting its obligations as they fall due over this period and hence the status of the Company as a going concern.

Financial instruments

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis. Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a nonderivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments. To the extent that this definition is not met, the financial instrument is classified as a financial liability.

As such, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest of the assets of the Company after deducting all of its liabilities.

Borrowings

Borrowings are recognised initially at the fair value of the proceeds received which is determined using a discount rate which reflects the cost of borrowing to the Company. In subsequent periods borrowings are recognised at amortised costs, using an effective interest rate method. Any difference between the fair value of the proceeds costs and the redemption amount is recognised as a finance cost over the period of the borrowings.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholder's equity, net of income tax effects.

Trade and other payables

Trade payables are non-interest bearing and are stated initially at fair value and then amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Foreign currency translation

The Company's presentation and functional currency is sterling.

In preparing the financial statements, transactions in foreign currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange rate differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange rate differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Income taxes

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a warrants and other reserve as a component of equity until related options or warrants are exercised or lapse.

The warrant and other reserve include share warrants issued to shareholders in connection with share capital issues that are measured at fair value at the date of issue and treated as a separate component of equity, as well as a deferred shares reserve which arose following the share sub-division in November 2019.

The C4 Loan reserve includes the transfer and refinancing of the loan amount with C4 and has been released into retained earnings in the year on full conversion of the loan into equity.

Retained earnings includes all current and prior period results as disclosed in the income statement.

Share-based transactions

From time to time, the Company may pay for goods or services through the issue of new shares. The cost of such equity-settled transactions is recognised in the income statement, together with a corresponding increase in equity, in the period during which the goods or services are received. The value of such share based payments is measured by reference to the fair value of the goods or services received or the market value of the shares issued, whichever value is more readily determinable.

Warrants

From time to time, the Company may issue warrants to suppliers as partial payment for goods or services or to investors or advisers in relation to the raising of new equity finance. When warrants are issued as partial payment for goods or services related to operations, the fair value of those warrants is recognised as a cost in the income statement. When warrants are issued in relation to the raising of new equity finance, the fair value of those warrants is set off against share premium. Warrants issued but not exercised are held in a warrant reserve within equity.

Critical accounting judgements and estimates in applying the Company's accounting policies

The preparation of the financial statements in conformity with UK adopted IAS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. In the process of applying the Company's accounting policies, management have made the following estimates that may have a significant effect on the amounts recognised in the financial statements.

Going Concern: The financial statements have been prepared assuming the Company will continue as a going concern. The basis to which the Directors have formed this critical accounting judgement is further outlined in note 2 of the Company's financial statements which discloses a material uncertainty.

Determination of Discount Rates: Where settlement of the liability component of a compound financial instrument is deferred, the amounts payable in the future are discounted to their present value as at the date of initial recognition. The discount rate used is generally judged to be the entity's incremental borrowing rate, being the rate at which a similar borrowing might be obtained from an independent financier under comparable terms and conditions; in other words, a similar liability (including any embedded nonequity derivative features) that does not have an associated equity component.

New Standards and revisions to existing standards issued that are effective at 1 January 2024

Certain new accounting standards and interpretations have been published that are effective at 1 January 2024:

	<i>Effective Date</i>
Amendments to IAS 1: Presentation of financial statements	1 January 2024
Amendments to IAS 7: Statements of cashflow	1 January 2024
Amendments to IFRS 16: Leases	1 January 2024
Amendments to IFRS 7: Financial instruments disclosures (supplier finance)	1 January 2024

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

New Standards and revisions to existing standards issued that are not yet effective

Certain new accounting standards and interpretations have been published that are not yet effective.

	<i>Effective Date</i>
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 January 2025
IFRS S2 Climate-related Disclosures	1 January 2025
Amendments to IAS 21 – Lack of currency exchangeability	1 January 2025

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

3. Staff Costs

In the year ended 31 December 2024 there were no staff costs (2023: £nil).

£'000	Note	12 months ended 31 Dec 24	12 months ended 31 Dec 23
Directors fees – current year	4	200	–
Directors fees – write back of pre-2023 accruals		(614)	–
Net charge – Directors fees		(414)	–

Average number	12 months ended 31 Dec 24	12 months ended 31 Dec 23
Executives/Directors	2	2
Administration	–	–
Total	2	2

4. Directors Emoluments

Directors Emoluments	12 months ended 31 Dec 24 £'000	12 months ended 31 Dec 23 £'000
Frank Jackson	100	–
Andrew Dennan	100	–
Total	200	–

Directors fees in the current year have been accrued, with no cash payments having been made in settlement of directors fees in the year (2023: nil).

During the year retirement benefits were accruing to no directors (2023 - nil) in respect of defined contribution pension schemes.

There were no other related party transactions in the year ended 31 December 2024 or the period ending 30 December 2023.

5. Operating Loss

Operating profit/(loss) is after charging:

£'000	12 months ended 31 Dec 24	12 months ended 31 Dec 23
Directors fees provision	200	–

During the period, the Company obtained various services from its auditors, the costs of which are set out below:

£'000	12 months ended 31 Dec 24	12 months ended 31 Dec 23
Audit fees	22	20
	22	20

6. Finance Costs

<i>£'000</i>	<i>12 months ended 31 Dec 24</i>	<i>12 months ended 31 Dec 23</i>
Interest expense	638	422
Other finance costs	<u>3</u>	<u>–</u>
Total Finance costs	<u>641</u>	<u>422</u>

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes were converted into 17,712,227,064 ordinary shares in October 2024.

In January 2024 the Company entered into a £750,000 convertible loan facility with MDB Partners SA, with £250,000 of the loan having been drawn down in the year. The loan attracts a 100% coupon on principal drawn down, matures 24 months following draw down of the facility and is convertible into ordinary shares of the Company at a price being the lower of 0.0025624 pence per share and the price at which the Company issues new shares to third parties to raise additional funding during the term of the loan, at the election of the noteholder.

7. Taxation

<i>£'000</i>	<i>12 months ended 31 Dec 24</i>	<i>12 months ended 31 Dec 23</i>
Statutory income tax rate	<u>19%</u>	<u>19%</u>
Loss for the period	(489)	(578)
Expected income tax recovery	(93)	(110)
Transferred to losses	<u>93</u>	<u>110</u>
Total tax	<u>–</u>	<u>–</u>

The deferred income tax asset not recognised at 31 December 2024 and 31 December 2023 are £11,557,000 and £11,464,000 respectively.

8. Trade and Other Payables

<i>£'000</i>	<i>As at 31 Dec 24</i>	<i>As at 31 Dec 23</i>
Trade payables	158	398
Accruals	<u>345</u>	<u>692</u>
	<u>503</u>	<u>1,090</u>

9. Cash Used in Operations

£'000	<i>12 months ended 31 Dec 24</i>	<i>12 months ended 31 Dec 23</i>
Loss before tax	(489)	(578)
Increase/(decrease) in trade and other payables	(378)	103
Decrease/(increase) in receivables	(12)	–
Non-cash transaction – effective interest charge	641	422
Cash flows used in operating activities	<u>(238)</u>	<u>(53)</u>

10. Ordinary Share Capital and Share Premium Account

The company undertook a re-organisation of its share capital in October 2015 and again in year ended June 2020. Under the Companies act 2006 a company is unable to issue shares at a subscription price which is lower than the nominal value. Therefore, in order to raise additional funding a reorganisation of the Company's share capital was performed. The reorganisation subdivided existing shares into new ordinary shares with a nominal value of £0.000001 and deferred shares with a nominal value of £0.009. The deferred shares, amongst other things, are not traded, do not receive dividends and do not have voting rights. The issuance of new ordinary shares will not require the issuance of deferred shares to new subscribers.

	<i>Ord Shares 0.0001p each</i>	<i>Deferred Shares 0.0999p each</i>	<i>Share Capital £'000</i>	<i>Share Premium £'000</i>
As at 1 January 2024	<u>5,358,250,360</u>	<u>189,792,348</u>	<u>195</u>	<u>32,584</u>
Allotments – conversion of debt and creditors	19,236,082,606	–	19	2,692
As at 31 December 2024	<u>24,594,332,966</u>	<u>189,792,348</u>	<u>214</u>	<u>35,276</u>

During the year, 19,236,082,606 new ordinary shares were issued at a price of £0.00014 per share, giving rise to £19,238 in additional ordinary share capital and £2,691,877 in additional share premium reserves.

During the prior year, 892,857,143 new ordinary shares were issued at a price of £0.000056 per share, giving rise to £893 in additional ordinary share capital and £49,107 in additional share premium reserves.

The weighted average number of ordinary shares in issue during the period was 9,251,236,451 (December 2023: 4,560,794,391).

As at 31 December 2024, there were no warrants relating to the Company's ordinary share capital in issue (2023: 118,333,333).

11. Share-based payments

The Company recognised an expense relating to equity-settled share-based payment transactions of £nil during the period to 31 December 2024 (31 December 2023: £nil).

Details of movements in share options during the current and prior periods are as follows:

	<i>As at 31-Dec 24</i>		<i>As at 31-Dec 23</i>	
	<i>Number of share options thousand</i>	<i>Weighted average exercise price pence</i>	<i>Number of share options thousand</i>	<i>Weighted average exercise price pence</i>
Outstanding at start of period	180,000,000	0.0625	180,000,000	0.0625
Granted during the period	–	–	–	–
Lapsed during the period	(180,000,000)	(0.0625)	–	–
Exercised during the period	–	–	–	–
Outstanding at period end	–	–	180,000,000	0.0625
Exercisable at period end	–	–	180,000,000	0.0625

The table below shows details in relation to options outstanding at the period end:

	<i>31 Dec 2024</i>			<i>31 Dec 2023</i>	
	<i>Average exercise price pence</i>	<i>Number of share options thousand</i>	<i>Contractual life remaining years</i>	<i>Number of share options thousand</i>	<i>Contractual life remaining years</i>
<i>Performance share plan</i>					
4 Nov 2019	0.0625	–	–	180,000,000	0.84

There were no performance share plan options granted during the period 31 December 2024 (31 December 2023: nil).

12. Net debt

<i>£'000</i>	<i>YA Global</i>	<i>C4 Loan</i>	<i>MBD Partners</i>	<i>Total</i>
Balance 31 Dec 22	(190)	(1,690)	–	(1,880)
Loan write-off	–	–	–	–
Effective interest charge	–	(422)	–	(422)
Balance 31 Dec 23	(190)	(2,112)	–	(2,302)
Drawdown	–	–	(250)	(250)
Effective interest charge	–	(388)	(250)	(638)
Converted	–	2,500	–	2,500
Balance 31 Dec 24	(190)	–	(500)	(690)

In October 2019, Shard Capital Management Limited ('Shard') sold its interest in the Shard Loan to C4 Energy Limited ('C4'). Following the novation of the loan, the Company agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes are convertible into ordinary shares at a fixed price of 0.05p per share at the option of the lender, are freely transferable and repayable in full at the maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

In accordance with IAS 32, judgement is requirement when determining the classification of financial instruments in terms of liability or equity. These judgements include an assessment of whether the financial instrument includes any embedded derivative features, whether it includes contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with

another party, and whether that obligation will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Under the terms of accounting standard IAS 32, the C4 loan note instrument is assessed to be a non-derivative compound financial instrument and as such the Company is required to recognise separately the components of the financial instrument that (a) creates a financial liability and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. In establishing the value of these components, an effective interest rate must be used. The value of the liability component is determined by discounting the par value at the effective interest rate upon initial recognition. The discount rate used for this purpose has been assessed to be 25%. By reference, the cost of capital of the Shard loan was used as a start point in forming this judgement; a sensitivity of +/- 5% in the interest rate would result in a decrease/increase in the value of the liability component as at the reporting date of £146,000/£185,000 and an increase in the finance expense of £3,000/£2,000. The discount is then unwound over the remaining life of the loan. The value attributable to equity component represents the residual interest in the instrument upon initial recognition. Consequently, at the point of initial recognition, the sum of the carrying amounts assigned to the liability and equity components is always equal to the value of the instrument as a whole, namely £2,500,000.

On 8 December 2023, an agreement was entered into with the holders of the £2,500,000 convertible loan notes in issue at the reporting date. The parties agreed that the entire balance of £2,500,000 owing shall be settled in full through the issuance of 16,192,122,950 new ordinary shares on readmission of the Company shares to trading on AIM/LSE, subject to Shareholder approval at a general meeting. This agreement was subsequently amended following expiry of the terms such that the entirety of the principal of £2,500,000 was converted on 3 October 2024 into 17,712,227,064 new ordinary shares at an effective price of £0.00014 per share.

The Company also has a loan with YA Global. In March 2020, the Company reached a settlement agreement with YA Global regarding amounts owing to them upon satisfactory completion of a transaction constituting a reverse takeover. YA Global has indicated it may accept settlement via newly issued ordinary shares, with discussions on this matter continuing.

On 12 January 2024 the Company entered into an agreement with MBD Partners SA to raise up to £750,000 of funding for the purpose of working capital and acquisition transaction costs, via the issuance of a convertible loan note maturing 24 months from the date of issue, bearing a coupon of 100% of principal payable on maturity and convertible as follows:

- Principal – on the earliest of the election of the noteholder or the execution of an SPA for the acquisition of a suitable project as defined in the agreement, with such conversion resulting in the issuance of shares equating to 50% of the issued share capital of the Company at such time;
- Coupon – on readmission of the Company's shares to trading on a recognised exchange, with such conversion resulting in the issuance of shares at 80% of the readmission price.

The funding under this agreement is available to the Company in 2 tranches, with the first tranche of £250,000 having been made available on execution of the agreement and the second tranche of £500,000 becoming available to the Company to be drawn down once an SPA for the acquisition of a suitable project has been executed.

Settlement of the loan owed to C4 is considered a related party transaction by virtue of the entities having a common Director.

13. Financial Instruments

The Company's principal financial instruments comprise cash, trade and other receivables, trade and other payables and accruals and loan amounts owed, which are set out in the Statement of Financial Position. The carrying values of the Company's financial instruments approximate their fair values due to the short-term maturity and normal trade credit terms of these instruments.

Financial instruments issued by the Company are treated as equity only to the extent they meet the relevant conditions in accordance with IAS 32. Specifically, the Company's loan with C4 is the only such instrument

issued by the Company, refer Note 15. Credit risk and expected credit losses on receivables is considered negligible.

Credit risk on liquid funds is considered limited because the Company counterparty exposure is to a UK and international bank with an investment grade credit rating. Credit risk and expected credit losses on receivables is considered negligible. Liquidity risk implies maintaining sufficient funds to meet the Company's liabilities when they fall due. The Board has been disciplined in managing the Company's cash and commitment positions actively engaging with creditors and advisors to ensure committed credit lines are agreed and reasonable and through its regular review of the Company's cash forecast. The exposure of financial instruments to liquidity risk is considered negligible.

14. Related party transactions

- The C4 loan was considered to be a related party transaction by virtue of the entities having a common Director. Full details of the transaction relating to this loan are given in Note 12.
- In the current year the Company incurred travel and administrative costs totalling £829 (2023: £2,396) from Sustainable Energy Projects Limited, a related party as a result of having a common director.

15. Events subsequent to period end

On 6 January 2025 the Company drew a further £50,000 in principle on its convertible loan facility with MDB Partners, leaving a remaining balance £450,000 of undrawn amounts available under the facility terms. In April and June 2025, the Company completed agreements to draw down a further £200,000 and £125,000 respectively under this facility leaving a remaining balance of £125,000 of undrawn amounts available under the facility terms.

On 6 February 2025, the Company entered into a Sale and Purchase Agreement (SPA) for the acquisition of 100% of the ordinary share capital of Copper Bay Limited (the "Target"), a company holding a 100% interest in the Chañaral Copper Project in Chile through Chilean subsidiaries. The key terms of the SPA are as follows:

- Total consideration payable to the vendors of US\$7.5m for the 100% interest in the project
- Consideration payable in two equal tranches on production from the project having reached 7,500 tons of aggregate copper and 15,000 tonnes of aggregate copper respectively
- Completion conditional on execution of all necessary Drag clauses and agreements to ensure minority shareholders of the company participate in the sale
- \$114,000 in regulatory approval costs incurred by the vendor to be reimbursed on the Company having raised £2.7m in new funding, post completion of the SPA
- Early termination break fee payable by the vendor of £600,000 and by the Company of \$237,000
- The consideration payable by the Company to the vendors is to be secured by a charge over the shares in the Target until the conditions for payment are met and payable settled in full.

The completion of the conditions and therefore acquisition of the Target took place on 31st March 2025.

As the above acquisition represents a business combination within the scope of IFRS 3, the Company notes the following elements relating to the transaction as required by the standard:

- The acquisition is in line with the existing strategy to resume generating income through undertaking of new operations;
- The consideration payable of US\$7.5m will require to be present valued for the purposes of the acquisition accounting under IFRS 3. At the time of preparation of these financial statements, the Company cannot reliably estimate the present value of these future cashflows due to the uncertainties around the availability of development funding for the project and therefore the expected timing of operational commencement and revenue generation. The Company expects to have clarification of these criteria such that it will be able to reliably estimate the present value of the consideration payable when preparing its financial statements for the year ended 31 December 2025.

- As at the date of acquisition, the net liabilities of the Target were £4,181, including cash of £5,231. Further details of the fair value of assets and liabilities acquired have not been included as they were not available at the date of signing these accounts.

On 26 March 2025, the Company agreed the settlement of £26,136 in amounts payable to legacy creditors by the payment of £5,200 in cash.

On 27 March 2025 the Company raised an additional £5,200 in cash by the allotment of 185,170,707 new ordinary shares to an existing high net worth investor at a price of 0.0028082 pence per share.

Section B – Group Interim Financial Information

Statements of Financial Position

The unaudited consolidated Statement of Financial Position of the Group as at 30 June 2025, together with the audited consolidated Statement of Financial Position as at 31 December 2024, are set out below:

£ '000	Note	As at 30 June 2025 (unaudited)	As at 31 December 2024 (audited)
Non-current assets			
Mining properties		90	–
Exploration & evaluation assets	8	3,559	–
Total non-current assets		<u>3,649</u>	<u>–</u>
Current assets			
Cash and cash equivalents		105	14
Trade and other receivables		56	12
Total current assets		<u>161</u>	<u>26</u>
Total assets		<u>3,810</u>	<u>26</u>
Current liabilities			
Loans	14	1,450	190
Trade and other payables	9	726	503
Total current liabilities		<u>2,176</u>	<u>693</u>
Non-current liabilities			
Loans	14	–	500
Deferred consideration payable	10	3,440	–
Total non-current		<u>3,440</u>	<u>500</u>
Total liabilities		<u>5,616</u>	<u>1,193</u>
Shareholders' equity			
Ordinary share capital	12	214	214
Share premium account	12	35,281	35,276
Other reserves		3,016	3,016
Foreign exchange reserve		(201)	–
Accumulated losses		(40,116)	(39,673)
Total equity		<u>(1,806)</u>	<u>(1,167)</u>
Total equity & liabilities		<u><u>3,810</u></u>	<u><u>26</u></u>

Statements of Comprehensive Income

The unaudited consolidated Statements of Comprehensive Income of the Group for the six-month interim period ended 30 June 2025, together with the six-month comparative interim period ended 30 June 2024, are set out below:

£ '000	Note	6 months ended 30 June 2025 (unaudited)	6 months ended 30 June 2024 (unaudited)
Project costs		(3)	–
Administrative expenses	4	(235)	–
Administrative credit*	4	–	467
Operating (loss)/profit		<u>(238)</u>	<u>467</u>
Foreign exchange		10	–
Finance costs	6	(514)	(250)
(Loss)/profit before tax		<u>(442)</u>	<u>217</u>
Taxation	7	–	–
(Loss)/profit after tax		<u>(442)</u>	<u>217</u>
Foreign exchange on translation of overseas subsidiaries		(201)	–
Total comprehensive (loss)/income for the period		<u><u>(643)</u></u>	<u><u>217</u></u>

* Administrative expenses in the comparative period represent a net credit due to the inclusion of £614,000 of write-backs of Directors' fee accruals incurred in prior periods (see note 3 for further details).

Statements of Changes in Equity

The unaudited consolidated Statements of Changes in Equity of the Group for the six-month interim period ended 30 June 2025, together with the six-month comparative interim period ended 30 June 2024, are set out below:

	Ordinary Share Capital	Share Premium Account	C4 Loan reserve	Warrant and Other Reserves	Foreign exchange reserve	Accumulated Losses	Total Equity
Balance, 1 January 2024 (audited)	195	32,584	1,682	3,431	-	(41,281)	(3,389)
Profit for the period	-	-	-	-	-	217	217
Comprehensive profit	-	-	-	-	-	217	217
Issue of Ordinary Shares	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-
Balance, 30 June 2024 (unaudited)	195	32,584	1,682	3,431	-	(41,065)	(3,172)
Balance, 1 January 2025 (audited)	214	35,276	-	3,016	-	(39,674)	(1,168)
Loss for the period	-	-	-	-	(442)	(442)	-
Foreign exchange on translation of overseas subsidiaries	-	-	-	-	(201)	-	(201)
Comprehensive loss	-	-	-	-	(201)	(442)	(643)
Issue of Ordinary Shares	-	5	-	-	-	-	5
Transactions with owners	-	5	-	-	-	-	5
Balance, 30 June 2025 (unaudited)	214	35,281	-	3,016	(201)	(40,116)	(1,806)

As at 30 June 2025, the balance for warrants and other reserves comprises a deferred shares reserve of £3,016,000 which arose following the share sub-division in November 2019.

Statements of Cash Flows

The unaudited consolidated Statements of Cash Flows of the Group for the six-month interim period ended 30 June 2025, together with the six-month comparative interim period ended 30 June 2024, are set out below:

£ '000	Note	6 months ended 30 June 2025 (unaudited)	6 months ended 30 June 2024 (unaudited)
Cash flows from operating activities			
Cash used in operations	11	(80)	(190)
Net cash used in operating activities		<u>(80)</u>	<u>(190)</u>
Cashflows from investing activities			
Payments made for exploration & evaluation assets		(235)	–
Cash acquired on acquisition of subsidiaries		26	–
Net cashflows used in investing activities		<u>(209)</u>	<u>–</u>
Cash flows from financing activities			
Issue of Ordinary Shares		5	–
Proceeds from drawdown of loans		375	250
Net cashflows from financing activities		<u>380</u>	<u>250</u>
Net increase in cash and cash equivalents		91	60
Cash and cash equivalents at the start of the period		14	2
Cash and cash equivalents at the end of the period		<u>105</u>	<u>62</u>

There were no major non-cash transactions in the period of report.

Notes to the Group Interim Financial Information

1. General

Corporate Information

The Company is a company incorporated in England and Wales on 13 September 2007 and has registered address of 85 Great Portland Street, London, W1W 7LT and registration number 06370792. The Company is domiciled in the UK for tax purposes.

At the reporting date, the Company held a 100 per cent. interest in the following UK incorporated subsidiary companies;

- Guardian Africa Limited – 13227659 – 85 Great Portland Street, First Floor, London, England, W1W 7LT
- Guardian West Africa Limited – 15960363 – 85 Great Portland Street, First Floor, London, England, W1W 7LT
- Guardian Mining Limited – 13236945 – 85 Great Portland Street, First Floor, London, England, W1W 7LT
- Copper Bay – 07391255 – 85 Great Portland Street, First Floor, London, England, W1W 7LT

Basis of Preparation

The Group Interim Financial Information has been prepared in accordance with UK adopted International Accounting Standards. They are presented in thousand Pounds Sterling (£'000), unless stated otherwise. The Group Interim Financial Information has been prepared on the historical cost basis, except for certain financial instruments, which are carried as described in the respective sections in the policies below.

The principal accounting policies adopted are set out below.

Basis of Consolidation

The Group Interim Financial Information incorporate the financial information of the Company and entities controlled by the Company, its subsidiaries, made up to 30 June each year.

Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain economic benefits from their activities. Subsidiaries are consolidated from the date on which control is obtained, the acquisition date, until the date that control ceases. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, contingent consideration and liabilities incurred or assumed at the date of exchange. Costs, directly attributable to the acquisition, are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

Provisional fair values are adjusted against goodwill if additional information is obtained within one year of the acquisition date about facts or circumstances, existing at the acquisition date. Other changes in provisional fair values are recognised through profit or loss.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated on consolidation, except to the extent that intra-group losses indicate an impairment.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Statement of Comprehensive Income. Any impairment, recognised for goodwill, is not reversed.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the Company's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Non-Controlling Interests

Profit or loss and each component of other comprehensive income are allocated between the Company and non-controlling interests, even if this results in the non-controlling interest having a deficit balance.

Transactions with non-controlling interests, that do not result in loss of control, are accounted for as equity transactions. Any differences, between the adjustment for the non-controlling interest and the fair value of consideration paid or received, are recognised in equity.

2. Material Accounting Policies

The principal accounting policies have been applied consistently throughout the period.

Going Concern

It is the responsibility of the Directors to prepare the Group Interim Financial Information on a going concern basis, unless it is inappropriate to assume that the Group will continue in business.

The Directors have prepared financial projections for the development of the Playa Verde Project and the Group's working capital needs for a period of 12 months from the date of this document, noting that the Group requires a minimum equity capital injection of £3m in order to meet its objectives and financial obligations as they fall due, over the term of assessment. As the Group has secured irrevocable investment subscriptions for its readmission to trading on AIM totalling £4m, the Directors have determined that the Group will have sufficient funding to be assured of meeting its financial obligations over this period, such that the preparation of the Group Interim Financial Information on the going concern basis is considered appropriate.

The Group Interim Financial Information does not include any adjustments that may arise in the event that the Group is not a going concern.

Foreign Currencies

Both the functional and presentational currency of the Group is £. Each Group entity determines its own functional currency and items included in the Group Interim Financial Information of each entity are measured using that functional currency. The majority of the Group's funding and capital raising activities are denominated in £, and the Directors consider this to be the currency that primarily influences the Group's financing activities and cash flows.

The functional currency of the foreign subsidiaries is CLP. The Company's operations in Chile are primarily conducted in CLP and \$.

Transactions in currencies, other than the functional currency of the relevant entity, are initially recorded at the exchange rate, prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities, that are denominated in foreign currencies, are retranslated at the exchange rate, prevailing at the reporting date. Non-monetary assets and liabilities, carried at fair value that are denominated in foreign currencies, are translated at the rates, prevailing at the date, when the fair value was determined. Gains

and losses, arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income, when the changes in fair value are recognised directly in other comprehensive income.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into the Group's presentational currency at exchange rates, prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates have fluctuated significantly during the year, in which case, the exchange rate at the date of the transaction is used. All exchange differences arising, if any, are recognised as other comprehensive income and are transferred to the Group's foreign currency translation reserve.

The Company's presentation and functional currency is £.

In preparing the Group Interim Financial Information, transactions in foreign currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

Exchange rate differences arising on the settlement of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange rate differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Exploration Assets and Mineral Tenements

Exploration assets comprise exploration and evaluation costs, incurred on prospects at an exploratory stage. These costs include the cost of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads, directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments. Costs associated with an exploration activity will only be capitalised if, in the Directors' opinion, the results from that activity can be associated with finding a specific resource.

The Group adopts the "area of interest" method of accounting whereby all exploration and development costs, relating to an area of interest, are capitalised and carried forward until either abandoned or an indicator of impairment is determined. In the event that an area of interest is abandoned, or if, following determination of an impairment indicator being present, the Directors consider the expenditure to be of no value, accumulated exploration costs are written off in the financial year in which the decision is made. All expenditure, incurred prior to approval of an application, is expensed, with the exception of refundable rent, which is raised as a receivable.

Upon disposal, the difference between the fair value of consideration receivable for exploration assets and the relevant cost within non-current assets is recognised in the Statement of Comprehensive Income.

Impairment of Non-Financial Assets

The carrying values of assets, other than those to which IAS 36 "Impairment of Assets" does not apply, are reviewed at the end of each reporting period for impairment, when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

When there is a change in the estimates, used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case, the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis. Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities and equity

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions, in accordance with IAS 32:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of the Company's own equity instruments. To the extent that this definition is not met, the financial instrument is classified as a financial liability.

As such, financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest of the assets of the Group after deducting all of its liabilities.

Borrowings

Borrowings are recognised initially at the fair value of the proceeds received which is determined using a discount rate which reflects the cost of borrowing to the Company. In subsequent periods borrowings are recognised at amortised costs, using an effective interest rate method. Any difference between the fair value of the proceeds costs and the redemption amount is recognised as a finance cost over the period of the borrowings.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholder's equity, net of income tax effects.

Trade and other payables

Trade payables are non-interest bearing and are stated initially at fair value and then amortised cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Income taxes

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Equity

Share capital is determined using the nominal value of Ordinary Shares that have been issued.

The share premium account includes any premiums received on the initial issuing of the Ordinary Shares. Any transaction costs associated with the issuing of Ordinary Shares are deducted from the share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a warrants and other reserve as a component of equity until related options or warrants are exercised or lapse.

The warrant and other reserve include share warrants issued to Shareholders in connection with share capital issues that are measured at fair value at the date of issue and treated as a separate component of equity, as well as a deferred shares reserve which arose following the share sub-division in November 2019.

The C4 Loan reserve includes the transfer and refinancing of the loan amount with C4 and has been released into retained earnings in the year on full conversion of the loan into equity.

Retained earnings includes all current and prior period results as disclosed in the Statement of Comprehensive Income.

Share-based transactions

From time to time, the Group may pay for goods or services through the issue of new Ordinary Shares. The cost of such equity-settled transactions is recognised in the Statement of Comprehensive Income, together with a corresponding increase in equity, in the period during which the goods or services are received. The value of such share-based payments is measured by reference to the fair value of the goods or services received or the market value of the shares issued, whichever value is more readily determinable.

Warrants

From time to time, the Company may issue warrants to suppliers as partial payment for goods or services or to investors or advisers in relation to the raising of new equity finance. When warrants are issued as partial payment for goods or services related to operations, the fair value of those warrants is recognised as a cost in the Statement of Comprehensive Income. When warrants are issued in relation to the raising of new equity finance, the fair value of those warrants is set off against share premium. Warrants issued but not exercised are held in a warrant reserve within equity.

Critical accounting judgements and estimates in applying the Company's accounting policies

The preparation of the Group Interim Financial Information in conformity with IFRS requires the Directors to make judgements and estimates that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates. In the process of applying the Company's accounting policies, the Directors have made the following estimates that may have a significant effect on the amounts recognised in the Group Interim Financial Information:

Acquisition of the Copper Bay Group

During the period, the Company acquired a 100 per cent. interest in the shares of the Copper Bay, which comprises predominantly the Playa Verde Project in Chile. In determining the correct approach for accounting for the Acquisition, the Directors have had to assess whether the acquisition falls within the scope of IFRS 3 "*Business Combinations*", notably whether the Copper Bay Group qualifies as a "*business*" as defined within IFRS 3 "*Business Combinations*". In making this assessment, the Directors have had to make certain judgements around the activities within the Copper Bay Group, the extent to which the current activities represent a process generating "outputs" from "inputs" and whether the value ascribed to the Copper Bay Group can be determined to be allocated across a number of areas of the entities or whether this value is concentrated into a single asset.

Following this assessment, the Directors have determined that the Copper Bay Group does not qualify as a business under IFRS 3 "*Business Combinations*" as there is minimal "*process*" or "*outputs*" given the Playa Verde Project has been held on a care and maintenance basis for a number of years, and given the effective complete concentration of the value ascribed to the Copper Bay Group to the single asset, being

the licence to extract and exploit the Playa Verde Project. Consequently, the Acquisition has been treated as an asset acquisition and not a business combination under IFRS 3 “*Business Combinations*”.

See note 17 for further details.

Going Concern

The Group Interim Financial Information has been prepared assuming the Group will continue as a going concern. The basis to which the Directors have formed this critical accounting judgement is further outlined in Note 2 “Material Accounting Policies” to the Group Interim Financial Information.

Determination of Discount Rates

Where settlement of the liability component of a compound financial instrument is deferred, the amounts payable in the future are discounted to their present value as at the date of initial recognition. The discount rate used is generally judged to be the Company’s incremental borrowing rate, being the rate at which a similar borrowing might be obtained from an independent financier under comparable terms and conditions; in other words, a similar liability (including any embedded nonequity derivative features) that does not have an associated equity component.

Recoverability of Carrying Value of Exploration and Evaluation Assets

The carrying amount of exploration & evaluation assets is tested for impairment annually and this process is considered to be key judgement along with determining whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

Exploration assets comprise exploration and evaluation costs, incurred on prospects at an exploratory stage. These costs include the cost of acquisition of rights to explore, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads, directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments. The most significant assumption for the Group is that exploration and evaluation work undertaken to develop the Playa Verde Project will ultimately lead to successful recovery of these costs through production or sale. The Directors believe that these costs are fully recoverable, based on information available as at the date of this document.

3. Earnings per share

The basic earnings/(loss) per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue. Diluted earnings/(loss) per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Parent by the weighted average number of shares in issue plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

	<i>6 months ended 30 June 2025 (unaudited)</i>	<i>6 months ended 30 June 2024 (unaudited)</i>
£ '000		
(Loss)/profit attributable to equity holders of the Parent company (£'000)	(442)	217
Weighted average number of ordinary shares in issue of £0.001*	<u>24,694,591</u>	<u>5,358,250</u>
Earnings per share (£)	<u><u>(0.02)</u></u>	<u><u>0.04</u></u>

* The weighted average number of ordinary shares used in the calculation of earnings per share has been retrospectively adjusted to reflect the 1-for-1,000 share consolidation completed on 7 January 2026, in accordance with IAS 33 *Earnings per Share*. As required by IAS 33, the number of shares used in the EPS calculation for the current and comparative periods has been presented as if the share consolidation had occurred at the beginning of the earliest period presented.

As there were no dilutive instruments in issue at the end of the period or comparative period no diluted earnings per share has been presented.

4. Administration expense

	6 months ended 30 June 2025 (unaudited)	6 months ended 30 June 2024 (unaudited)
£ '000		
Employee benefit (expense)/credit	199	(514)
Accounting	17	1
Audit	11	8
Legal & professional	3	28
Travel	1	–
Other	4	10
Total administrative expense/(credit)	235	(467)

* Employee benefit expenses in the comparative period represent a net credit due to the inclusion of £614,000 of write-backs of prior years Directors' fee accruals in the prior period.

Employee Benefit expense

	6 months ended 30 June 2025 (unaudited)	6 months ended 30 June 2024 (unaudited)
£ '000		
Directors' fees – current year 4	185	100
Directors' fees – write back of prior periods accrued salaries	–	(614)
Staff costs	14	–
Total	199	(514)

	6 months ended 30 June 2025 (unaudited)	6 months ended 30 June 2024 (unaudited)
Average number		
Executives/Directors	2	2
Administration	2	–
Total	4	2

5. Directors' Emoluments

	6 months ended 30 June 2025 (unaudited)	6 months ended 30 June 2024 (unaudited)
£ '000		
Frank Jackson	75	(151)
Andrew Dennan	75	(125)
Erick Pegiot-Ogier Pelagatti	35	–
Jay Bhattacharjee (resigned 27 January 2023)	–	(238)
Total	185	(514)

Directors' fees in the current period have been accrued, with no cash payments having been made in settlement of Directors' fees in the period (2024: £nil).

During the period retirement benefits were accruing to no Directors (2024: nil) in respect of defined contribution pension schemes.

There were no other related party transactions in the period ended 30 June 2025 (2024: £nil).

6. Finance Costs

<i>£ '000</i>	<i>6 months ended 30 June 2025 (unaudited)</i>	<i>6 months ended 30 June 2024 (unaudited)</i>
Interest expense	385	250
Fair value change on deferred consideration liability	123	–
Other finance costs	6	–
Total finance costs	514	250

In January 2024, the Group entered into a £750,000 convertible loan facility with MDB Partners SA, with £250,000 of the loan having been drawn down in the year. The loan attracts a 100 per cent. coupon on principal drawn down, matures 24 months following draw down of the facility and is convertible into Ordinary Shares at a price being the lower of 0.0025624 pence per Ordinary Share and the price at which the Company issues new Ordinary Shares to third parties to raise additional funding during the term of the loan, at the election of the noteholder.

In the six months ended 30 June 2025, further amounts were drawn on the convertible loan facility with a number of investors, totalling £375,000 and resulting in a further £375,000 in interest charges due to the 100 per cent. coupon on the facility.

On 31 March 2025, the Group incurred a deferred consideration payable liability associated with its acquisition of the Copper Bay Group (see note 17 for details). The face value of the liability of \$7.5 million was present valued on initial recognition based on the Directors' expectations of when this liability will come due for settlement, resulting in an initial recognition fair value of £3.55m. During the three months from initial recognition to the reporting date, this discount has been unwound by three months, resulting in a fair value charge of £123,000 in the current period.

7. Taxation

<i>£ '000</i>	<i>6 months ended 30 June 2025 (unaudited)</i>	<i>6 months ended 30 June 2024 (unaudited)</i>
Blended rate (UK/Chile)	20.3%	19%
(Loss)/profit for the period	(442)	217
Income tax at blended rate	(90)	41
Effect of disallowable expenses	23	2
Transferred to/from losses	66	(43)
Total tax	–	–

A deferred tax asset has not been recognised in respect tax losses due to uncertainty that the potential asset will be recovered. The value of the gross tax losses at 30 June 2025 was £40.1 million (2024: £41.1 million)

8. Exploration & evaluation assets

	<i>As at</i> 30 June 2025 <i>(unaudited)</i>	<i>As at</i> 31 December 2024 <i>(unaudited)</i>
£ '000		
b/f	–	–
Acquired in the period	3,620	–
Additions	58	–
Foreign exchange	(119)	–
c/f	<u>3,559</u>	<u>–</u>

9. Trade and Other Payables

	<i>As at</i> 30 June 2025 <i>(unaudited)</i>	<i>As at</i> 31 December 2024 <i>(audited)</i>
£ '000		
Trade payables	228	158
Accruals	497	345
Other Payables	1	–
	<u>726</u>	<u>503</u>

10. Non-current Liabilities

Deferred Consideration Liabilities

	<i>As at</i> 30 June 2025 <i>(unaudited)</i>	<i>As at</i> 31 December 2024 <i>(audited)</i>
£ '000		
Initial recognition	3,522	–
Unwinding of discount	123	–
Foreign exchange revaluation adjustment	(205)	–
c/f	<u>3,440</u>	<u>–</u>

On 31 March 2025, the Group incurred a deferred consideration payable liability associated with its acquisition of the Copper Bay Group (see note 17 for details). The face value of the liability of \$7.5m was present valued on initial recognition based on the Directors' expectations of when this liability will come due for settlement, resulting in an initial recognition fair value of £3.55m. During the three months from initial recognition to the reporting date, this time discount has been unwound by three months, resulting in a fair value charge of £123,000 and a gain on revaluation of the \$ value of the liability of £205,000 in the current period.

11. Cash Used in Operations

	<i>6 months ended 30 June 2025 (unaudited)</i>	<i>6 months ended 30 June 2024 (unaudited)</i>
£ '000		
(Loss)/profit before tax	(442)	217
Increase/(decrease) in trade and other payables	200	(643)
Increase in receivables	(42)	(14)
Foreign exchange	(310)	–
Finance costs	514	250
Cash flows used in operating activities	<u>(80)</u>	<u>(190)</u>

12. Ordinary Share Capital and Share Premium Account

The Company undertook a re-organisation of its share capital in October 2015 and again in year ended 30 June 2020. Under the Companies Act 2006, a company is unable to issue shares at a subscription price which is lower than the nominal value. Therefore, in order to raise additional funding, a reorganisation of the Company's share capital was performed. The reorganisation subdivided existing Ordinary Shares into new Ordinary Shares with a nominal value of £0.000001 and Deferred Shares with a nominal value of £0.009. The Deferred Shares, amongst other things, are not traded, do not receive dividends and do not have voting rights. The issuance of new Ordinary Shares will not require the issuance of Deferred Shares to new subscribers.

	<i>Ord Shares 0.0001p each</i>	<i>Deferred Shares 0.0999p each</i>	<i>Share Capital £ '000</i>	<i>Share Premium £ '000</i>
As at 1 January 2025 (audited)	<u>24,594,332,966</u>	<u>189,792,348</u>	<u>214</u>	<u>35,276</u>
Allotments – subscriptions	185,170,707	–	–	5
As at 30 June 2025 (unaudited)	<u>24,779,503,673</u>	<u>189,792,348</u>	<u>214</u>	<u>35,281</u>

During the period, 185,170,707 new Ordinary Shares were issued at a price of £0.00002808 per Ordinary Share, giving rise to £185 in additional Ordinary Share capital and £5,015 in additional share premium reserves. There were no Ordinary Shares issued in the comparative period ended 30 June 2024.

The weighted average number of Ordinary Shares in issue during the period was 24,694,591,139 (2024: 5,358,250,360).

As at 30 June 2025, there were no warrants relating to the Ordinary Share capital in issue (2024: nil).

13. Share-based payments

The Group recognised an expense relating to equity-settled share-based payment transactions of £nil during the period to 30 June 2025 (2024: £nil).

Details of movements in share options during the current and prior period are as follows:

	As at 30-June 25		As at 30-June 24	
	Number of share options thousand	Weighted average exercise price pence	Number of share options thousand	Weighted average exercise price pence
Outstanding at start of period (audited)	–	–	180,000,000	0.0625
Granted during the period	–	–	–	–
Lapsed during the period	–	–	(180,000,000)	(0.0625)
Exercised during the period	–	–	–	–
Outstanding at period end (unaudited)	–	–	–	–
Exercisable at period end (unaudited)	–	–	–	–

There were no share options outstanding at the period end (2024: nil).

There were no performance share plan options granted during the period ended 30 June 2025 (2024: nil).

14. Net debt

£ '000	YA Global	C4 Loan	CLN	Total
Balance 1 Jan 24 (audited)	(190)	(2,112)	–	(2,302)
Drawdown	–	–	(250)	(250)
Effective interest charge	–	(259)	(250)	(509)
Balance 30 June 24 (unaudited)	(190)	(2,371)	(500)	(3,061)
Balance 1 Jan 25 (audited)	(190)	–	(500)	(690)
Drawdown	–	–	(375)	(375)
Effective interest charge	(10)	–	(375)	(385)
Balance 30 June 2025 (unaudited)	(200)	–	(1,250)	(1,450)

In October 2019, Shard Capital Management Limited sold its interest in the Shard Loan to C4. Following the novation of the loan, the Group agreed refinancing terms with C4 and entered into a convertible loan note instrument resulting in the issuance of loan notes with a par value of £2,500,000. The notes are convertible into Ordinary Shares at a fixed price of 0.05p per Ordinary Share at the option of the lender, are freely transferable and repayable in full at the maturity date in October 2024. The notes are unsecured and carry a nil interest coupon.

In accordance with IAS 32, judgement is requirement when determining the classification of financial instruments in terms of liability or equity. These judgements include an assessment of whether the financial instrument includes any embedded derivative features, whether it includes contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party, and whether that obligation will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of Ordinary Shares.

Under the terms of accounting standard IAS 32, the C4 loan note instrument is assessed to be a non-derivative compound financial instrument and, as such, the Group is required to recognise separately the components of the financial instrument that (a) creates a financial liability and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity. In establishing the value of these components, an effective interest rate must be used. The value of the liability component is determined by

discounting the par value at the effective interest rate upon initial recognition. The discount rate used for this purpose has been assessed to be 25 per cent.. By reference, the cost of capital of the Shard loan was used as a start point in forming this judgement; a sensitivity of +/- 5 per cent. in the interest rate would result in a decrease/increase in the value of the liability component as at the reporting date of £146,000/£185,000 and an increase in the finance expense of £3,000/£2,000. The discount is then unwound over the remaining life of the loan. The value attributable to equity component represents the residual interest in the instrument upon initial recognition. Consequently, at the point of initial recognition, the sum of the carrying amounts assigned to the liability and equity components is always equal to the value of the instrument as a whole, namely £2,500,000.

On 8 December 2023, an agreement was entered into with the holders of the £2,500,000 convertible loan notes in issue at the reporting date. The parties agreed that the entire balance of £2,500,000 owing shall be settled in full through the issuance of 16,192,122,950 new Ordinary Shares on readmission of the Company and its Ordinary Shares to trading on AIM/LSE, subject to Shareholder approval at a general meeting. This agreement was subsequently amended following expiry of the terms such that the entirety of the principal of £2,500,000 was converted on 3 October 2024 into 17,712,227,064 new Ordinary Shares at an effective price of £0.00014 per Ordinary Share.

The Group also held a loan with YA Global. In March 2020, the Group reached a settlement agreement with YA Global regarding amounts owing to them upon satisfactory completion of a transaction constituting a reverse takeover. On 20 November 2025, the YA Global loan was fully converted into 1,786,156,922 Ordinary Shares at a conversion price of 0.0112 pence per Ordinary Share.

Settlement of the loan owed to C4 is considered a related party transaction by virtue of the entities having a common director.

On 12 January 2024, the Group entered into an agreement with various investors to raise up to £750,000 of funding for the purpose of working capital and Acquisition transaction costs, via the issuance of a convertible loan note maturing 24 months from the date of issue, bearing a coupon of 100 per cent. of principal payable on maturity and convertible on the earliest of the election of the noteholder or the execution of an Share Purchase Agreement for the acquisition of a suitable project as defined in the agreement, with such conversion resulting in the issuance of Ordinary Shares equating to 50 per cent. of the issued share capital of the Company at such time.

The funding under this agreement has made available to the Group in tranches, with the first tranche of £250,000 having been drawn on execution of the agreement in January 2024 and the second tranche of £375,000 having been drawn down in the period of report.

On 30 October 2025, the entirety of the convertible loan note principal and coupon of £1.25 million was fully converted into 49,782,391,508 Ordinary Shares at a conversion price of 0.00256 pence per Ordinary Share.

15. Financial Instruments

The Group's principal financial instruments comprise cash, trade and other receivables, trade and other payables and accruals and loan amounts owed, which are set out in the Statement of Financial Position. The carrying values of the Group's financial instruments approximate their fair values due to the short-term maturity and normal trade credit terms of these instruments.

Financial instruments issued by the Group are treated as equity only to the extent they meet the relevant conditions in accordance with IAS 32. Specifically, the Group's loan with C4 was the only such instrument issued by the Group (see Note 12). Credit risk and expected credit losses on receivables is considered negligible.

Credit risk on liquid funds is considered limited as the Group counterparty exposure is to a UK and international bank with an investment grade credit rating. Credit risk and expected credit losses on receivables is considered negligible. Liquidity risk implies maintaining sufficient funds to meet the Group's liabilities when they fall due. The Directors have been disciplined in managing the Group's cash and commitment positions actively engaging with creditors and advisors to ensure committed credit lines are

agreed and reasonable and through their regular review of the Group's cash flow projections. The exposure of financial instruments to liquidity risk is considered negligible.

16. Related party transactions

The C4 loan is considered to be a related party transaction by virtue of the entities having a common director. Full details of the transaction relating to this loan are given in Note 13.

17. Events subsequent to period end

On 20 November 2025, the YA Global loan was fully converted into 1,786,156,922 Ordinary Shares at a conversion price of 0.0112 pence per Ordinary Share (see note 13 for further details).

On 30 October 2025, the entirety of the convertible loan note principal and coupon of £1.25m was fully converted into 49,782,391,508 Ordinary Shares at a conversion price of 0.00256 pence per Ordinary Share (see note 13 for further details).

On 6 January 2026, the Company changed its name from Guardian Metals plc to Halo Minerals plc.

On 7 January 2026, the Company undertook a 1 for 1,000 share consolidation, with every 1,000 Ordinary Shares of 0.0001 pence each in issue on that date being replaced with a single Ordinary Share of 0.1 pence each. The share consolidation has had no impact on the level of share capital or share premium reserves in issue.

18. Acquisition of the Copper Bay Group

On 31 March 2025, the Company acquired a 100 per cent. interest in the shares of Copper Bay, a company incorporated in the UK and itself owning a 100 per cent. interest in the following subsidiaries:

<i>Entity</i>	<i>Registered office</i>	<i>Holding</i>	<i>Nature of business</i>
Copper Bay (UK)	85 Great Portland Street, First Floor, London, England, W1W 7LT	100%	Intermediate holding company
Copper Bay Chile	Ebro 2740, Oficina 603 Las Condes, Santiago, Chile	100% (99% direct, 1% indirect)	Chilean holding company
Playa Verde	Ebro 2740, Oficina 603, Las Condes, Santiago, Chile	100% (1% direct, 99% indirect)	Chilean operating company

The key asset within the acquired group is the Playa Verde Project in Chile.

Consideration for the Acquisition took the form of a deferred cash payable of US\$7.5 million, being payable in two equal tranches of \$3.75 million on the following two operation milestones having been met:

- 1 once an aggregate of 7.5 tonnes of copper has been produced from the project; and
- 2 once an aggregate of 15 tonnes of copper has been produced from the project;

The Directors have produced operational projections for the development and operation of the Playa Verde Project and have formed the assessment that these two milestones will be met in May 2028 and May 2029, respectively. Consequently, the recognition of this deferred consideration payable has been discounted at the point of acquisition, at a discount rate of 15 per cent., to arrive at a present value of \$4.56 million (£3.52 million) at the date of Acquisition.

Following assessment of the appropriate accounting treatment of the Acquisition, the Directors have determined that the Copper Bay Group does not meet the criteria of a business under IFRS 3 "Business Combinations" as it does not operate a "process" to produce "outputs" from a series of "inputs", having been effectively dormant on a "care-and-maintenance" footprint for a number of years. As such, the Acquisition has been determined to fall outside the scope of IFRS 3 "Business Combinations" and has been accounted for as an asset acquisition for consolidation.

The Acquisition date values of the assets acquired, liabilities assumed and consideration value transferred were as follows:

<i>£ '000</i>	<i>As at 31 March 2025 (unaudited)</i>
Mining properties	64
Exploration & evaluation assets	3,620
Trade & other receivables	2
Cash	26
Trade & other payables	<u>(13)</u>
Net assets acquired	<u>3,699</u>
Consideration paid	<u><u>3,699</u></u>

19. Nature of the Group Interim Financial Information

The Group Interim Financial Information presented above does not constitute statutory financial statements for the period under review.

Section C – Accountant’s Report on the Copper Bay Group Financial Information



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25 March 2026

The Directors
Halo Minerals Plc
First Floor
85 Great Portland Street
London W1W 7LT

The Partners
Cairn Financial Advisers LLP
Ninth Floor
107 Cheapside
London EC2V 6DN

Dear Sirs and Madams,

Introduction

We report on the audited, consolidated historical financial information of Copper Bay Limited and its wholly-owned subsidiaries, Copper Bay (UK) Limited, Copper Bay Chile spa and Minera Playa Verde SpA (together, the “**Copper Bay Group**”) for the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the three-month period ended 31 March 2025 (together, the “**Copper Bay Group Financial Information**”), as set out in Section D “*Copper Bay Group Financial Information*” of Part III “*Historical Financial Information*” of Halo Minerals Plc’s (the “**Company**”) admission document dated 25 March 2026 (the “**Admission Document**”).

Opinion

In our opinion, the Copper Bay Group Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Copper Bay Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 and of the results, cash flows and changes in equity for the periods then ended in accordance with UK-adopted international accounting standards (“**IFRS**”).

Responsibilities

The directors of the Company (the “**Directors**”) are responsible for preparing the Copper Bay Group Financial Information in accordance with the basis of preparation set out in note 2 to the Copper Bay Group Financial Information. It is our responsibility to form an opinion on the Copper Bay Group Financial Information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given

solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of preparation

The Copper Bay Group Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the Copper Bay Group Financial Information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of both the Company and the Copper Bay Group in accordance with relevant ethical requirements. In the United Kingdom this is the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Copper Bay Group Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the Copper Bay Group Financial Information and whether the accounting policies are appropriate to the Copper Bay Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Copper Bay Group Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Copper Bay Group to continue as a going concern for a period of at least twelve months from the date of the Admission Document. Accordingly, the use by the Directors of the going concern basis of accounting in the preparation of the Copper Bay Group Financial Information is appropriate.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that we have taken the information contained in this report is, to the best of our knowledge, in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

Section D – Copper Bay Group Financial Information

Statements of Financial Position

The audited consolidated Statements of Financial Position of the Copper Bay Group as at each of 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025 are set out below:

		<i>Audited</i> As at 31 March 2025 £'000	<i>Audited</i> As at 31 December 2024 £'000	<i>Audited</i> As at 31 December 2023 £'000	<i>Audited</i> As at 31 December 2022 £'000
Non-current Assets					
Mining properties		64	63	62	60
Exploration & evaluation assets	6	1,910	1,869	2,060	2,066
Total non-current assets		<u>1,974</u>	<u>1,932</u>	<u>2,122</u>	<u>2,126</u>
Current assets					
Trade & other receivables	7	2	2	2	2
Cash & cash equivalents		26	47	58	52
Total current assets		<u>28</u>	<u>49</u>	<u>60</u>	<u>54</u>
Total Assets		<u>2,002</u>	<u>1,981</u>	<u>2,182</u>	<u>2,180</u>
Current Liabilities					
Trade and other payables	8	21	27	75	40
Total current liabilities		<u>21</u>	<u>27</u>	<u>75</u>	<u>40</u>
Equity					
Ordinary share capital	9	27	27	27	27
Share premium	9	5,936	5,936	5,936	5,936
Capital contribution		940	919	729	453
Foreign exchange reserve		(820)	(848)	(622)	(424)
Accumulated deficit		(4,102)	(4,080)	(3,963)	(3,852)
Total Equity		<u>1,981</u>	<u>1,954</u>	<u>2,107</u>	<u>2,140</u>
Total Equity & Liabilities		<u><u>2,002</u></u>	<u><u>1,981</u></u>	<u><u>2,182</u></u>	<u><u>2,180</u></u>

Statements of Comprehensive Income

The audited consolidated Statements of Comprehensive Income of the Copper Bay Group for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and the three-month period ended 31 March 2025 are set out below:

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
Project costs	(6)	(15)	(22)	(49)
Administration costs	(15)	(102)	(89)	(94)
Loss from operations	<u>(21)</u>	<u>(117)</u>	<u>(111)</u>	<u>(143)</u>
Foreign exchange	(1)	–	–	–
Loss before taxation	<u>(22)</u>	<u>(117)</u>	<u>(111)</u>	<u>(143)</u>
Tax charge	–	–	–	–
Loss for the period	<u>(22)</u>	<u>(117)</u>	<u>(111)</u>	<u>(143)</u>
Other Comprehensive Income				
Foreign exchange on translation of overseas subsidiaries)	28	(226)	(198)	(428)
Total Other Comprehensive Income	<u>28</u>	<u>(226)</u>	<u>(198)</u>	<u>(428)</u>
Total Comprehensive Income	<u>6</u>	<u>(343)</u>	<u>(309)</u>	<u>(571)</u>
Earnings per share (pence)	(0.01)	(0.04)	(0.04)	(0.05)

Statement of Changes in Equity

The audited consolidated Statements of Changes in Equity of the Copper Bay Group for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and the three-month period ended 31 March 2025 are set out below:

	Ordinary share capital £'000	Share premium £'000	Capital contribution £'000	Foreign exchange reserve £'000	Accumulated deficit £'000	Total £'000
As at 1 January 2022 (audited)	27	5,936	294	4	(3,709)	2,552
Loss for the year	-	-	-	-	(143)	(143)
Exchange differences on translation of overseas subsidiaries	-	-	-	(428)	-	(428)
Total comprehensive income	-	-	-	(428)	(143)	(571)
Capital contribution	-	-	159	-	-	159
Total transactions with shareholders	-	-	159	-	-	159
Total movement in the year	-	-	159	(428)	(143)	(412)
As at 31 December 2022 (audited)	27	5,936	453	(424)	(3,852)	2,140
	Ordinary share capital £'000	Share premium £'000	Capital contribution £'000	Foreign exchange reserve £'000	Accumulated deficit £'000	Total £'000
As at 1 January 2023 (audited)	27	5,936	453	(424)	(3,852)	2,140
Loss for the year	-	-	-	-	(111)	(111)
Exchange differences on translation of overseas subsidiaries	-	-	-	(198)	-	(198)
Total comprehensive income	-	-	-	(198)	(111)	(309)
Capital contribution	-	-	276	-	-	276
Total transactions with shareholders	-	-	276	-	-	276
Total movement in the year	-	-	276	(198)	(111)	(33)
As at 31 December 2023 (audited)	27	5,936	729	(622)	(3,963)	2,107

	<i>Ordinary share capital £'000</i>	<i>Share premium £'000</i>	<i>Capital contribution £'000</i>	<i>Foreign exchange reserve £'000</i>	<i>Accumulated deficit £'000</i>	<i>Total £'000</i>
As at 1 January 2024 (audited)	27	5,936	729	(622)	(3,963)	2,107
Loss for the year	–	–	–	–	(117)	(117)
Exchange differences on translation of overseas subsidiaries	–	–	–	(226)	–	(226)
Total comprehensive income	–	–	–	(226)	(117)	(343)
Capital contribution	–	–	190	–	–	190
Total transactions with shareholders	–	–	190	–	–	190
Total movement in the year	–	–	190	(226)	(117)	(153)
As at 31 December 2024 (audited)	27	5,936	919	(848)	(4,080)	1,954

	<i>Ordinary share capital £'000</i>	<i>Share premium £'000</i>	<i>Capital contribution £'000</i>	<i>Foreign exchange reserve £'000</i>	<i>Accumulated deficit £'000</i>	<i>Total £'000</i>
As at 1 January 2025 (audited)	27	5,936	919	(848)	(4,080)	1,954
Loss for the period	–	–	–	–	(22)	(22)
Exchange differences on translation of overseas subsidiaries	–	–	–	28	–	28
Total comprehensive income	–	–	–	28	(22)	6
Capital contribution	–	–	21	–	–	21
Total transactions with shareholders	–	–	21	–	–	21
Total movement in the period	–	–	21	28	(22)	27
As at 31 March 2025 (audited)	27	5,936	940	(820)	(4,102)	1,981

Statement of Cash Flows

The audited consolidated Statements of Cash Flows of the Copper Bay Group for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and the three-month period ended 31 March 2025 are set out below:

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
Loss for the period	(22)	(117)	(111)	(143)
Foreign exchange	(4)	(7)	(39)	4
Cash outflows from operations	<u>(26)</u>	<u>(124)</u>	<u>(150)</u>	<u>(139)</u>
Cashflows from investing activities				
Payments for exploration & evaluation assets	(17)	(72)	(116)	–
Cash outflows from investing activities	<u>(17)</u>	<u>(72)</u>	<u>(116)</u>	<u>–</u>
Cashflows from financing activities				
Capital contributions received	21	190	276	159
Cash inflows from financing activities	<u>21</u>	<u>190</u>	<u>276</u>	<u>159</u>
Net cash (outflows)/inflows	<u>(22)</u>	<u>(6)</u>	<u>10</u>	<u>20</u>
Opening cash	47	58	52	28
Foreign exchange on translation of foreign currency	1	(5)	(4)	4
Closing cash	<u><u>26</u></u>	<u><u>47</u></u>	<u><u>58</u></u>	<u><u>52</u></u>

Notes to the Copper Bay Group Financial Information

1 Reporting Entity

Copper Bay was incorporated as a limited liability company under the CA 2006 on 29 September 2010. The registered office address is 85 Great Portland Street, First Floor, London, England, W1W 7LT and registered number is 07391255.

On 31 March 2025, Copper Bay ceased to be a 100 per cent. subsidiary of Central Asia Metals plc and became a 100 per cent. subsidiary of the Company.

Copper Bay owns shares in the following subsidiaries:

<i>Entity</i>	<i>Registered office</i>	<i>Holding</i>	<i>Nature of business</i>
Copper Bay (UK)	85 Great Portland Street, First Floor, London, England, W1W 7LT	100%	Intermediate holding company
Copper Bay Chile	Ebro 2740, Oficina 603 Las Condes, Santiago, Chile	100% (99% direct)	Chilean holding company
Playa Verde	Ebro 2740, Oficina 603, Las Condes, Santiago, Chile	100% (1% direct)	Chilean operating company

2 Basis of preparation, accounting policies and critical accounting judgements

The Copper Bay Group Financial Information has been prepared on a going concern basis in accordance with IFRS. It is presented in £'000, unless stated otherwise. The Copper Bay Group Financial Information has been prepared on the historical cost basis, except for certain financial instruments, which are carried as described in the respective sections in the policies below. The Copper Bay Group Financial Information includes a period of less than one year, being the three-month period ended 31 March 2025, due to the requirements of the AIM Rules for inclusion of historical financial information for the Copper Bay Group up to the date of Acquisition in this document.

The principal accounting policies adopted are set out below.

Going Concern

The Copper Bay Group Financial Information has been prepared on a going concern basis, noting the gross proceeds from the Placing of £4m. Based on the current management plan, the Directors believe that these funds are sufficient for the expenditure to date as well as the projected expenditure for at least the forthcoming 12 months.

New Standards, Amendments and Interpretations Not Yet Adopted

At the date of approval of the Copper Bay Group Financial Information, the following standards and interpretations, which have not been applied in the preparation of the Copper Bay Group Financial Information were in issue but not yet effective:

- Amendments to IFRS 9 Financial Instruments and IFRS 7 "*Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments*" – 1 January 2026;
- Annual Improvements to IFRS standards – Volume 11 – 1 January 2026;
- IFRS 18 "*Presentation and Disclosure in Financial Statements*" – 1 January 2027.

* Not yet endorsed in the UK.

The effect of these new and amended Standards and Interpretations, which are in issue but not yet mandatorily effective, is not expected to be material.

Standards Adopted Early by the Copper Bay Group

The Copper Bay Group has not adopted any standards or interpretations early in either the current or the preceding financial year.

Basis of Consolidation

The Copper Bay Group Financial Information incorporates the financial information of Copper Bay and entities controlled by Copper Bay, its subsidiaries, made up to 31 December 2022, 31 December 2023, 31 December 2024 and 31 March 2025.

Subsidiaries

Subsidiaries are entities over which Copper Bay has the power to govern the financial and operating policies so as to obtain economic benefits from their activities. Subsidiaries are consolidated from the date on which control is obtained, the acquisition date, until the date that control ceases. They are deconsolidated from the date on which control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between Copper Bay Group companies are eliminated on consolidation, except to the extent that intra-group losses indicate an impairment.

Summary of Material Accounting Policies

Foreign Currencies

The presentational currency of the Copper Bay Group is £. Each Copper Bay Group entity determines its own functional currency and items included in the Copper Bay Group Financial Information of each entity are measured using that functional currency. The majority of the Copper Bay Group's funding and capital raising activities are denominated in £, and the Directors consider this to be the currency that primarily influences the Copper Bay Group's financing activities and cash flows, giving rise to the choice of £ for the Copper Bay Group presentational currency.

The functional currency of the foreign subsidiaries are the CLP. The Copper Bay Group's operations in Chile are primarily conducted in CLP and \$.

Transactions in currencies, other than the functional currency of the relevant entity, are initially recorded at the exchange rate, prevailing on the dates of the transaction. At each reporting date, monetary assets and liabilities, that are denominated in foreign currencies, are retranslated at the exchange rate, prevailing at the reporting date. Non-monetary assets and liabilities, carried at fair value that are denominated in foreign currencies, are translated at the rates, prevailing at the date, when the fair value was determined. Gains and losses, arising on retranslation are included in profit or loss for the period, except for exchange differences on non-monetary assets and liabilities, which are recognised directly in other comprehensive income.

On consolidation, the assets and liabilities of the Copper Bay Group's overseas operations are translated into the Copper Bay Group's presentational currency at exchange rates, prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates have fluctuated significantly during the period, in which case, the exchange rate at the date of the transaction is used. All exchange differences arising, if any, are recognised as other comprehensive income and are transferred to the Copper Bay Group's foreign currency translation reserve.

Exploration Assets and Mineral Tenements

Exploration assets comprise exploration and evaluation costs, incurred on prospects at an exploratory stage. These costs include the cost of acquisition, exploration, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads, directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for impairments. Costs associated with an exploration activity will only be capitalised if, in the Directors' opinion, the results from that activity can be associated with finding a specific resource.

The Copper Bay Group adopts the "area of interest" method of accounting whereby all exploration and development costs, relating to an area of interest, are capitalised and carried forward until either abandoned

or an indicator of impairment is determined. In the event that an area of interest is abandoned, or if, following determination of an impairment indicator being present, the Directors consider the expenditure to be of no value, accumulated exploration costs are written off in the financial period in which the decision is made. All expenditure, incurred prior to approval of an application, is expensed, with the exception of refundable rent, which is raised as a receivable.

Upon disposal, the difference between the fair value of consideration receivable for exploration assets and the relevant cost within non-current assets is recognised in the Statement of Comprehensive Income.

Finance Income/Expense

Finance income and expense is recognised as interest accrues, using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period, using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts/re-payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

Financial Instruments

The Copper Bay Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Copper Bay Group's accounting policy for each category is as follows:

Amortised Cost

These assets comprise the types of financial assets, where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost, using the effective interest rate method, less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised, based on the simplified approach within IFRS 9, using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss, arising from default to determine the lifetime expected credit loss for the trade receivables. For the receivables, which are reported net, such provisions are recorded in a separate provision account, with the loss being recognised in the Statement of Comprehensive Income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions, for receivables from related parties and loans to related parties, are recognised based on a forward-looking expected credit loss model. The methodology, used to determine the amount of the provision, is based on whether there has been a significant increase in credit risk, since initial recognition of the financial asset. For those, where the credit risk has not increased significantly, since initial recognition of the financial asset, twelve month expected credit losses, along with gross interest income, are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses, along with interest income on a net basis, are recognised.

The Copper Bay Group's financial assets, measured at amortised cost, comprise other receivables and cash and cash equivalents in the Statement of Financial Position. Cash and cash equivalents include cash in hand and held in current bank accounts.

Financial Liabilities

The Copper Bay Group has a single class of financial liabilities; Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method.

Share Capital

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

Capital contribution

Capital contributions are recognised when the shareholders advance funds to the Copper Bay Group and waives the requirement for the group to repay a loan that was previously advanced.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting, provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors. The Copper Bay Group currently only has one primary reporting business segment, exploration and development in Chile. As the Directors monitor and assess the Copper Bay Group business as a whole, no segmental reporting information has been provided in the Copper Bay Group Financial Information.

Critical Accounting Judgements

Recoverability of Carrying Value of Exploration and Evaluation Assets

The carrying amount of exploration & evaluation assets is tested for impairment annually and this process is considered to be key judgement along with determining whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable.

Exploration assets comprise exploration and evaluation costs, incurred on prospects at an exploratory stage. These costs include the cost of acquisition of rights to explore, determination of recoverable reserves, economic feasibility studies and all technical and administrative overheads, directly associated with those projects. These costs are carried forward in the Statement of Financial Position as non-current intangible assets less provision for identified impairments. The most significant assumption for the Copper Bay Group is that exploration and evaluation work undertaken to develop the Playa Verde Project will ultimately lead to successful recovery of these costs through production or sale. The Directors believe that these costs are fully recoverable, based on information available at this time.

3 Operating loss

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
This is stated after charging:				
Auditor's remuneration				
– Copper Bay Group statutory audit services	–	10	2	2

Staff costs

The aggregate cost of staff and average number of employees in the period was as follows:

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
Total staff costs	<u>14</u>	<u>58</u>	<u>21</u>	<u>58</u>
Average number of employees	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

All employees in the years were administrative staff in the Copper Bay Group's Chilean subsidiaries. The Directors were not remunerated in any of the periods of report and so have not been included in the average number of employees in the period.

4 Taxation

a) Analysis of charge in the period

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
United Kingdom/Chile blended rate corporation tax 2025-2022 (13.5%; 12.1%; 11.9%; 24.2%)	-	-	-	-
Deferred taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

b) Factors affecting tax charge/(credit) for the period

The tax assessed on the loss for the period before tax differs from the small profits rate of corporation tax in the UK which is 19 per cent.. The differences are explained below:

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
Loss before tax	<u>(22)</u>	<u>(117)</u>	<u>(111)</u>	<u>(143)</u>
Loss multiplied by blended tax rate	(3)	(14)	(13)	(35)
Deferred tax assets not recognised	<u>3</u>	<u>14</u>	<u>13</u>	<u>35</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect tax losses due to uncertainty that the potential asset will be recovered. The value of the gross tax losses at 31 March 2025 was £4,756,000 (2024: £4,734,000; 2023: £4,617,000; 2022: £4,506,000)

5 Earnings per share

Audited period ended

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
Weighted average shares in issue	269,293,220	269,293,220	269,293,220	269,293,220
Loss for period (£'000)	<u>(22)</u>	<u>(117)</u>	<u>(111)</u>	<u>(143)</u>
Loss per share (pence)	<u><u>(0.008)</u></u>	<u><u>(0.043)</u></u>	<u><u>(0.041)</u></u>	<u><u>(0.053)</u></u>

Basic earnings per share is calculated by dividing the loss attributed to the Copper Bay shareholders in each period by the weighted average number of shares of in issue during the period. There were no potentially dilutive instruments in issue at each of the reporting dates therefore no fully diluted loss per share has been presented.

6 Exploration & evaluation assets

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
b/f	1,869	2,060	2,066	1,847
Additions in the period	11	24	151	1
Foreign exchange on translation to £	<u>30</u>	<u>(215)</u>	<u>(157)</u>	<u>218</u>
c/f	<u><u>1,910</u></u>	<u><u>1,869</u></u>	<u><u>2,060</u></u>	<u><u>2,066</u></u>

As all exploration and evaluation assets remain in the early, pre-production stages of the asset life cycle, no amortisation has been recorded in respect of these assets. All capitalised costs relate to the Copper Bay Group's intangible non-current assets held in Playa Verde, based in Chile.

7 Trade & other receivables

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
VAT/IVA receivable	96	93	94	90
VAT/IVA – Provision	(96)	(93)	(94)	(90)
Other receivables	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Total	<u><u>2</u></u>	<u><u>2</u></u>	<u><u>2</u></u>	<u><u>22</u></u>

VAT/IVA receivable relates to input VAT/IVA on supplies during the period. A 100 per cent. provision has been recognized in respect of these amounts as recovery of VAT/IVA incurred in Chilean operations is contingent on commencement of production and sales of recovered minerals, representing a taxable output allowing recovery of input taxes, and which cannot be certain at the current stage of development of the project.

8 Trade & other payables

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
Trade payables	8	11	38	27
Accruals	12	14	35	11
Other payables	1	2	2	2
Total	21	27	75	40

9 Share capital & reserves

<i>As at 31 March 2025 & 31 December 2024, 2023, 2022</i>	<i>Number of shares</i>	<i>Share capital £'000</i>	<i>Share premium £'000</i>	<i>Total £'000</i>
Allotted, called up and fully paid Ordinary shares of £0.0001	269,293,220	27	5,936	5,963

The following describes the nature and purpose of certain reserves within owners' equity:

Share premium	Amounts subscribed for share capital in excess of nominal value less costs of issue.
Capital contribution reserve	Amounts advanced from shareholders not associated with the subscription for shares but for which repayment obligations by the Company have been waived.

10 Capital commitments

As at the reporting dates, the Copper Bay Group had no capital commitments associated with its key asset, the Playa Verde Project, as this asset was on a care-and-maintenance program throughout the reporting periods.

11 Financial instruments

The Copper Bay Group's financial instruments comprise cash at bank, receivables and creditors. The Copper Bay Group has not entered into derivative transactions, nor does it trade financial instruments as a matter of policy.

Credit risk

The Copper Bay Group's credit risk arises primarily from cash at bank and other receivables, and the risk the counterparty fails to discharge its obligations.

The Copper Bay Group holds the majority of its cash with Santander Bank in Chile, whose credit rating is A2 (Moody's).

Liquidity risk

Liquidity risk arises from the management of cash funds and working capital. The risk is that the Copper Bay Group will fail to meet its financial obligations as they fall due. The Copper Bay Group operates within the constraints of available funds and cash flow projections are produced and regularly reviewed by management. Liquidity risk is not considered material to the Copper Bay Group due to the limited expenditure during the reporting periods and funding support made available by the Copper Bay Group's then parent company, Central Asia Metals PLC. All liabilities within the Copper Bay Group were current and due within three months at each reporting date.

Interest rate risk profile of financial assets

The only financial assets (other than short term receivables) are cash at bank, which comprises money at call. The interest earned in the period was negligible. The Directors believe the fair value of the financial instruments is not materially different to the book value.

Foreign currency risk

The Copper Bay Group incurs costs denominated in foreign currencies (including CLP and \$) which gives rise to short term exchange risk. The Copper Bay Group does not currently hedge against these exposures as they are deemed operationally immaterial given the current status of the Copper Bay Group in the development cycle of the Playa Verde Project.

Market risk

The underlying value of the Copper Bay Group's assets is exposed to the spot price in the relevant commodities, notably copper. As the Copper Bay Group is not currently in production it has no current exposure to market risk. However, as the recoverability of the Copper Bay Group's exploration and evaluation assets at the reporting dates remains reliant on future production of mineral resources, the Copper Bay Group's intangible assets remain exposed to commodity price risks as regards the future price of copper.

Categories of financial instrument

	<i>Audited period ended 31 March 2025 £'000</i>	<i>Audited year ended 31 December 2024 £'000</i>	<i>Audited year ended 31 December 2023 £'000</i>	<i>Audited year ended 31 December 2022 £'000</i>
Financial assets				
Held at amortised cost:				
Trade and other receivables	2	2	2	2
Cash at bank	26	47	58	52
	<u>28</u>	<u>49</u>	<u>60</u>	<u>54</u>
Financial liabilities				
Trade creditors	8	11	38	27
Other creditors	1	2	2	2
	<u>9</u>	<u>13</u>	<u>40</u>	<u>29</u>

12 Capital Management

The Directors' objective when managing the Copper Bay Group's capital is to safeguard the Copper Bay Group's ability to continue as a going concern and develop its mining and exploration activities to provide returns for shareholders. The Copper Bay Group's funding to date has been comprised of equity. The Directors consider the Copper Bay Group's capital and reserves to be capital. When considering the future capital requirements of the Copper Bay Group and the potential to fund specific project development via debt, the Directors consider the risk characteristics of all the underlying assets in assessing the optimal capital structure. The Copper Bay Group does not have any regulatory or licence related expenditure obligations.

13 Related Party Transactions

The Copper Bay Group does not remunerate its Directors, who represent the Key Management and Personnel of the Copper Bay Group. Consequently, there have been no related party transactions during any of the periods of report in the Copper Bay Group Financial Information.

14 Events After the Reporting Date

There were no events subsequent to 31 March 2025 that require disclosure in the Copper Bay Group Financial Information.

15 Nature of the Copper Bay Group Financial Information

The Copper Bay Group Financial Information presented above does not constitute statutory financial statements for the periods under review.

PART IV
COMPETENT PERSON'S REPORT

COMPETENT PERSON REPORT ON

THE MINERAL ASSETS OF HALO MINERALS PLC

Atacama Region, Chile South America

Prepared for Halo Minerals PLC



EMI-Ingenieros y Consultores S.A, February 12, 2026

COMPETENT PERSON REPORT ON THE MINERAL ASSETS OF HALO MINERALS PLC

Atacama Region, Chile, South America

Prepared for:

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CUBE Site Visit Photographs, August 2015

1. Executive summary

EMI Ingenieros y Consultores S.A. (**EMI-S.A.**) was contracted by Halo Minerals PLC (**Halo**) to prepare a Competent Person Report (**CPR**) on the company's mining assets, specifically the Playa Verde Copper Tailings Project (**Playa Verde Project**), located off the coast of Chañaral in the Atacama Region and approximately 900 km north of Santiago.

Halo (through its wholly owned indirect subsidiary) owns these assets, which constitute a strategic copper recovery project from metal rich historic tailings.

For its part, EMI-S.A., a Chilean consulting firm specialising in mining engineering, contributes its experience in basic engineering, pre-feasibility and feasibility studies, as well as in the preparation of reports and audits of resources and reserves, under international standards aligned with CRIRSCO.¹

Scope of work

The scope of work agreed with the Company consisted of the preparation of a Competent Person Report (CPR) for inclusion in the Company's Admission Document for seeking admission to AIM. To this end, two main tasks were carried out:

- Technical audit of the Mineral Resources Report prepared by Cube Consulting under the JORC Code (2012).
- Technical and regulatory review of the Mine Planning Reports prepared by the same consulting firm.

The main objective was to validate the safety, integrity and technical compliance of the Mineral Resources Report in accordance with the JORC standard, and in parallel, to evaluate the methodological quality and regulatory compliance of the mine planning, ensuring its consistency and usefulness as a strategic management tool for the Company.

Development of the work

EMI Ingenieros y Consultores S.A. conducted a review and extraction of information from various technical reports previously prepared by Wardell Armstrong (**WAI**), Cube Consulting Pty Ltd (**CUBE**) and Copper Bay Ltd (**Copper Bay**), the latter being a wholly owned subsidiary of Halo and responsible, through its Chilean subsidiaries, for the development of the Playa Verde Project. This compilation and analysis of background information constitute the documentary and technical basis on which the Competent Person Report is based, ensuring methodological continuity and institutional support in the characterisation of the project. The project was optimised in 2017 and later updated by Copper Bay in economic terms. EMI S.A. used this latest information as the basis for the economic analysis and updated it to the year 2025.

This Competent Person Report depends on technical, financial and legal information. In this regard, and unless expressly indicated otherwise, the data provided by Halo has been accepted in good faith by EMI-SA and have not been independently verified by recalculation. However, EMI-SA has carried out an exhaustive review of all relevant aspects that could influence the Mining Assets declared by Halo and has reported this in the present CPR when the case warrants it.

The geological information of the Playa Verde Project is based on historical documents and interpretation work carried out by field geologists during the years 2014, 2015 and 2016. The deposit corresponds to an accumulation of fine tailings with copper content, in a beach and subtidal zone

¹ CRIRSCO is the international reference framework that ensures that mineral resource and reserve reports are comparable, reliable and accepted in global financial markets. For Chile, by law of the Republic, the **Mining Commission** is the body that has represented the country within CRIRSCO since 2008.

environment, caused by the continuous discharge of material from the Salado River to Chañaral Bay for approximately 40 years, until 1975.

Halo, through Minera Playa Verde Ltda (**MPV**) which is 100% indirectly owned by Halo, currently holds six mining licenses totalling 13.57 km². According to current Chilean legislation, its validity is indefinite as long as the licenses are kept up to date (i.e., the owner complies with all legal requirements, including the payment of annual fees).

This Competent Person Report has been prepared under the direction of a Competent Person (**CP**) as defined in the 2012 edition of the Australian Code for the Statement of Results of Exploration, Mineral Resources and Ore Reserves ("**JORC standard**"), published by the Joint Ore Reserves Committee in 2012.

The report has been prepared in strict compliance with the topics and contents established in the AIM Guide for Mining, Oil and Gas Companies (June 2009), a regulation that constitutes an integral part of the AIM Rules applicable to companies in the process of admission to AIM (AIM Market of the London Stock Exchange LSE).

This alignment ensures that the document complies with international standards of transparency, consistency and materiality, guaranteeing its validity as technical and regulatory support within the process of admitting Halo's shares to trading on the AIM Market of the London Stock Exchange.

Type of site and origin

The deposit corresponds to an anthropogenic deposit of tailings containing copper and other minor elements, deposited continuously for 70 years.

The origin of these tailings deposited in Chañaral Bay is linked to the exploitation and subsequent beneficiation operations in the concentration plant of the **Potrerillos** (1926–1939) and later **El Salvador** (1939–1989) deposits, located approximately east of the coastline. Its composition reflects the mineralogical characteristics of these deposits: in Potrerillos, hypogenous events of potassium and propylitic alteration with the presence of feldspars, biotite, quartz and sulphides such as chalcopyrite, bornite and molybdenite; in El Salvador, mineralisation associated with a porphyry copper primary sulphides mainly chalcopyrite and secondary sulphides, including chalcocite and covellite.

During these periods, the management of mining waste² was carried out with much less stringent standards than today. Initially between 1938–1973, under the operation of the American company **Andes Mining Company**, and later between 1973-1978 under the Chilean state owned company **Codelco**, the tailings were discharged directly into the Salado River and transported 120 km downstream and accumulated into the bay of Chañaral, generating a sedimentary plume that expanded from the discharge point north of the municipality of the city of Chañaral.

Since the 1970s, several drilling campaigns have been carried out on the beach and bay of Chañaral, aimed at characterising the coastal tailings deposits. The first initiative was led in 1972 by BRGM (French Bureau of Geological and Mining Research), using the Banka drilling method which is designed for alluvial soils with the presence of water and loose sand. This campaign included 86 drill holes, with a total of 897 meters drilled, distributed in 19 east-west sections spaced every 250 meters, constituting the first systematic database of information on tailings in the area. In 2014 MPV commissioned a first campaign of 136 drillings and then in 2015 commissioned an additional

² Vergara, A., Ph.D. History, California State University Los Angeles, (2011), "IF THE RIVER SOUNDS IT IS BECAUSE IT IS CARRYING ROCKS": COPPER TAILINGS IN THE BAY OF CHAÑARAL, 1938-1990, <http://dx.doi.org/10.4067/S0719-12432011000200005>

campaign of 37 drillings on the beach, reaffirming the use of the SONIC methodology. The mineral deposit of Playa Verde has been recognised over a length parallel to the coastline of approximately 5,000 m and a width of 900 m. Tailings outcrop at the surface and extend to depths between 0.2 m and 18.0 m, with an average of 9.50 m.

Exploration

The exploration is based on a set of drilling campaigns carried out in different historical stages, which have provided key technical information on the characterisation of coastal and marine tailings. These works, carried out by specialised institutions and companies between 1972 and 2015, constitute the geological and operational database that supports the validity of the estimated resources, reflecting the methodological evolution from the first systematic surveys to the application of modern drilling and quality control techniques.

In 2008, the company PuCobre³ commissioned IEG to carry out a bathymetric survey in the bay, in order to measure the depth of the seabed and estimate the volume of sediments deposited. Subsequently, PUCOBRE executed a drilling campaign that included 44 holes on the beach (433 m) and 37 holes in the bay, although there are no detailed records of the sampling methodology applied. In 2014, the SUPEREX⁴ company implemented a program of 136 drill holes using the SONIC drilling technique, a rotational-vibratory methodology that combines rotation, thrust and high-frequency oscillation, allowing continuous drilling and greater efficiency in unconsolidated materials.

Sampling

The total number of samples usable in the 2014-2015 campaigns reaches 1,285 samples representing 1,623.5 m of drilling. As mentioned in the previous paragraphs, these two campaigns fully comply with the control of assurance of the handling of samples and control of the grades obtained from the laboratory (QA/QC)⁵.

The total samples used in the resource estimate was 2612 samples representing 2,929.7 m of drill holes. Of this total, 55.4% of the samples are from the campaigns carried out by BRGM and PuCobre in 1972 and 2008. These campaigns do not have QA/QC.

Mineral Resource Estimation

The Mineral Resources estimate was developed by CUBE in 2016, under the guidelines of the JORC Code (2012).

Regarding the methodology for estimating grades in Cu, interpolation of grades was applied by means of Ordinary Kriging (OK), complemented with an Inverse Squared Distance (ID2) control estimation. The mineral resource estimate of the Playa Verde Project has demonstrated sufficient geological and copper grade continuity, supporting its definition as a Mineral Resource.

The technical report updated by CUBE presents in detail the procedures carried out in the resource estimation process, and its results consolidate the information obtained in drilling, modelling and validation campaigns, and allow the categories of Measured, Indicated and Inferred to be established with confidence according to the quality and density of the data.

³ Sociedad Punta del Cobre S.A is a Chilean medium-sized mining company, specialised in the exploration, extraction and processing of copper in the Atacama Region, Chile,

⁴ Superex S.A., a Chilean mining drilling company, founded in 2008. In 2015, an additional campaign of 37 holes was developed on the beach, reaffirming the use of the SONIC methodology and applying standardised drilling, sampling and quality control practices.

⁵ Quality assurance and control (QA/QC) correspond to the set of technical, methodological and administrative procedures aimed at ensuring that the data obtained in drilling, sampling and laboratory analysis are reliable and reproducible. Ensures the validity and credibility of the data,

The Reported Mineral Resources for the Playa Verde Copper Deposit amount to 53.44 million tonnes with an average grade of 0.24%Cu. This tonnage includes mining reserves.

Estimation of Mineral Reserves

The determination of mining reserves was based on a carefully integrated set of technical and economic backgrounds. First, the block model was considered, prepared from the estimation of mineral resources, which constitutes the geological and quantitative basis of the analysis. Added to this input was the topography of the sector, which is essential to accurately define the physical limits of the ore bodies and the conditions of exploitation.

Likewise, information on operational costs and sales prices of the products was incorporated, factors that allow the economic viability of the project to be evaluated under different market scenarios. In parallel, the metallurgical processing methods planned for the ore were analysed, ensuring that the technical characteristics of the deposit correspond to efficient and reproducible processes. Finally, the marketing aspects of the product were integrated, considering both the placement in the destination markets and the associated contractual and logistical conditions.

Bulk density

The bulk density assigned in the August 2016 Chañaral block model has been updated based on new data from the 2016 test results conducted by IDIEM⁶. The values used are consolidated tailings material 1.54 tonnes/m³; beach material underlying the deposit 1.50 tonne/m³.

Metallurgical Recovery

MPV developed a carbonate-dependent recovery formula and differentiated acid consumptions and leaching/flotation ratios by domains and depth, ensuring a more realistic model for the estimation of recoverable resources in the Playa Verde Project.

Ore Processing

The metallurgical testing program was designed with the goal of maximising copper extraction from tailings, generating marketable products and environmentally safe waste that allows for the rehabilitation of the current beach. To achieve this, a hybrid process was developed that combines flotation and leaching technologies, taking advantage of each method according to the predominant mineralogy.

The basic process concept for the Playa Verde Project was developed within the framework of the Pre-Feasibility Study (PFS). At the time of the deposition of the tailings in the bay, the remaining copper was mainly in the form of sulphides, almost exclusively as chalcopyrite. However, over the years, weathering and oxidation processes have transformed approximately 60% of copper into acid-soluble oxides and chlorides, according to tests carried out by MPV.

From a metallurgical point of view, copper sulphides respond efficiently to concentration by froth flotation but show low recovery by acid leaching. In contrast, copper oxides and chlorides exhibit an inverse behaviour: low flotation efficiency, but high solubility and recovery by leaching.

Extraction of the ore

The extraction of the ore (tailings) will be done through dredging. The design leans into the non-cohesive nature of tailings, allowing passive excavation with an electric dredging wheel. The multi-lane pond configuration ensures stability, efficiency and operational continuity, although it implies the

⁶ IDIEM Centre for Research, Development and Innovation of Structures and Materials, an entity dependent on the University of Chile that is dedicated to research, quality control and innovation in the field of construction, mining and engineering. Founded in 1898.

need for dividing berms that carry risks of ore loss or dilution. The final scheme achieves a balance between technical feasibility, extraction efficiency and control of operating costs.

The company IHC⁷ was contracted by Copper Bay to evaluate the feasibility and operational parameters of the recovery of tailings by dredging in Chañaral Bay.

The design of the dredging is based on key factors: material cohesion, excavation tool, dredging depth, equipment manoeuvrability and selectivity of extraction.

Production Program

CUBE prepared a dredging production program based on the total resources contained in the final design of the dredging pond. The program was developed using the MineSight® Strategic Schedule Optimiser (MSSO).

The program was developed considering a consolidated copper tailings extraction of 5.0 million tonnes per year (5.0 Mtpa). The initial position and direction of the dredging were determined in the initial stage of this study using the previously calculated net value attribute for the blocks of the Block Model. According to this plan which only considers the resource on the beach (to the east of the western berm and shoreline area), there is ore to feed the processing plant for 7 years and obtain 79,359 tonnes of fine copper at the end of its useful life. It is planned that the reprocessed tailings produced by the processing plant will be deposited back into the dredged pond behind the dredging operation. It is estimated that approximately 0.65 Mt of the total 2.5 Mt will have to be bull dozed before the start of dredging (pre-stripping).

Table 1. Production Program

Item	Unit	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Total
Copper Bay Licence Area									
Dredge Production	Mm ³	3.2	3.2	3.2	3.2	3.2	3.2	2.8	22.2
Dredge Production	Mt	4.9	5.0	5.0	5.0	5.0	5.0	4.3	34.2
Feed Grade Cu	%	0.25	0.21	0.23	0.25	0.26	0.25	0.23	0.24

The initial mine plan tonnage for the Playa Verde Copper Deposit amount to 34.20 million tonnes with an average grade of 0.25 %Cu. It is clarified that the 34.2 million tonnes refers to production (material extracted) and includes the majority of the Ore Reserves and 2.6 million tonnes of Inferred Resources. From a Mineral Reserve reporting perspective, these Inferred Resources are not declared as such and are deducted from the Mineral Reserves, applying a conservative approach and in accordance with the JORC Code.

Mineral Resources and Mineral Reserves Statement

Summary of Mineral Reserves and Mineral Resources of the Playa Verde Project, in AIM format.

⁷ Mining Advisory Services (IHC) refers to IHC Mining, the mining division of the Dutch engineering giant Royal IHC, offering integrated equipment, services, and consultancy for all mining lifecycle stages, focusing on sustainable solutions like dredge mining, tailings management.

Table 2. Summary of Reserves and Resources by Categorisation (AIM format)

Appendix 3 – SUMMARY OF RESERVES AND RESOURCES BY STATUS
Minerals & Ore

Category	Gross			Net			Operator
	Tonnes (millions)	Grade (%Cu)	Contained metal (tons)	Tonnes (millions)	Grade (%Cu)	Contained metal (tons)	
Ore Reserves per asset							Minera Playa Verde Ltda.
Proved	10.40	0.26	26,609	10.40	0.26	26,609	
Probable	21.80	0.24	52,750	21.80	0.24	52,750	
Sub-total	32.20	0.25	79,359	32.20	0.25	79,359	
Mineral Resources per asset							Minera Playa Verde Ltda.
Measured + Indicated	6.84	0.23	15,800	6.84	0.23	15,800	
Inferred	14.40	0.23	32,400	14.40	0.23	32,400	
Sub-total	21.24	0.23	48,200	21.24	0.23	48,200	
Total	53.44	0.24	125,820	53.44	0.24	125,820	Minera Playa Verde Ltda.

Source: the previous estimates, considered competent
Notes: Operator: name of the company that operates the asset.
Gross: refers to 100% of the reserves and/or resources attributable to the license.
Net: refers to the reserves and/or resources attributable to the Company.
No equivalent metal laws are accepted and they must not be used in the reports.

Resource and Reserve Growth Potential

The August 2016 mineral resource estimate for Chañaral covers the beach area only, but there is significant potential for augmentation through the future incorporation of mineralised material in the surf and bay zones, subject to regulatory approvals from the Chilean government.

Analysis of 2008 subsea drilling data and bathymetric modelling were not part of the scope of the 2016 model. However, the WAI report (2014) includes a summary of the "potential" estimate made by NCL Ingeniería y Construcción S.A. in July 2008, which considered the Bay, Surf-zone and Beach areas.

The potential for resource growth at Chañaral lies in the future incorporation of the submarine zones (Bay and Surf-zone), where previous estimates suggest significant volumes of mineralised tailings, which could be 200% of the current mineral resource base if confirmed by further exploration and sampling campaigns.

Economic evaluation

The economic valuation of the project was carried out in 2016 by Copper Bay⁸ and is based on defined assumptions of sales prices (constant or projected), applicable exchange rate, time horizon and discount rate. On this basis, the copper marketing strategy is articulated in two complementary lines: concentrates and grade A electrolytic cathodes, each with differentiated market dynamics and requirements.

In the case of concentrates, the model is based on contracts with international smelters, mainly in Asia and Europe, with prices referenced in LME/COMEX and adjusted by metal content, treatment and refining charges, impurity penalties, and logistics costs. This scheme, although more exposed to the volatility of smelter charges, ensures immediate liquidity and customer diversification.

⁸ Copper Bay, (2016), *Definitive Feasibility Study Report Chañaral Bay Copper Tailings Project*

On the other hand, grade A cathodes, with a purity of 99.99%, are marketed through spot or long-term contracts, with international prices adjusted by logistics or quality premiums. This model provides direct access to end consumers, stability in margins and positioning in premium markets, although it requires greater investments in refining and certifications.

The comprehensive strategy combines both approaches: the sale of concentrates guarantees cash flow and risk diversification, while the production of cathodes maximises added value and strengthens competitiveness. The model also incorporates financial hedging instruments (futures and options in LME/COMEX) and a balanced contractual policy between spot operations and long-term agreements.

Key assumptions—international prices, contractual deductions, production volumes, logistics costs, customer structure, and regulatory stability—form the basis of economic viability and any sensitivity analysis or financial projection

The main assumptions used in the DFS study of the Playa Verde Project are:

- constant selling prices: 5.30 US\$/Lb Cu; 4,300 US\$/oz Au
- Time horizon: 7 years
- Discount rate used in valuations: 10% per year
- Marketing Strategy

Capital and operating costs

The cost of capital (CAPEX) estimate is based on quotes provided by Propipe in relation to the processing plant and certain aspects of the Beach Infrastructure and provided by IHC in relation to the dredging operation. The estimated capital cost is US\$ 86.8 million.

Operating costs (OPEX) include fixed costs related to the labour required for the operation of the plant and extraction (drainage), variable costs, which depend on the level of operation and treatment used in the plant and are related to electric and diesel power, other consumables and maintenance, and marketing. Propipe⁹ has provided detailed estimates of the OPEX in relation to processing, and IHC in relation to the dredging operation. The estimated operating cost of the Playa Verde Project is estimated at US\$2.19 / lb Cu produced and marketed.

Net Present Value and Internal Rate of Return

Within the framework of the economic analysis of the project, a NPV₁₀ of US\$ 164.1 million after taxes and an IRR of 51.4% were estimated.

The exercise is based on the following main assumptions:

- Total Mineral Resources: 34,821,000 tonnes.
- Copper content: 83,790 tonnes.
- Total copper production: 60,329 tonnes.
- Project lifespan: 7 years.
- Material dredged to full production: 5 million tonnes per year.
- Copper production at full capacity: 8,640 tonnes per year.
- Copper price: US\$5.30 per pound.

Considering only the Ore Reserves declared in this CPR (32.2 million tonnes @ 0.25% Cu, see Table N°2), the project's financial results indicate a Net Present Value at a 10% discount (NPV₁₀) of US\$154.1 million and an Internal Rate of Return (IRR) of 50.9%.

⁹ ProPipe is a Chilean multidisciplinary engineering company, founded more than 20 years, which specialises in the mining and industrial sector, offering comprehensive solutions for pipeline projects

Conclusions and recommendation

The Playa Verde Project is a low-grade (but commercial and commensurate grades for tailing projects) historic copper tailings deposit, with current legal ownership and institutional backing. Its dimensions and mineralogy reflect a significant volume of coastal and subtidal tailings, originating from former operations of Andes Mining Company and Codelco. The database of 2,611 samples, with QA/QC protocols in recent campaigns, validates the resource estimate made under the JORC Code (2012), confirming geological continuity and copper grades sufficient to sustain its mining potential.

It presents a solid base of mineral resources and reserves, supported by technical, metallurgical and economic studies under the JORC Code. With 34.20 Mt of initial mineable reserves and resources and a production plan of 5 Mt/year for 7 years, the Playa Verde Project ensures operational continuity and potential for future expansion. The diversified marketing strategy and financial results – CAPEX of US\$ 86.8 million, production total costs US\$ 2.19/lb, NPV10 of US\$164.1 million and IRR of 51.4% – confirm the technical and economic feasibility of the deposit. If only the Ore Reserves declared in this CPR are considered, the project's financial results indicate a NPV10 of US\$154.1 million and an IRR of 50.9%, consolidating its attractiveness for investors and its viability in the international copper market.

EMI-S.A.'s review confirms the validity of the mineral resource estimates from the Playa Verde Project, although it identifies opportunities for improvement in the exclusive use of QA/QC drill holes and in the transparency of geological modelling. It is recommended in the production program to break down reserves by category, advance in exploration of the surrounding areas of surf and bay area and update economic and financial assumptions.

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3. Introduction

This CPR has been prepared under the direction of a CP as defined in the 2012 edition of the Australian Code for the Statement of Results of Exploration, Mineral Resources and Ore Reserves ("JORC standard"), published by the Joint Ore Reserves Committee in 2012.

The report has been prepared in strict compliance with the topics and contents established in the AIM Guide for Mining, Oil and Gas Companies (June 2009), a regulation that constitutes an integral part of the AIM Rules applicable to companies in the process of admission to trading on AIM.

3.1 Sources and information bases CPR report

This section provides a detailed explanation of the sources of all information on which this CPR is based. It outlines the origin, nature, and quality of the datasets supplied by Halo, as well as any supplementary technical, operational, or commercial information reviewed by EMI-S.A. for the purposes of this assessment. The objective is to ensure full transparency regarding the inputs used in the preparation of the CPR and to establish the basis upon which the CP's conclusions and opinions have been formed.

3.1.1 Sources of information

This CPR is based on the information provided by Copper Bay. Unless expressly stated otherwise, EMI-SA has accepted such data in good faith and has not independently verified it by recalculation. However, and in order to reasonably assess the reliability and relevance of the information for the valuation of Halo's Assets, EMI-S.A. has carried out an exhaustive technical review and evaluation that covered, among others, the following aspects:

1. Meetings with members of Halo's Board of Directors.
2. Review of technical reports prepared by:
 - Cube Consulting Pty Ltd. (2016), Mineral Resources Estimate Report, Chañaral Bay Copper Project, Chañaral Chile
 - Cube Consulting Pty Ltd. (2016), Mining Engineering Study, Chañaral Bay Copper Project, Chañaral Chile.
 - Copper Bay, (2016), Definitive Feasibility Study Report Chañaral Bay Copper Tailings Project.
 - Wardell Armstrong International (WAI) (2014), Copper Bay PLC Maiden Mineral Resource Estimate Report of the Chañaral Copper Project, Chile.
 - IHC (2016) Final Geo report.
 - London Stock Exchange (2009) AIM Note for Mining, Oil and Gas Companies.
 - AusIMM (2012), The JORC Code Australasian Code for Reporting Exploration Results.
 - 5.6 CAML Board Presentation May 2017 FINAL.pptx
3. Excel spreadsheets, drilling database and economic evaluation:
 - Sonic_Collars_SAD56 Coordinates_MPV_2014.xlsx
 - Sonic_Assays&Weights_MPV_2014.xlsx
 - Sonic Drills Dips_MPV_2014.xlsx
 - Twins Drillholes.xlsx
 - Data Base-DH Campaign Necklace 2015.xlsx
 - Lab Data_CuT&CuSol_2 MPV.xls
 - Appendix 19 - DFS Base Case Financial Model.xlsm

- 5.3.8 Overall CAPEX summary May 17 v2.xlsx
- 5.4.1 DFS Base Case Financial Model May 2017.xlsm

3.1.2 Site visits

EMI-SA has considered not including a visit to the Playa Verde site in the framework of this report. This decision is based on the fact that the aspects of reliability, transparency and materiality that govern the operation and application of the JORC Code were previously verified by consultants WAI and Cube Consulting, through mineral resource reports prepared under the JORC standard. These studies are considered sufficient to support the validity and reliability of the reported resources.

In addition, at the time of issuance of this report, there are no precedents that indicate relevant changes in the physical conditions of the deposit and the technical economic considerations that could significantly affect the public perception or value of the mineral occurrence in the estimation of the resources and reserves declared in the 2016 JORC report and in this report.

Previous visits

In December 2016, Mr. Brian Fitzpatrick BSc (Geology), MAusIMM (CP), Senior Consulting Geologist of the Cube company, made a visit to the site, as part of the mineral resource estimation work and with the objective of inspecting the Chañaral beach area and the main exploration facilities.

In September 2014, Mr. Mark Kenwright, BSc, MSc (MCSM) WAI employee conducted a site visit over two days, covering aspects related to access and infrastructure, geology, exploration, mineralogy and process. Mr. Kenwright was accompanied throughout the visit by Mr. Juan H. Pastén, representative of Copper Bay. On the property, WAI inspected the surface of tailings in Chañaral Bay, where copper oxide mineralisation is observed, as well as drilling, core logging and sampling activities.

Between the 4th and 9th of May 2011, a site visit was conducted by WAI, conducted by Mr. Osmond and Dr. Whitbread-Abrutat. There is no information on the work carried out.

3.1.3 Deposit and drill hole data

Table 3 presents a summary of the drilling carried out covering the beach area and part of Chañaral -Bay throughout the history of the project. In total, 356 boreholes have been drilled on the beach. In addition, a further 71 drill holes have been carried out in the near-shore area using different methods.

Table 3. Overview of Exploration Programs

Type	Period	Beach Area Drilling			Bay Area Drilling			Comments
		# of holes	% Cu Total	% Cu Oxide	# of holes	% Cu Total	% Cu Oxide	
BRGM	1972	86	24%	51%	-	-	-	
SERNAGEOMIN	1991	8	29%	85%	9	14%	56%	Not in Resource
TECSAMIN	1994	9	40%	75%	-	-	-	Not in Resource
SPRINGHILL	2000	30	28%	-	-	-	-	Not in Resource
CEYGE	2005	6	29%	-	25	13%	-	Not in Resource
PUCOBRE	2008	44	27%	48%	37	24%	46%	
SUPEREX	2014	136	-	-	-	-	-	
SONIC	2015	37	-	-	-	-	-	
TOTAL		356			71			

NOTE - Cu % values listed are recorded from WAI (2014), no record of methodology for these values is provided.

Source: Appendix 1 - Cube Mineral Resource Report.pdf

3.1.3.1 Seismic data

Given the nature of the deposit —made up of tailings— and the physical and granulometric properties of the material to be evaluated, it was considered that seismic geophysical studies would not provide relevant information for recognition, therefore, this geophysical technique was not used.

3.1.3.2 Deposit and drill hole data

The characteristics of the Playa Verde copper deposit reflect a large-scale anthropogenic sedimentary system, the result of decades of mine tailings being discharged into a coastal environment. The interaction between natural processes (tides, waves, wind) and materials of mining origin has generated a complex deposit, with mineralogical variability and potential for secondary mineralisation.

Mineralised Deposit Data

The geological information of the Chañaral Bay Copper Project is based on historical documents and interpretation work carried out by field geologists during the years 2014, 2015 and 2016. The deposit corresponds to an accumulation of fine tailings in the beach and subtidal zone environment, caused by the continuous discharge of material from the Salado River to Chañaral Bay for approximately 40 years, until 1975.

The origin of the tailings is linked to the beneficiation operations of the **Potreros** deposits (1910–1959) and later **El Salvador** (1959–to date). Their composition reflects the mineralogical characteristics of these deposits. During that period, mining waste management was carried out with much less stringent standards than today. Initially under the operation of the U.S. company **Andes Mining Company** between 1938 – 1972, and later under the Chilean state company **Codelco** from 1973 – 1978, the tailings were dumped directly into the riverbed which over time have migrated downstream, generating a sedimentary plume that expanded from the discharge point north of the municipality of Chañaral and in to the sea.

Exploration Well Data

In 1972, the BRGM (French Bureau of Geological and Mining Research) carried out an extensive drilling campaign on Chañaral beach, with the aim of characterising the tailings deposits. The campaign culminated with the execution of 86 drill holes, totalling 897 meters drilled. These works provided the first systematic basis of information on the coastal tailings of Chañaral, constituting a fundamental technical background for subsequent studies.

In 2008, the company PuCobre commissioned a bathymetric survey in Chañaral Bay, with the purpose of measuring the depth of the seabed and evaluating the thickness of the sediments. Based on these results, the volume of tailings deposited in the area was estimated. Subsequently, PuCobre executed a drilling campaign that included 44 holes in the beach area (433 m drilled) and 37 holes in the bay. Detailed records are not available on the sampling methodology applied in this campaign.

In 2014, the drilling company SUPEREX carried out a drilling program of 136 holes with the SONIC drilling technique. This methodology corresponds to a rotary-vibratory drill that combines rotation, thrust and high-frequency oscillation in drilling.

The 2015 campaign, 37 drill holes in the beach area, reaffirmed the SONIC methodology applied in 2014, with standardised drilling, sampling and quality control practices, ensuring the validity of the data and the representativeness of the cores obtained.

Sample analysis

The total number of samples usable in the 2014-2015 campaigns reaches 1,285 samples representing 1,623.5 meters of drillings. As mentioned in the previous paragraphs, these two

campaigns fully comply with both sample handling assurance control and laboratory assay quality control (QA/QC). The analytical procedure for CuT consisted of a **four-acid digestion**, followed by a reading by **atomic absorption spectrometry (AAS)**. This method has a detection limit of 0.01% CuT, guaranteeing precision and reliability in the quantification of the copper present in the samples.

The total samples used in the resource estimate was 2,612 samples representing 2,929.7 m of drill holes. Of this total, 55.4% of the samples are from the campaigns carried out by BRGM and PuCobre in 1972 and 2008. These campaigns do not have QA/QC. In the verification of sampling and tests, Cube states that as part of the drilling work carried out by Superex, duplication tests (twin holes) were carried out on several historical drill holes of BRGM and PUCOBRE. In total, CUBE compared 10 twin drill holes from Superex to historical drilling. The comparison, according to Cube, showed a good overall correlation between Superex's results and the historical records of PUCOBRE and BRGM, with no evidence of systematic bias in the grades.

EMI S.A. reviewed the drilling information acquired between 1972 and 2015. Based on this analysis, it can be stated that the older drilling campaigns (prior to 2015) exhibited only partial control over quality assurance and quality control (QA/QC) procedures for copper grade variables. Nevertheless, this data was sufficient to define and model the continuity of mineralisation within the Playa Verde deposit, as well as to guide and design subsequent drilling programs.

The two most recent campaigns (2015 and 2016) were planned and executed under full QA/QC standards, in compliance with current quality control protocols. These campaigns cover the entire area declared as mineral reserves. The information obtained—both grade data and geological interpretation—allowed the continuity model established in earlier campaigns to be confirmed and supported the grade estimation process for the deposit in accordance with the criteria set out in the JORC Code for reporting Mineral Resources and Ore Reserves.

Following a comprehensive review of these information sources, it is concluded that the topics have been addressed with depth and with technical rigor, achieving a high level of analytical quality. In particular, the drilling data stand out as the fundamental basis for deposit characterisation and for the estimation of resources and reserves.

3.1.4 Interviews with directors

Meetings were held with Halo Directors Mr A. Dennan (in writing) and Mr E. Pegot-Ogier (both in person, in writing and videoconference), addressing matters related to Halo's corporate policies for the management and use of exploration information, geological modelling and disclosure of information included in the CPR. These interactions also allowed questions to be clarified, and the objectives and scope of the work carried out by Halo, which has been executed in accordance with standards widely accepted by the international mining community, consistently maintaining the corporate mission and vision of Halo.

Based on these meetings and the technical exchanges held, EMI S.A. has formed the view that the directors of Halo possess the technical capabilities and business management competencies required to successfully develop and execute the Playa Verde Project.

3.2 Description of Reserves and Resources

This section provides a description of reserves and resources, detailing their characteristics, type, size, and grade distribution, as well as the methods applied for their exploration and extraction (with supporting disclosure included in Appendix 1 AIM format).

3.2.1 General declaration of reserves and resources

The declaration of Mineral Resources and Mineral Reserves is made in accordance with the JORC standard which states the following: the estimate of Mineral Resources is presented in terms of quantity (tonnage), grade or quality and classification by confidence level: Measured, Indicated and Inferred. These categories reflect the increasing degree of geological confidence and the density of available information, and are based on geological evidence, sampling data, and reproducible estimation methods. The estimates include the definition of geological boundaries, mineralisation continuity, and spatial grade distribution, as well as density assumptions and grade cut-offs applied in the resource model.

The conversion of Mineral Resources to Mineral Reserves is affected only when modifying factors—i.e., the technical, economic, legal, environmental, social, and market factors affecting extraction—have been applied and documented, and when pre-feasibility or feasibility studies demonstrate that extraction is reasonably justifiable. Reserves are subdivided into Probable and Proven, reflecting confidence in the modifying factors and in the continuity of the underlying resource.

The mineral resource estimate of the Playa Verde Project has sufficiently demonstrated geological continuity and the existence of copper grades, which supports its definition as a mineral resource under the guidelines of the JORC Code (2012). The model developed adequately reflects the Competent Person's vision, ensuring that the technical and categorisation criteria were rigorously applied.

CUBE, in addition to providing the mineral resource estimate, was contracted to support the mining engineering and design of the dredging pond, with the aim of determining how much of the estimated resource could be economically exploited.

Since dredging seeks to maximise the extraction of existing tailings, the traditional open pit optimisation approach is not applicable, the design was based on physical and practical criteria. The final design of the extraction method allows the recovery of mineralised tailings, integrating criteria of safety (berms), efficiency (two passes and complementary mechanical mining through dredging) and economic viability (carbonate dilution control). The strategy ensures that all dredged material is treated, consolidating a massive, continuous and technically robust exploitation scheme. The production schedule ensures a constant and predictable supply of 5.0 million tonnes per year, for 7 years, with a continuous sequence that optimises the initial proximity to the plant and the orderly advance in a clockwise direction. The re-deposition strategy of reprocessed tailings and the initial pre-dozing guarantee operational stability and the integration of the dredging cycle with the processing plan, consolidating an efficient and sustainable production scheme during the useful life of the project.

3.2.2 Physical characteristics

3.2.2.1 Dimensions (volume and tonnage)

The Playa Verde Project is located in the Atacama region of Chile, approximately 900 km north of Santiago on Route 5. Copiapó is the closest city with hotel infrastructure, hospitals, schools, universities and an airport. It is located 170 km northwest of Chañaral. From 1938 to 1975, tailings from the copper mines of Potrerillos, and later from El Salvador, were discharged directly into the Salado River, which transported 120 km downstream to the coastline and deposited in Chañaral Bay.

During that period, an estimated 250 million tonnes of tailings were spilled into the bay. The mineral deposit of Playa Verde has been recognised in a length of approximately 5.0 km and 900 m wide. Tailings outcrop at the surface and extend to depths between 0.2 m and 18.0 m, with an average thickness of 9.50 m.

3.2.2.2 Distribution of laws

Rule applied

The Playa Verde Project Mineral Resources have been reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves 2012 (JORC Code). Included in the Cube report (2016) is a detailed JORC checklist with the evaluation and reporting criteria required for the report.

Statistical and geological methods

The estimation methodology was applied interpolation of grades by means of Ordinary Kriging (**OK**), complemented with an Inverse Square Distance (**ID2**) control estimate.

Key assumptions and parameters

The tailings in Chañaral constitute placer mineral deposit of anthropic origin, not a natural geological environment. Key considerations:

- The interpretation of the upper limits of tailings mineralisation on the beach is based on historical topographic surveys that have been updated with recent Superex drilling and SONIC drill collars.
- The base of the beach tailings has been defined from the record of the core material obtained with SONIC drilling. The base was delineated where abrupt changes in composition were observed. Key identifiers included the presence of shells and pebbles, an increase in grain size towards coarser materials, and a change to a darker grey colour. It was observed that where abrupt changes in composition occurred, this was typically accompanied by drops in grade to <0.1% Cu Total.
- Where there were no drill holes for historical drilling, a cut-off grade of 0.1% Cu Total has been used to define the tailings base.

The main variables are the content of copper and other secondary metals, as well as the content of carbonates, consequently, the importance of ensuring the control of sampling and quality control of chemical analyses in the laboratory (QA/QC) is fundamental for the results of the quality and quantity of the declared mineral resource. Variability tests confirmed that **carbonate content is the main limiting factor** in copper recovery. An exploitation strategy, limited to 1 m above the paleo surface (topography prior to the deposition of the tailings), ensures a balance between metallurgical efficiency and economic viability, optimising the plant design and reducing operational risks.

3.2.3 Exploration methods

The estimation of the mineral resources of the Playa Verde Copper Deposit is based on a set of drilling campaigns carried out in different historical stages, which have provided key technical information on the characterisation of coastal and marine tailings. These works, carried out by specialised institutions and companies between 1972 and 2015, constitute the geological and operational database that supports the validity of the estimated resources, reflecting the methodological evolution from the first systematic surveys to the application of modern drilling and quality control techniques.

3.2.3.1 Drilling programs

The drill holes used in the estimation of the mineral resources of the Playa Verde Project correspond to the following campaigns:

In 1972, the BRGM carried out a systematic drilling campaign on Chañaral beach to characterise the tailings deposits. A total of 86 drill holes totalling 897 m of drilling were carried out, distributed in 19 east-west sections separated approximately every 250 m in a north-south direction. These works constituted the first technical basis ordered on coastal tailings and served as an essential background for subsequent studies.

In 2008, PUCOBRE contracted IEG for a bathymetric survey in Chañaral Bay to measure depths and estimate sediment thicknesses, from which the volume of deposited tailings was calculated. Subsequently, PUCOBRE executed a drilling campaign consisting of 44 holes on the beach (433 m) and 37 holes in the bay; however, there is no detailed documentation on the sampling methodology applied in that campaign.

In 2014, drill hole company SUPEREX developed a program of 136 drill holes using the SONIC technique, a rotary-vibratory drill that combines high-frequency rotation, thrust and oscillation, allowing for high feed rates and continuous core in unconsolidated materials.

The 2015 campaign, with 37 drill holes in the beach area, reaffirmed the use of the SONIC methodology and applied standardised drilling, sampling and quality control practices, strengthening the validity of the data and the representativeness of the cores obtained.

3.2.3.2 Sampling and testing

In 1972, the BRGM drilled holes in accordance with the Banka drilling method, a technique specially designed for alluvial terrain with the presence of water or loose sand, where it is impractical to dig conventional trenches or wells. The procedure consisted of keeping the shaft open by means of a metal casing, which progressively descended as the material was extracted with a sand pump or bailer. The system used solid bars that, in addition to their own weight, could be manually driven by operators, facilitating penetration.

For the 2008 campaign, carried out on behalf of PuCobre, there is no detailed documentation on the sampling methodology applied.

During the 2014 and 2015 drilling campaigns, the SONIC system with single wall core barrel was used, which allowed the recovery of practically intact cores and the obtaining of undisturbed and high-quality soil profiles for physical and chemical analysis. The practices observed in 2015 were consistent with those applied in 2014 and ensured the traceability and representativeness of the samples.

Sampling and operational procedures included the use of a 142 mm OD casing and 76 mm cores, vibration extraction, handling in plastic trays, and storage in core boxes for transfer to the office yard.

3.2.3.3 Mapping

Key diagnostic characteristics were identified in the tailings of Chañaral beach, highlighting the correlation between copper content and sediment colour, essential information for resource modelling. Granulometry, colour, indications of contamination and special features (clay, silt or gravel layers) were recorded in detail; systematic photographs of the cores were taken (three runs per image) with identification of the drill hole and the intervals of depth; and lithological changes detected after core cutting—e.g., the presence of bands—were used to adjust sampling limits, maintaining standard intervals of 1 m when no significant variations were observed. These procedures provided a solid basis for geological interpretation and estimation of grade distribution.

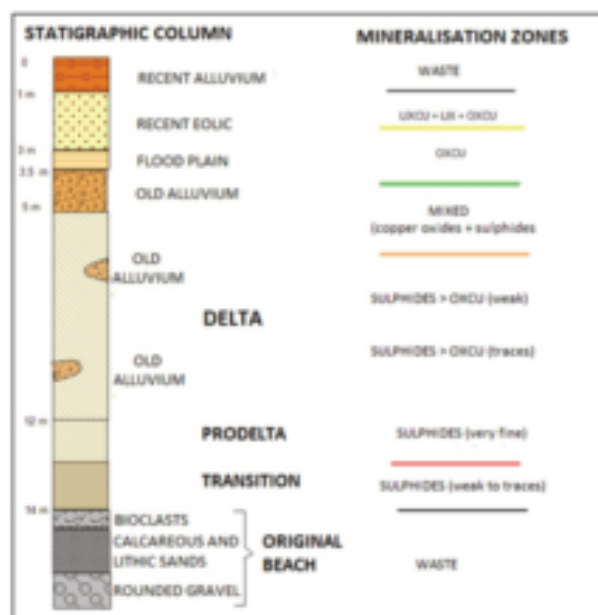


Figure 4-5: Idealised stratigraphic column and mineralisation zones (Reyes, 2016)

Figure 1. Theoretical stratigraphic column and mineralisation zones

The geological units defined in Chañaral reflect a complex sedimentary evolution, marked by alluvial, aeolian and deltaic events, conditioned both by natural processes and by the historical discharge of mine tailings. This classification allows differentiating sterile deposits from those with secondary mineralisation potential, offering a solid basis for the technical, environmental and future management evaluation of the coastal system.

The 2015 hydrogeological drillings combined SONIC drilling with pumping tests and continuous monitoring, providing key data on groundwater dynamics and the interaction between marine and continental inputs at Chañaral beach.

The 2015 geotechnical drill holes combined core recovery, Standard Penetration Tests SPT and systematic sampling, generating key data on the physical and mechanical properties of the tailings at Chañaral. Specific lab results were outside the scope of Cube's report.

3.2.4 Extraction and processing methods

The extraction of the mineralised tailings and the recovery process of the contained copper are described in the following sections, where the methodologies used, the technical operating conditions and the planned treatment stages are detailed.

3.2.4.1 Expected extraction techniques

Due to the nature of the dredging operation and the goal of maximising the extraction of existing tailings, the traditional open pit mine optimisation approach is not applicable. The extraction of the ore deposit contained in the tailings will be done through dredging. It should be noted that no cut-off law is applied, since dredging does not allow selectivity: all the extracted material will be sent to the processing plant.

The physical and practical criteria contain the following guidelines: The beach intervention plan contemplates a sequence of dredging in two passes along the north-south axis, designed to circumvent the wide east-west extension that prevents efficient anchoring in a single pass. This arrangement allows a continuous and controlled route, reducing downtime and facilitating the logistics of positioning equipment.

Extraction Sequence

A maximum extraction of the lower area is prioritised with the aim of recovering as much tailings as possible, maintaining a separation of 1 m on the surface of the shovel to avoid dilutions with materials with high acid consumption. This criterion seeks to preserve the quality of the target material and minimise the metallurgical and environmental risks associated with unwanted mixtures.

A minimum berm of 5 m has been defined at the western limit, given the complex interaction with the sea and the wave dynamics; The edge of the pond is located approximately 25 m inside the 2001 high tide line. The detailed design of this marine berm is under development by a specialised consultant, considering stability, coastal protection and erosion mitigation.

A central separation berm is maintained to segregate the material already filled from the pond from the material not yet dredged, avoiding mixing between previously treated tailings and the target material, and facilitating operational control and traceability of the material during the different stages of work.

At the eastern end, where the natural depth is less than the minimum dredging requirement of 2 m, pre-mining by means of dozers or other earth moving equipment is envisaged to move the material into the dredging path. For this pre-mining, a nominal cost of US\$ 0.30/t has been estimated on an approximate volume of 2.5 Mt.

Finally, the design incorporates dredging in the southern flood zone, expanding the area of intervention compared to previous proposals. However, confidence in the resources of this area is lower due to the uncertainty about the extent of water erosion and the limited drilling information available, which advises precautionary measures and the carrying out of complementary studies before intensive exploitation.

3.2.4.3 Dilution and recovery factors

A dilution factor includes the extraction of the lower zone with the aim of recovering as much tailings as possible, maintaining a standoff of 1 m on the shovelling surface to avoid dilution with materials with high acid consumption. Since this shallow paleo horizon will be recognisable in the extraction operation, it is estimated that it will be controlled and consequently, no dilution factor is applied.

3.2.4.4 Operational estimates

Expected annual tonnage/volume

The production program was prepared based on the dredging of the resources contained within the final design. Specialised mining planning software was used for this purpose¹⁰. The total tonnage of ore to plant considered in the production program reaches 34.2 million tonnes with an average grade of 0.25 %Cu.

¹⁰ **MineSight® Strategic Schedule Optimiser (MSSO)**, a planner for short-, medium- and long-term planning. It works with 3D solid volumes and determines a sequence based on a target optimisation function, respecting operational constraints.

The annual goal is to supply 5.0 million tonnes per year (of material to the process plant). The initial position and direction of the dredging were defined in the preliminary stage of the study, using the previously calculated net value attribute.

Estimated service life

The extraction sequence shows that dredging begins near the process plant and progresses in a clockwise direction, as a continuous operation, until the dredging cycle is completed, estimated at 7 years under the current plant design and configuration.

3.2.5 Asset Statement

According to the AIM Note for Mining, Oil and Gas Companies (2009), the information reported at this point corresponds to the following (Appendix 1).

For the purposes of this report, the Mineral Asset refers to the set of rights, properties, and interests associated with a mineralised body that holds actual or potential economic value. It may include exploration or mining rights, geological and drilling information, geological and resource models, existing infrastructure, and any technical or legal elements that support the evaluation and potential extraction of the deposit.

The Mining Project represents the integration of the Mineral Asset with the technical, economic, environmental, social, and operational studies required for its development. It encompasses the deposit, mining rights, infrastructure, engineering studies (PEA, PFS, DFS), permits, and the development strategy, forming a business asset assessed through indicators such as NPV, IRR, and cash flows.

The deposit is the core Mineral Asset, while the Mining Project is the broader construction that incorporates the deposit together with all technical, legal, and economic components necessary for its development and operation. The project's economic value depends directly on the quality, continuity, and estimation of the Mineral Resources and Ore Reserves within the Mineral Asset.

TABLE 4. SUMMARY OF MINING ASSETS

Appendix 1 – SUMMARY TABLE OF ASSETS
Minerals & Ore

Asset	Holder name	Interest (%)	Status	Licence expiry date	Licence area (km ²)	Comments
Mining Project	Minera Playas Verdes Ltda	100%	Development	Mining Exploitation License with indefinite duration, provided that the annual mining fee is duly paid.	13.57 Km ²	Economic indicators updated to Dec. 2023, Rev. 1. NPV: US\$164.1 million; IRR: 51.4% (includes Mineral Asset and Mining Exploitation Licences).
Mineral Asset	Minera Playas Verdes Ltda	100%	Development	Mining Exploitation License with indefinite duration, provided that the annual mining fee is duly paid.	13.57 Km ²	The mineral asset has not been independently valued to date; however, it is incorporated within the NPV of the mining project.
Mining Exploitation License	Minera Playas Verdes Ltda	100%	Development	Mining Exploitation License with indefinite duration, provided that the annual mining fee is duly paid.	13.57 Km ²	It includes 6 Mining Exploitation Licences, which have not been valued at this stage.

3.2.6 Data quality and uncertainties

The validation and verification of drill hole data for the Chañaral project was carried out both in the database and during the technical visit carried out in December 2015. The process aimed to ensure the integrity and reliability of the information used in the resource estimate.

Validation included systematic reviews of collar records, surveys, assays and geology, with an emphasis on detecting negative values, overlapping intervals, missing data or data outside the expected range. Cube performed these checks prior to exploratory data analysis, recording drill holes without assays or geological records. Although no formal geological data were provided, drill hole logs and core photographs were available as a reference for modelling.

The verifications applied included:

- Control of outliers in collar coordinates (Easting, Northing, RL).
- Comparison of maximum depths between collar logs, assays, surveys and geology.
- Review for duplicate numbering, erroneous ranges, and missing data using validation rules in Excel before importing into Access.
- Verification of azimuths of drill holes within the expected range (0–360°) and control of missing records.
- Review of positive or near-zero inclinations in the survey table.

Control of overlapping intervals in the test table and detection of negative or out-of-range values. Visual inspection in Surpac 3D to identify anomalous deviations in drill hole traces and validate collar positions with respect to topography and recent flood areas.

The errors detected were corrected and documented in the Cube database for future revisions.

4. Region, Location, and Resources Overview

In this section is the description of the applicant's assets and liabilities, the rights thereto and a description of the economic conditions for the exploitation of those licences, concessions or similar instruments, including any environmental, land access, planning and mandatory closure costs.

4.1 Applicant's assets

Tangible assets: Playa Verde Mining Project Assets and the Playa Verde Copper Deposit Mineral Asset.

Intangible assets: current licences 6 mining exploitation licenses.

Financial assets: equity investment as the parent company of the subsidiaries Copper Bay Ltda and Playa Verde Limitada.

4.2 Applicant's liabilities

Debt contracted by Halo at the time of acquisition of Copper Bay which is deferred consideration of US\$7.5 million which is owed to the former owners of Copper Bay (Central Asia Metals Plc and a number of minority Copper Bay shareholders) and payable in two tranches of US\$ 3.75 million on copper production milestones of 7.5 kt and 15 kt Cu.

4.3 Economic conditions for exploitation

4.3.1 Economic model and key assumptions

Considered sales prices (constant or projected), applicable exchange rate, time horizon and discount rate used in valuations.

The copper marketing strategy is based on two complementary product lines: **concentrates** and **grade A electrolytic cathodes**. Each responds to different market dynamics and requires a differentiated approach in terms of costs, risks and positioning.

In the case of **concentrates**, the economic model is articulated on the basis of sales contracts to international smelters, mainly in Asia and Europe. The reference price is established according to the international copper quotations (LME/COMEX), adjusted for the payable metal content and deductions associated with treatment and refining charges (TC/RC).

Added to this are penalties for impurities and logistical costs of maritime transport and insurance. This scheme, although more exposed to the volatility of smelter charges, allows immediate liquidity and diversification of customers, ensuring placement in high-demand markets.

On the other hand, **copper cathodes** represent the final product with the highest added value, with a purity of 99.99% and direct acceptance in the cable, energy and construction industries. Its commercialisation is carried out through spot or long-term contracts, with prices referenced in international exchanges and adjusted by logistical or quality premiums. This model provides direct access to end consumers, greater stability in margins and positioning in premium markets, although it requires significant investments in refining plants and international certifications.

The comprehensive strategy combines both approaches: the sale of concentrates ensures cash flow and risk diversification, while the production of cathodes strengthens competitiveness and maximises

added value. The economic model also contemplates the use of hedging financial instruments (futures and options in LME/COMEX) to mitigate price volatility, along with a balanced contract policy between spot operations and long-term agreements.

The key assumptions revolve around international prices, contractual deductions, production volumes, logistics costs, customer structure and regulatory stability. These elements define the viability of the model and are the basis for any sensitivity analysis or financial projection.

4.3.2 Key assumptions used in the project

The main updated assumptions applied to the DFS study of the Project are:

- constant selling prices: 5.30 US\$/Lb Cu; 4,300 US\$/oz Au
- Time horizon: 7 years
- Discount rate used in valuations: 10% per year
- Marketing Strategy

Cathode Sale

The Playa Verde Project contemplates an estimated annual production of 7,080 tonnes of SX-EW copper cathodes. The most likely commercial strategy for Minera Playa Verde Ltda (MPV) is to sell these cathodes through a trading company, replicating the model initially built by its former parent company, Central Asia Metals PLC and which is adopted by its new parent company Halo. Under this scheme, the trader would purchase the cathodes at the spot price, without premium, and charge a fixed trading fee of US\$250 per tonne. This fee would cover all costs associated with the sale, including freight, insurance, taxes, duties, and any other expenses related to placing the product. In addition, all risks and liabilities linked to marketing would fall exclusively on the marketing company.

While this model implies a lower net sales price, it offers placement certainty and eliminates the operational complexity and risks associated with selling directly to end users. Alternatively, MPV could choose to market its cathodes directly to the industrial sectors that concentrate the demand: cable manufacturers and brass mills. However, until the cathodes obtain the "good delivery" certification by the LME and COMEX exchanges, it is estimated that they will face a discount of approximately US\$30 per tonne compared to the reference price. This certification is projected to be obtained at the end of the second year of commercial production.

In the long term, Playa Verde's SX-EW cathodes could access premiums of up to LME + US\$90 per tonne in Asian markets (CIF main ports in China and Southeast Asia), once the registration process is completed. Maritime freight costs from Chile to Asia have shown historical stability, so a projection of US\$60 per tonne is considered reasonable.

In case of opting for direct sales, MPV would have to assume marketing costs estimated at US\$125 per tonne, in addition to US\$1 per tonne in transportation from the plant to Puerto Barquito and US\$10 per tonne in port and marine insurance. Alternatively, these services could be outsourced to a sales agent for an estimated total cost of US\$200 per tonne, including the negotiation of initial contracts and annual reviews with customers.

In summary, MPV faces a strategic choice between ensuring immediate sales with less exposure to risk through a marketer or capturing higher margins in the long term through direct sales, once the international certification of its cathodes has been obtained.

Table 5. Summary of updated Assumptions for Calculating Cathode Revenue

Summary updated Assumptions for Revenue Calculation for Playa Verde Sx/Ew Cathodes			
Parameters	Unit	Value	Notes
Metal Price			
Copper Price	US\$/lb	5.1	
Sales Terms			
Premium - Year1 and 2	US\$/cathode	60	CIF Main Chinese/South East Asian Port
Premium - Year3 and beyond	US\$/cathode	90	CIF Main Chinese/South East Asian Port
Marketing Costs (*)			
	US\$/cathode	584	
(*) Including all cost associated with the marketing and sales of copper cathode (freight, handling, insurance, taxes) and any other costs incurred in the selling of copper cathode.			

Sale of copper concentrate

MPV copper concentrate exhibits the following average characteristics over the life of the mine:

- Annual production: 7,800 dry metric tonnes (dmt) of concentrate per year
- Average Copper Grade (Cu): 20%
- Average Gold Grade (Au): 5.5 grams per dmt of concentrate
- Moisture content: 10%
- Arsenic content: 1.1%

The copper concentrate produced by MPV will contain deleterious levels of arsenic, averaging 1.1%, implying a trade penalty equivalent to US\$55 per dry tonne.

The concentrate will be suitable for maritime transport in accordance with the regulations of the International Maritime Organisation (IMO).

In terms of marketing, the main destination for Playa Verde's concentrates would be Enami's Hernán Videla Lira smelter (also known as the Paipote smelter), located 170 km southeast of Chañaral. The smelter suspended operations in early 2024 to initiate a major modernisation program. The project received environmental approval in October 2025, enabling the development of a new modern processing facility on the same site, targeting 850,000 tons of copper concentrate processed annually and 240,000 tons of copper cathodes produced yearly.

Currently, established copper smelters in the market operate with a feed mix of approximately 29% copper. A trend is observed in the market where the average grade of copper in concentrates is decreasing worldwide. As a result, smelters are looking for higher-grade copper concentrates (above 35% Cu) for blending, especially now that the supply of high-arsenic concentrates is increasing. Producers and marketers of concentrates demand better quality materials, offering better treatment and refining charges (TCRCs) for concentrates with higher grade and lower impurity content, thus encouraging their production.

This premium will not be available for Playa Verde, as the copper grade of the concentrate is typically around 20% Cu.

Table 6. Summary of Assumptions for Calculating Revenue from the Sale of Concentrates

Summary Assumptions for Revenue Calculation for Playa Verde Copper Concentrates			
Parameter	Unit	Value	Comments
Concentrates Grade			
Copper	%	20%	fine copper content in 1 dry ton of concentrate
Gold	g/dmt concentrate	5.5	fine gold content in 1 dry ton of concentrate
Moisture Content	%	10%	
Arsenic	%	1.1	
Metal Prices			
Copper Price	\$/lb	5.1	
Gold Price	\$/oz	4300	
Smelter Terms			
Minimum smelter deduction	% Cu	1.0%	
Smelter payable	%	95.0%	(20-1)=95.0%
Treatment charges	\$/dmt	152.0	Charge per dry metric tonne of concentrate
Refining charges - Payable copper	c/lb Cu	15.2	
Penalty for arsenic	\$/dmt	0.0	Charge per dry metric tonne of concentrate
Payable factor - gold	%	90.0%	Minimum deduction 0.5 grams per DMT
Refining charges - Payable gold	\$/oz Au	6.0	
Transportation, Handling and other Sales Related Costs			
Marketing costs - Concentrates	\$/wmt Cu Conc	12	Charge per wet metric tonne of concentrate
Concentrate transport (plant to smelter)	\$/wmt Cu Conc	13.6	Charge per wet metric tonne of concentrate
Transport losses (plant to port)	\$/wmt Cu Conc	0.20%	Charge per wet metric tonne of concentrate
Sales Revenue for Concentrate			
Sales revenue for copper	\$/dmt	1789	
Sales revenue for gold	\$/dmt	683	
Total sales revenue (copper & gold) NSR	\$/dmt	2472	

4.3.3 Capital and Operating Costs

Estimation of initial and expansion CAPEX, unit OPEX per tonne, Maintenance and replacement costs of critical assets.

CAPEX

The cost of capital (CAPEX) estimate is based on quotes provided by Propipe, in relation to the processing plant and certain aspects of the Beach Infrastructure and provided by IHC in relation to the dredging operation.

The estimated capital expenditure for the Playa Verde Project is summarised in the Table below:

Table 7. CAPEX Summary

	Initial
	US\$ mill
Dredging Equipment	10.2
Plant Equipment	32.6
Plant Construction	28.2
Indirect and other capex	9.5
Contingency	6.3
Total	86.8

OPEX

Operating costs (**OPEX**) include, fixed costs related to the labour required for the operation of the plant and extraction (drainage), variable costs which depend on the level of operation and treatment used in the plant and are related to electric and diesel power, other consumables and maintenance, and marketing. Propipe has provided detailed estimates of the OPEX in relation to processing, and IHC in relation to the dredging operation. The price of acid considered is US\$175/tonne, which results in a cost of US\$0.55/lb of Cu produced. Based on the current average gold price, US\$ 4,300 oz, the credit for contained gold amounts to US\$0.28/lb of Cu produced.

The operational expenses of the Playa Verde Project can be summarised in the table below:

Table 8. Summary of OPEX

	US\$/lb Cu Produced*	US\$/lb Cu Produced*
Processing Plant		
Plant Labour	0.14	
Electrical Power	0.58	
Sulphuric Acid	0.55	
Other Consumables	0.26	
Maintenance	0.12	
		1.65
Dredging		
Labour	0.07	
Power	0.09	
Maintenance	0.04	
		0.20
Sales & Marketing		
Selling Costs	0.32	
Gold credit	-0.28	
		0.03
G & A		0.23
Contingency		0.08
TOTAL		2.19

*-Average per annum over the 7 year life of the project

4.4 Recovery and performance

Metallurgical recovery assumptions: dilution factors, plant yield and expected mine life.

No dilution factors are applied in consideration of the method of exploitation (dredging).

The useful life of the mineralised deposit of 34.8 Mt of reserves is estimated at 7 years at an annual extraction rate of 5.0 million tonnes/year.

Regarding copper recovery, Copper Bay developed a carbonate-dependent recovery formula and differentiated acid consumption and leaching/flotation ratios by domains and depth, ensuring a more realistic model for the estimation of recoverable resources in Chañaral.

The main points were:

- Expected Global Recovery: At a concentrate grade of 20% Cu, an average recovery of 72% Cu is projected, with associated levels of 5.5 g/t gold and 1.1% arsenic.
- Total recovery equation (leaching + flotation):

$$\%Cu \text{ Recovery} = 81.932 - (8.8331) * \%CO_3$$

This formula is applied to each mining block considering the estimated levels of carbonates (CO₃).

- Domains and zoning:
 - Domain 1001 – High Zone (0.0 to 2.5 m): Recovery divided into 90.6% leaching and 9.4% flotation.
 - Domain 1001 – Lower Zone (>2.5 m): Recovery divided into 79.5% leaching and 20.5% flotation.
 - Domain 1002: Recovery divided into 84.3% leaching and 15.7% flotation.
- Assigned acid intake:
 - Upper area of domain 1001 → 7.65 kg/t or Lower area of domain 1001 → 12.51 kg/t or Dominio 1002 → 18.71 kg/t

4.5 Economic evaluation

Within the framework of the economic analysis of the project, two cash flow scenarios have been calculated:

- **Cash flow including gold credits, before taxes.**
- **Cash flow including gold credits, after taxes.**

For both cases, the key financial indicators were determined: the **Net Present Value (NPV)** at a discount rate of 10%, the **Internal Rate of Return (IRR)** and the **payback period of the investment**.

The exercise is based on the following main assumptions:

- Total Mineral Resources: 34,821,000 tonnes.
- Copper content: 83,790 tonnes.
- Total copper production: 60,329 tonnes.

- Project lifespan: 7 years. Material dredged to full production: 5 million tonnes per year.
- Copper production at full capacity: 8,640 tonnes per year.
- Copper price: US\$5.30 per pound.

On this basis, the following Table was prepared, which summarises the financial results obtained and allows the profitability of the project to be evaluated under different tax scenarios.

Table 9. Summary Expected NPV and IRR

	NPV	IRR
	\$m	%
Cash flow before tax	182.0	53.2
Cash flow after tax	164.1	51.4

Considering only the Ore Reserves declared in this CPR (32.2 million tonnes @ 0.25% Cu, see Table N°2), the project's financial results indicate a Net Present Value at a 10% discount rate (NPV10) of US\$154.1 million and an Internal Rate of Return (IRR) of 50.9%.

Sensitivities

Analysis of sensitivity to variations in price, costs, exchange rate and delays in permits.

A sensitivity analysis has been carried out in relation to the following parameters: OPEX, Cu Recovery, CAPEX, Copper Price, Discount Rate:

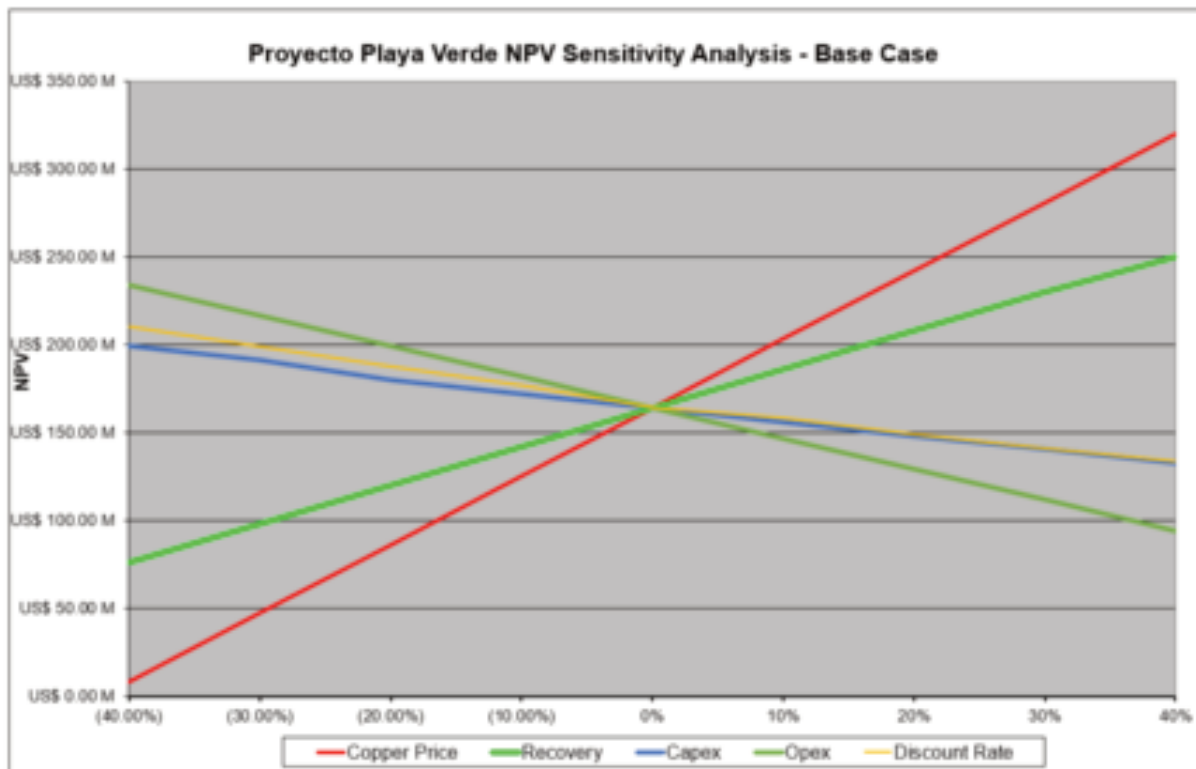


Figure 2. Sensitivity Analysis

Figure shows that the economics of the Playa Verde Project are more sensitive to changes in the price of copper, copper recovery and OPEX.

4.6 Specific costs associated with exploitation

Environmental costs: environmental studies (EIA/RCA), mitigation and compensation measures, continuous monitoring, remediation of historical liabilities and environmental insurance.

Based on the information reviewed in the development of this CPR, no information was found in this regard.

Costs of access to land: acquisition or lease of land, compensation to owners, negotiation of easements and legal costs associated with demarcations.

Based on the information reviewed in the development of this CPR, no information was found in this regard.

Operating costs: The analysis of plant operating costs clearly distinguishes between fixed costs and variable costs, depending on their nature and relationship to the level of activity.

Fixed costs correspond mainly to the labour required to ensure the continuous and successful operation of the plant. These expenses remain relatively constant over time, regardless of variations in production, and ensure the availability of qualified personnel for the operation and supervision of the processes.

On the other hand, variable costs depend directly on the level of operation and the treatment applied in the plant. They are associated with the consumption of electricity and diesel, as well as other inputs and consumables necessary for production. They also include maintenance costs, which vary depending on the intensity of use of the equipment and operational requirements.

The break-even point considering net present value after tax is 3.0 US\$/Lb Cu

Mandatory closure costs: estimation of the closure plan (dismantling, rehabilitation, revegetation, post-closure monitoring), financial provisions and guarantees required by the authority; disbursement schedule and applicable inflation assumptions.

Based on the information reviewed in the development of this CPR, no information was found in this regard.

4.7 Detail of Interests Directors, PCs and Promoters

At the time of completion of this report the Directors between them directly and indirectly own shares in Halo equal to 2.7% of the issued share capital of the Company.

4.8 Prediction and Assessment of Environmental Impacts

An Environmental Qualification Resolution (RCA) is the administrative act through which the Chilean environmental authority (SEA) approves or rejects a project submitted to the Environmental Impact Assessment System (SEIA).

The RCA establishes whether the project complies with environmental regulations, whether the identified impacts have been properly assessed, and which conditions, measures, and obligations the proponent must meet during construction, operation, and closure.

In simple terms, the RCA is the central environmental permit that legally enables the development of a mining project.

Having a favourable RCA means that the company is legally authorised to build and operate the project under the approved conditions. This reduces regulatory risks, facilitates planning, lowers environmental risk, and allows the project to advance toward financing, construction, or potential asset transactions.

The Playa Verde Project obtained its final RCA approval in October 2025 from the competent authority of the State of Chile.

The environmental assessment process formally began on May 3, 2017, with the submission of its Environmental Impact Study to the Environmental Assessment Service (SEA) of the Atacama Region. Subsequently, on November 13, 2018, the Project received a favourable Environmental Qualification Resolution (RCA No. 111).

However, at the end of 2018, an administrative appeal was filed before the Committee of Ministers, which resulted in a resolution dated April 14, 2021, whereby the Committee partially upheld the appeal and ordered the environmental evaluation process to be rolled back to the stage prior to the issuance of the Complementary ICSARA. This decision was challenged before the Environmental Court of Antofagasta and later before the Supreme Court, both of which confirmed the Committee of Ministers' ruling.

In parallel, the SEA Atacama continued the evaluation process as instructed, which culminated on February 21, 2024, with a new unfavourable RCA. In response, the Proponent filed an appeal before the Committee of Ministers on April 5, 2024.

Finally, on October 15, 2025, through an Exempt Resolution, the Committee of Ministers decided to approve the Playa Verde Project, ordering the replacement of the fundamental determinations contained in the unfavourable RCA issued in February 2024. As a result, the Playa Verde Project is now environmentally approved, allowing it to advance toward its development phase under the conditions and requirements established by the authority.

4.9 Geographic Description and Infrastructure Associated with Assets

An introductory summary is provided, outlining the inclusion of appropriate maps, country-level contextual information, and location plans that illustrate the main properties comprising the assets, their workings, and key geographical features, as well as any existing wells, platforms, pipelines, boreholes, sampling wells, trenches, and similar elements.

4.9.1 Country Context and Regional Framework

Chile combines political and institutional stability, a demanding but reliable regulatory framework, and a strategic position in critical minerals, which makes it an attractive destination for investment, if the projects integrate sustainability and social management as central axes of competitiveness.

4.9.1.1 Political and economic stability

Chile presents itself as a country with institutional stability and international credibility, capable of sustaining prudent macroeconomic policies in an uncertain global context. The economy, supported by its strategic role as the world's leading exporter of copper and minerals critical to the energy transition, is resilient to external shocks.

However, the country faces persistent domestic challenges: still-high inflation, structural unemployment, and social tensions that require inclusive and sustainable policies. The dominant narrative is that of a nation that, despite global volatility and domestic criticism, maintains a course of political and economic stability, with expectations of inflationary convergence and fiscal consolidation by 2026.

GDP growth: Between 2% and 3% per year in 2024–2025, with a positive trend thanks to the mining sector, especially copper.

Inflation: It remains above the Central Bank's target (4.4% in 2025), but convergence towards 3% is projected in 2026.

Unemployment: High (8.6% in 2025), although with a slight reduction compared to previous years.

Fiscal account: Deficit of around 1.5% of GDP, in the process of reducing thanks to budgetary adjustments.

External risks: Commodity price volatility and tight monetary policies in advanced economies.

4.9.1.2 Legal and Economic Framework of Mining Activity in Chile

Mining rights

Access to mining property in Chile is materialised exclusively through **judicially constituted and registered concessions**, subject to the payment of patents and supervision by SERNAGEOMIN. The exploration concession enables the search for resources, while the exploitation concession grants indefinite extraction rights, provided that legal obligations are met.

- **Legal Framework:** Mining property is regulated by the **Mining Code** and the **Political Constitution of Chile**, which recognise the concession as the only valid title to exercise rights over mineral resources.
- **Types of Concessions:**
 - **Exploration:** Authorises the search for deposits in a given area. It is temporary (4 years) and is constituted by judicial resolution and registration with the Mining Conservator.
 - **Exploitation:** Grants the right to extract minerals. It is indefinite in time, as long as the payment of the annual mining license is complied with.
- **Incorporation Procedure:**
 - Filing of a motion or statement before a competent court or publication and processing in accordance with legal deadlines.
 - Registration with the **Mining Conservator**.
 - Registration in the **Mining Cadastre of SERNAGEOMIN**.
- **Mining Patent:**
 - Mandatory annual payment that keeps the concession in force.
 - Non-payment generates the automatic expiration of the right.
- **Distinction with Surface Property:**
 - The mining concession is independent of the ownership of the land.
 - The concession holder may exploit resources even if he is not the owner of the area, respecting easements and compensations established by law.

Environmental Financial Guarantee

The financial guarantee for a mining concession in Chile, regulated by Law No. 20,551, is a legal requirement that must be met by the concession holder to ensure the financing of the closure measures, and is gradually constituted throughout the useful life of the mine. It is mainly governed by Law No. 20,551, which requires the constitution of a guarantee for the closure of sites, which must be presented gradually throughout the useful life of the concession. The concession holder must constitute this guarantee once the Mine Closure Plan is approved by the competent authority, which focuses on ensuring the necessary financing for the execution of the closure measures at the end of the mining activity.

Legislation and regulations

- Constitutional Organic Law on Mining Concessions (No. 18,097): This law, in its article 19, establishes that the holder of a mining concession has the right of ownership over it, protection guaranteed by the Political Constitution, and the concessions are real rights over the subsoil.
- Law No. 20,551 (Law on the Closure of Mining Sites and Facilities): This is the main law that regulates the financial guarantee. Its objective is to ensure that the closing obligations are fulfilled, even in the event of the company's insolvency.

Warranty requirements

- Gradual incorporation: The company must begin to constitute the guarantee from the first business day after six months of the approval of the Closure Plan.
- Incorporation periods: The company has up to 12 months, from the approval of the Closure Plan, to constitute at least 20% of the present value of the total closing costs.
- Total disposal: The present value of the closure costs must be disposed of to the State within two-thirds of the estimated useful life of the site. If the useful life is 20 years or more, the maximum term for total disposal is 15 years.
- Calculation: The guaranteed amount is calculated based on the present value of the closure plan costs and is adjusted to the estimated mine life.

Additional considerations

- Right to property: Law No. 18,097 guarantees the right of ownership over the mining concession, protected by the Political Constitution.
- Approval process: The mining concession is constituted by resolution of the ordinary courts of justice, and does not require decision-making intervention by another authority or person.

Project Royalties

In Chile, the exploitation of a mining concession is subject to a royalty system that applies a specific tax to large-scale mining. This tax has two components: an *ad valorem* tax (on sales) and another on the operating margin (profits) of companies. The law establishes that the operating margin rate varies progressively according to the profitability of the company, and the revenues collected are used to finance regional and municipal development.

Components of the mining royalty for large-scale mining:

- Ad valorem tax: This is a 1% tax on the annual copper sales of companies that sell more than 50,000 metric tonnes of fine copper per year.
- Operating margin tax: Applies to companies with sales above 50,000 metric tonnes of fine copper per year.

This royalty applies specifically to large-scale mining, i.e. those companies that sell more than 50,000 metric tonnes of fine copper per year.

Small and medium-sized miners, artisanal miners and miners are not subject to the mining royalty.

As the expected production of the Playa Verde Project is less than 12,000 tonnes of copper per year, the project will be exempt from royalty tax for mining companies in Chile.

Other Obligations

The obligations of a mining concessionaire in Chile include active exploitation, the payment of semi-annual patents per hectare, and compliance with safety and environmental measures. In addition, it must present to the State a safety plan, a site closure plan, and the Mining Declaration with production, technical and safety background. The law also protects the owner's right to property, but states that it must operate under the relevant limitations and regulations.

Regulatory and environmental conditions

Chile maintains a solid and evolving environmental regulatory framework, with institutions that reinforce the management of biodiversity and natural resources. However, the dominant narrative in 2025 reflects a growing tension between economic development and environmental institutionality, where the pressure to expedite investments can compromise protection standards.

In professional terms, the country offers a clear and predictable regulatory environment, but with challenges in practical implementation: bureaucracy, socio-environmental conflicts, and perception of institutional regression. For investors and actors in the mining-energy sector, this implies the need for proactive compliance strategies, community dialogue and adaptation to possible new environmental demands.

4.9.1.3 Investment factors and sectoral competitiveness

Chile offers an attractive and competitive mining environment, supported by its leadership in copper and lithium, strategic reserves and institutional stability. However, sectoral competitiveness depends on overcoming regulatory challenges, energy costs and social demands, integrating technological innovation and sustainability as central axes.

Project portfolio: In December 2025, the Minister of Mining, Aurora Williams, and the Executive Vice President (s) of the Chilean Copper Commission, Claudia Rodríguez, presented the Mining Investment Project Portfolio 2025-2034, which amounts to US\$104,549 million. This figure represents an increase of 25.7% – equivalent to US\$21,369 million – compared to the previous cadastre, positioning itself as the highest amount recorded in the last 11 years. The historic increase in projected investment demonstrates confidence in Chile and in the sector's ability to move towards more modern, sustainable and competitive mining.

4.9.2 Mapping and Locating Assets

The territorial characterisation of Chañaral Bay is a fundamental axis to understand the spatial and operational context of the associated mining and port projects. First, the general and regional maps allow the bay to be located within the northern macrozone of Chile, highlighting its relationship with urban centres, areas of environmental interest and strategic logistics corridors. Second, the location of the main properties offers a clear view of the distribution of mining concessions, industrial facilities and areas of direct influence, facilitating the evaluation of territorial and regulatory compatibility. Finally, accessibility and transport infrastructure describes the road, rail and port routes that connect the bay with the national and international network, underlining both the competitive advantages and the limitations that condition the viability of new investments.

4.9.2.1 General and Regional Maps

Halo's mining asset corresponds to the project called the Playa Verde Copper Tailings Project. The project contemplates the exploitation of an artificial deposit containing copper ores and traces of gold and molybdenum. This deposit was formed by the deposit of tailings from the Potrerillos and El Salvador mines that dumped their tailings into the River Salado, located approximately 120 km at the mouth of Chañaral Bay. This deposit was made during the period 1938 to 1975, a period in which environmental regulations in mining in Chile were practically non-existent.

Halo Minerals' mineral assets with respect to its Playa Verde Project, Chile, consist of a mineral resource study and a mining reserve estimate. The project is in northern Chile, Atacama Region, coastal sector of Chañaral Bay, approximately 995 km north of the city of Santiago, Chile's capital city (Figure 3.).



Figure 3. Location of the properties of Halo Minerals, Playa Verde Project in the Atacama Region, Chañaral Bay, Chile, South America.

Sources: EMI-SA elaboration, 2025

The Playa Verde Project has an extensive history of exploration (from 1972 to 2015), but there is no evidence of mining activity in the Chañaral Bay sector.

4.9.2.2 Location of Primary Properties

The company Minera Playa Verde Limitada (a wholly owned indirect subsidiary of Halo) is currently the holder of six mining licenses covering a total area of 13.57 km², as detailed in the table below. These licenses were acquired from two previous owners, Inversiones E.M. Dos Limitada and Sociedad Minera Limitada C Uno. Both companies were privately held. Most of the licenses have been held since 1993. According to current Chilean legislation, as long as the licenses are kept up to date (i.e., they comply with all legal requirements, including the payment of annual fees), their validity is indefinite.

Below, in the following figure, a summary of the exploitation licenses held by Minera Playa Verde Limitada is shown.

Table 10. Summary of Playa Verde Copper Tailings Project Licenses

N°	Name	Explotation Licence	Date	Status	Surface (km2)
1.	C Uno 1-56	03101-1157-0	22/06/1993	Valid	2.79
2.	C Dos 1-40	03101-1158-9	22/06/1993	Valid	2
3.	C Tres 1-40	03101-1159-7	10/11/1993	Valid	2
4.	C Cuatro 1-40	03101-1160-0	09/06/1993	Valid	1.8
5.	C Cinco 1-20	03101-1161-9	21/06/1993	Valid	1
6.	Verde 1-87	03101-0790-5	21/03/1995	Valid	3.98

Table 3.1 - Summary of Chanaral Copper Project Licenses



Figure 4. Location Exploitation concessions granted to Minera Playa Verde Limitada

4.9.2.3 Accessibility and transport infrastructure

Chañaral Bay, located in the Atacama Region, has efficient land accessibility from the main urban centres of northern and central Chile. From Santiago, the national capital and key logistics node, the approximate distance is 980 km by land, which is equivalent to a journey of between 11 and 13 hours by vehicle, depending on the type of transport and road conditions. This route is mainly along Route 5 North, the structuring axis of the country, which connects directly with the city of Chañaral and its coastal accesses.

From Copiapó, the regional capital and administrative centre of Atacama, the distance is approximately 170 km, which represents a journey of 2 to 2.5 hours by road, also through Route 5 North. This proximity makes Copiapó a strategic logistics point for the supply, institutional management and technical support of projects in the bay.

The city of Copiapó, capital of the Atacama Region, is the main urban, administrative and logistical centre of the small north of Chile. Its strategic role is based on three dimensions: institutional, economic and territorial.

At the institutional level, Copiapó concentrates regional authorities, public services and regulatory bodies, which makes it the point of reference for the management of mining, energy and environmental projects. Its administrative infrastructure facilitates the articulation between companies, communities and the State.

From an economic perspective, the city is recognised as a mining and industrial centre, with a strong presence of national and international companies dedicated to the exploitation of copper, gold and iron. Added to this is a growing sector of specialised services – engineering, transport, higher education and health – that reinforce its role as a support for extractive activity.

Territorially, Copiapó is in an inland valley with an arid climate, with direct access to the Route 5 North and the Atacama Desert Airport, which ensures land and air connectivity to Santiago and other regional hubs. Its proximity to the coast and to mining operations in the mountain range give it a privileged position as a logistics and supply platform. It is characterised as a transitional region, where the relief units of the north begin to vary, and its climate and hydrography allow for more abundant vegetation than in the first two regions of the country. According to the 2024 Census, it has 299,180 inhabitants and a density of 3.98 inhabitants/km².

In the productive field, mining, the main regional economic engine, focused on copper and secondarily on iron, along with agriculture, stands out. There are also minor contributions of precious metals such as gold and silver. The Atacama Region bases its economy on the mining sector followed by the agriculture, fishing and aquaculture sectors. Of the total exports, 90% is linked to the mining sector, where copper, gold, silver and iron stand out. On the other hand, the regional agricultural sector is characterised by two types of agriculture: a modern one, which orients its production to international markets, and the other to the traditional one based on subsistence. The feasible area of agricultural exploitation is about 30,000 hectares.

In addition, the Region has a coastline of 530 km, of which a small proportion is used for aquaculture and fishing.

The main mining companies highlighted in the Atacama Region are the following:

- Compañía Minera del Pacífico (CMP), Cerro Negro Norte Mine. Production 4000 Ktonnes Pellet Feed/year

- Compañía Minera del Pacífico (CMP), Los Colorados Mine Production 2021 2,600 Ktonnes Fe
- Kinross. La Coipa Mine Extension. Production 285 Ktonnes Oz gold /year
- Kinross. Lobo Marte Gold Project. Expected production 300 Ktonnes Oz gold/year
- Fenix Gold Ltda (a subsidiary of Rio2 Limited). Fenix gold project. Expected production 80 Ktonnes Oz gold/year
- Codelco Chile, El Salvador Division. Rajo Inca Mine. Production 90 Ktonnes CuFine/year
- Lunding Mining. Ojos del Salado Mine. Production 2023 16.3 Ktonnes Cu Fine
- Lunding Mining. Candelaria Mine. Production 2023 135 Ktonnes Cu Fine
- Lumina Copper Chile. Caserones Mine. Production 2023 120.6 Ktonnes Cu Fine
- Gold Fields: Salares Norte Mine, gold-silver. Production 350 Ktonnes Oz gold eq/year

4.9.3 Assets in facilities and associated infrastructure

The Playa Verde Project, in its current state of development, does not have facilities or infrastructure at the execution site that can be classified as active under current regulations.

4.9.4 Environmental Factors

MPV prepared an EIA that was submitted in May 2017 to the competent authorities of Chile so that MPV receives the necessary environmental permit for the project. The EIA will consider all possible environmental and population impacts caused by the project and, in the event of significant impacts that may be a problem under environmental or other regulations, it will establish the measures that MPV will adopt to mitigate them.

As part of the preparation of the EIA, MPV's environmental consultancy, M&F Consultores (M&F), has conducted detailed baseline studies on a wide range of environmental and other issues, including air quality, meteorology, soil, water quality, noise, flora and fauna, marine environment, landscape and various aspects related to local people. In addition, a comprehensive risk analysis was carried out as part of the EIA, which demonstrated that there are no significant adverse risks that may arise from the Playa Verde Project, either to the environment or to the health of the local population. As part of this process, several potential significant impacts have been identified and analysed:

- The concentration levels of metals, mainly arsenic, in the solid and liquid waste that will be returned to the beach from the plant after processing meet the relevant reference standards and are likely to pose an acceptable risk to the local population.
- There are restrictions on the use of heavy vehicles on the road leading to the plant, so mitigation measures will be required, likely through MPV's responsibility for road maintenance.
- The local population perceives that the fine material, i.e. the dust carried by the air, from the beach currently represents a risk to the health of the population. However, air quality monitoring conducted by M&F as part of baseline studies showed current compliance with Chilean air quality regulations. Therefore, air quality is not a problem; however, if confirmed, various mitigation measures will be implemented, including the use of water spray to suppress dust.
- Given the distance from the plant to the nearest population, noise or vibration is considered unlikely to pose a problem. However, during the construction phase, additional traffic on the road to the project location and dredging operations near the town of Chañaral, likely during years 2 and 3 of the project, could pose a larger problem. If so, mitigation measures will be implemented, such as the construction of a barrier that reflects or absorbs noise.
- As part of the work carried out by MPV, with the support of a consulting firm, regular interaction with relevant local and regional government authorities has been initiated. This process has demonstrated the support of these authorities for the Playa Verde Project.

In addition, MPV has long understood the importance of early community involvement in the Playa Verde Project, and this process has been underway for some time. Each of the main social organisations in the city has been identified and contacted, which has led to meetings with local leaders and representatives of the administration, as well as with local authorities and their technical team, i.e. the Municipality of Chañaral. In these meetings, MPV has presented the characteristics of the Playa Verde Project, answered questions from the community and received comments and suggestions, information that will improve the design of the Playa Verde Project.

It is evident that stakeholders have been influenced by the history of the city, which for many decades received tailings from the El Salvador and Potrerillos mines deposited on the beach. The local community believes that it has been the victim of constant pollution over a long period, which has generated a certain scepticism.

However, the overall view of the Playa Verde Project is favourable, based on the expectation that the beach will be decontaminated and available for later use for recreational purposes, as well as boosting the city's economy. However, there is a fear among some local actors that the operation of the Playa Verde Project will cause the dispersion of toxic elements present on the beach, which could affect the community, the sea and its resources. MPV is planning a new phase of community engagement, during which the Playa Verde Project will be presented in detail to the community and the municipality, both in terms of the construction and operation stages, also explaining the mitigation measures that will be included in the design of the project.

5. Reserves and resources

For the purposes of this declaration of resources and reserves, the JORC Code (2012 Edition), internationally recognised as a reference standard for the classification, estimation and disclosure of mining information, has been considered as a regulatory framework. The application of this standard ensures methodological consistency, transparency in technical and economic assumptions, and compliance with the reporting tables established in Appendix 3 of AIM Notes, thus guaranteeing the comparability and credibility of the results presented.

5.1 Mineral Resources

5.1.1 Definition and classification of resources

The JORC Standard (2012) defines the term Mineral Resource precisely, establishing that it corresponds to a concentration of material that can be converted into reserves under appropriate technical and economic conditions and on which there are reasonable expectations of eventual economic extraction.

5.1.1.1 Concept of mineral resources

According to the JORC Standard, a 'Mineral Resource' is a concentration or occurrence of solid material of economic interest within or on the earth's crust in such shape, grade (or quality) and quantity that there is a reasonable expectation for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided in order of increasing geological confidence into the categories Inferred, Indicated and Measured.

5.1.1.2 Categories: Measured, Indicated and Inferred.

An '**Inferred Mineral Resource**' is that part of a Mineral Resource in which the quantity and grade (or quality) is estimated on the basis of limited geological evidence and sampling. The geological evidence is sufficient to assume, but not to verify the geological and grade (or quality) continuity. It is based on exploration, sampling and testing information collected through appropriate techniques from locations such as outcrops, trenches, excavations, tillage and drilling.

Mineralisation can be classified as an Indicated Mineral Resource when the nature, quality, quantity of data and its distribution are such as to allow a reliable interpretation of the geological framework and assume continuity of mineralisation. The confidence of the Inferred Mineral Resource estimates is not sufficient to allow the results of the application of technical and economic parameters to be used in detailed planning in Pre-Trial Studies.

An '**Indicated Mineral Resource**' is that part of a Mineral Resource for which the quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to permit the application of Modifying Factors in sufficient detail to support the mining planning and assessment of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing collected through appropriate techniques from locations such as outcrops, trenches, wells, workings and drillings and is sufficient to assume the geological and grade (or quality) continuity between the observation points where the data and samples are collected. An Indicated Mineral Resource has a lower level of confidence than that applied to a Measured Mineral Resource and can only be converted to a Probable Reserve.

A '**Measured Mineral Resource**' is that part of a Mineral Resource for which the quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to permit the application of Modifying Factors to support detailed mining planning and the final

assessment of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing collected through appropriate techniques from locations such as outcrops, trenches, wells, workings and drillings and is sufficient to confirm geological and grade (or quality) continuity between the observation points where the data and samples are collected.

5.1.2 Resource Estimation

The Playa Verde Project is in Chile's Atacama Region, approximately 995 km north of Santiago on Route 5. Copiapó is the closest city with hotel infrastructure, hospitals, schools, universities and an airport, and is located 170 km northwest of Chañaral. From 1938 to 1975, tailings from the copper mines of Potrerillos, and later from El Salvador, were transported through a tailings transport pipeline located next to the Salado River 120 km downstream towards the coastal edge and, due to lack of adequate control, were dumped in Chañaral Bay. During that period, an estimated 250 million tonnes of tailings were deposited in the bay.

The mineral deposit of Chañaral beach has been recognised over a maximum length of approximately 5.0 km and a width of 900 m. Tailings outcrop at the surface and extend to depths between 0.2 m and 18.0 m, with an average of 9.50 m.

5.1.2.1 Geology of the Mineralised Tailings Deposit

The area of interest of the **Playa Verde Copper Tailings** Project presents unique geological conditions, as it is made up of weathered and dispersed tailings from a porphyry copper complex located more than 120 km to the east. These materials originated in the mines of **Potrerillos** and **El Salvador**, whose tailings were discharged between 1938 and 1978 in **Chañaral Bay** through a pipeline installed in the bed of the Salado River.

During that period, mining waste management was carried out with much less stringent standards than today. Initially under the operation of the U.S. company **Andes Mining Company** between 1938 – 1973, and later under state owned company **Codelco** from 1973 – 1978, the tailings were dumped directly into the sea, generating a sedimentary plume that expanded from the discharge point north of the municipality of Chañaral.

This process resulted in a displacement of the coastline of up to 1,000 m to the west and the accumulation of 10 to 15 m of stratified tailings on top of the original sediments. It is estimated that the total volume deposited reached 250 million tonnes, covering approximately 13 km² of surface, both on land and in the marine area. Since then, these tailings have been exposed to the combined action of waves, wind and chemical processes for more than four decades, modifying their composition and surface structure.

The mineral composition reflects the alteration and mineralisation processes of the original deposits. In **Potrerillos**, three hypogenous events and a supergene enrichment zone are distinguished, with potassium and propylitic alterations that provide potassium feldspar, biotite, chlorite, quartz, ankerite and anhydrite, along with sulphides such as chalcocite, bornite, pyrite, molybdenite and traces of enargite, sphalerite and galena. In **El Salvador**, early mineralisation is characterised by quartz veins and K-silicate assemblages with alkali feldspar, biotite, anhydrite, chalcocite, bornite, and pyrite. The alteration transformed hornblende into biotite and minerals such as anhydrite, rutile and ilmenite into hematite, while secondary sulphides (chalcocite and covellite) largely replaced chalcocite and bornite.

Both mines were exploited underground and their tailings were generated by collective flotation of Cu-Mo sulphides, conditioned with lime at pH 10.5. The tailings travelled about 120 km along the open course of the Salado River to Chañaral, where small miners also added chemicals uncontrollably in their copper recovery operations.

The current material in the bay consists of fine light grey sands (>50% - 160 µm), with fragments of shells and rounded gravel, overlying the original darker beach deposits. The main copper-bearing minerals identified by Parraguez (1970) and BRGM (1972) are: chalcopyrite, bornite, covellite, chalcocite, malachite, chrysocolla/brochantite and molybdenite. The gangue minerals correspond mainly to quartz, with lower proportions of ilmenite, magnetite and pyrite. Chalcopyrite occurs both as inclusions in quartz grains and in released fine particles.

Studies indicate that the copper grade tends to decrease with depth, towards the original beach deposits, while the highest concentrations are found near the surface, in the central area of the beach and along the coast.

The local geology of Playa Verde is defined by its artificial and anthropogenic character, a direct result of the historical deposition of tailings from Potrerillos and El Salvador. This unique context differentiates the project from natural deposits, giving it relevance in both technical and environmental terms, as it constitutes a mining liability transformed into a potentially exploitable resource.

5.1.2.2 Drill Hole Information

Campaigns

In 1972, the **BRGM** carried out an extensive drilling campaign on Chañaral beach, with the aim of characterising the tailings deposits. According to later reports (WA, 2014), the work was carried out using the **Banka drilling method**, a technique specially designed for alluvial terrains with the presence of water or loose sand, where it is impractical to dig trenches or conventional wells.

The campaign culminated with the **execution of 86 drill holes**, totalling **897 meters drilled**, distributed in **19 east-west sections**, spaced approximately every **250 meters in a north-south direction**. These works provided the first systematic basis of information on the coastal tailings of Chañaral, constituting a fundamental technical background for subsequent studies.

In **2008**, the company **PuCobre** commissioned a specialised company to carry out a **bathymetric survey in Chañaral Bay**, with the purpose of measuring the depth of the seabed and evaluating the thickness of the sediments. Based on these results, the volume of tailings deposited in the area was estimated. Subsequently, PUCOBRE executed a **drilling campaign** that included **44 holes in the beach area (433 m drilled)** and **37 holes in the bay**. Detailed records are not available on the sampling methodology applied in this campaign. However, the study conducted in 2008–2009 reported a **"non-JORC" mineral resource estimate of 116 Mt with an average grade of 0.25% Cu** (WAI, 2014).

In **2014**, a new drill hole program was developed using the **SONIC** technique, starting **on August 12** and concluding on **September 6** of the same year. This methodology, described in detail in the **MPV (2014)** and **WAI (2014)** reports, allowed obtaining more precise information on the continuity and characteristics of tailings in Chañaral Bay, consolidating the technical basis for future resource evaluations.

Table 11 presents a summary of the drilling carried out covering the beach area and part of Chañaral Bay throughout the history of the project. In total, 356 boreholes have been drilled on the beach. In addition, a further 71 drill holes have been carried out in the near-shore area using different methods.

Table 11. Summary of Exploration Campaigns

Type	Period	Beach Area Drilling			Bay Area Drilling			Comments
		# of holes	% Cu Total	% Cu Oxide	# of holes	% Cu Total	% Cu Oxide	
BRGM	1972	86	24%	51%	-	-	-	
SERNAGEOMIN	1991	8	29%	85%	9	14%	56%	Not in Resource
TECSAMIN	1994	9	40%	75%	-	-	-	Not in Resource
SPRINGHILL	2000	30	28%	-	-	-	-	Not in Resource
CEYGE	2005	6	29%	-	25	13%	-	Not in Resource
PUCOBRE	2008	44	27%	48%	37	24%	46%	
SUPEREX	2014	136	-	-	-	-	-	
SONIC	2015	37	-	-	-	-	-	
TOTAL		356			71			

NOTE - Cu % values listed are recorded from WAI (2014), no record of methodology for these values is provided.

Source: Appendix 1 - Cube Mineral Resource Report.pdf

The drill holes carried out by SERNAGEOMIN (1991), TECSAMIN (1994), SPRINGHILL (2000) and CEYGE (2005) **were not considered** in this resource estimate, as they did not meet the requirements for validity as a source of information established by the JORC standard.

Sampling protocol

During the 2014 and 2015 drilling campaigns, the SONIC single-wall core barrel system was used, which allowed the recovery of practically intact cores, presenting undisturbed and high-quality soil profiles for physical and chemical analysis. The sampling plan implemented in the 2015 drilling campaign was designed to ensure geological representativeness and analytical quality control. It was established that the first meter of each drill hole—corresponding to surface units such as aeolian sands, silts and gravels— would be sampled at intervals of 1 m. From that depth, the standard intervals were 1.5m, with the possibility of reducing the length in finer sediment sectors or in areas close to the tailings limit, where it was necessary to specify the base and the economic cut-off levels of copper.

Samples were collected with plastic shovels in numbered bags, weighed and sealed immediately to minimise evaporation. A total of 275 samples were obtained, complemented by 22 field duplicates, 12 blanks and 38 reference standards. The insertion of these controls was planned randomly, ensuring systematic quality monitoring.

Each drill hole included at least one duplicate and one verification sample, while reference standards (CRMs) for copper—high-grade, medium-grade, and low-grade—were randomly selected in each hole. Likewise, it was established that one target should be incorporated every 60 samples, in addition to at the beginning and at the end of each sampling batch.

Quality Assurance and Control (QA/QC)

The **quality assurance and control (QA/QC)** program implemented in the 2014 drilling campaign was applied to the SONIC cores and consisted of the systematic incorporation of field duplicates, blank samples, and certified reference materials (CRMs). In addition to the QA/QC samples submitted by the project team, the **Intertek** laboratory included its own internal controls, ensuring an independent verification process.

To ensure the validity of the procedure, the QA/QC samples were numbered within the same sequence as the regular samples, so that they were received by the laboratory in a "blind" condition

and without differentiated treatment. The frequency of insertion was one control every 2 to 6 samples, reaching a total of 257 QA/QC samples, equivalent to 20% of the total sent for assay. These were distributed in 126 field duplicates, 98 CRMs and 33 blanks.

The review by WAI (2014) concluded that the QA/QC risk of the Chañaral tailings project was moderate, considering that the preparation procedures and analytical methods were adequate and that the process was free of cross-contamination. The results showed high precision and repeatability, although some uncertainty in analytical accuracy was identified, especially in the reference assays inserted by Copper Bay, which yielded values of low agreement with respect to the objectives. The causes of this deviation could not be determined with certainty, and it could be due to too strict tolerances, absence of inter laboratory tests (Round Robin), composition of the matrix or analytical problems.

However, the use of field duplicates gave WAI confidence, as the high accuracy observed indicated that the total sampling error was low and that analytical uncertainties would not have a significant material impact on the mineral resource estimate.

During the 2015 drilling campaign, a quality assurance and control (QA/QC) program was implemented that included the random insertion of duplicates, blanks, and certified reference materials (CRMs) into the sample sequence. The analysis of these controls, carried out by Cube between December 2015 and January 2016, made it possible to evaluate the accuracy and reliability of the results obtained in the Intertek laboratory, Copiapó.

Total copper (CuT) CRMs corresponded to pulps with values between 0.071% and 0.301% CuT, a range consistent with the results of the 2014 campaign. The targets used were Oreas STD122 standards in 100 g pulp, with a content of 0.0003% CuT, designed to detect possible contaminations in the analytical process.

In total, 338 samples were sent to the laboratory: 281 drill samples, plus 18 targets, 17 fine-grade CRMs and 22 duplicates. The CRMs were acquired from Ore Research and Exploration (ORE) and selected to cover the range of laws observed in previous campaigns.

The review of the data showed that 98% of the QA/QC controls (CRMs and targets) were located within the acceptable limits of three standard deviations (3SD), confirming the reliability of the analytical process. The few out-of-range results were mainly attributed to errors in insertion or mixing of standards and targets in the sampling sequence.

Data Validation and Verification

The validation and verification of drill hole data for the Playa Verde Project was carried out both in the database and during the technical visit carried out in December 2015. The process aimed to ensure the integrity and reliability of the information used in the resource estimate.

Validation included systematic reviews of collar records, surveys, assays, and geology, with an emphasis on detecting negative values, overlapping intervals, missing data, or data outside the expected range. Cube performed these checks prior to exploratory data analysis, recording drill holes without assays or geological records. Although no formal geological data were provided, drill hole logs and core photographs were available as a reference for modelling.

The verifications applied included:

- Control of outliers in collar coordinates (Easting, Northing, RL).
- Comparison of maximum depths between collar logs, assays, surveys and geology.
- Review for duplicate numbering, erroneous ranges, and missing data using validation rules in Excel before importing into Access.

- Verification of azimuths of drill holes within the expected range (0–360°) and control of missing records.
- Review of positive or near-zero inclinations in the survey table.
- Control of overlapping intervals in the test table and detection of negative or out-of-range values.
- Visual inspection in Surpac 3D to identify anomalous deviations in drill hole traces and validate collar positions with respect to topography and recent flood areas.

The errors detected were corrected and documented in the Cube database for future revisions.

- Collar records: Positional errors were identified in some drill holes and discrepancies in final depths (EOH), which were adjusted.
- Downhole survey records: No problems were observed in the traces due to the short length of the drill holes; The main correction was to adjust the final depth assigned (15 m) to 0 m in the affected records.
- Assay & geology records: Complete geological data were not delivered, so it is recommended to incorporate the geology logs in future model updates.

The topography verification, used in the Chañaral project, Cube received an updated Digital Terrain Model (DTM) of the beach dated December 2015. The previous topographic surveys of the 2014 campaign were adjusted by incorporating GPS data from the drill collars, generating a new topographic surface. In areas with no recent drilling, the historical DTM for 2012 was maintained as a reference.

Subsequently, additional modifications were made to the topographic surface following the review of flood-affected tailings volumes, both in the beach area and in the flow channels south of the tailings area.

Chañaral beach, which is relatively flat in nature, is subject to dynamic changes due to environmental processes such as waves, tides, currents and wind, which modify its morphology over time. For this reason, a new survey was carried out in July 2016, whose data were sent to Cube. With this information, the team generated an updated DTM (cube_cha_topo_ext_2016_07.dtm), considered sufficiently accurate to support the mineral resource estimate.

3D Tailings Model Interpretation

The three-dimensional (3DM) interpretation of the tailings domains in Chañaral was developed from the initial models delivered by Copper Bay, based on the work of WAI (2014). These models were validated and renamed in accordance with Cube's conventions for the definition of mineralised domains.

The volumetric control of the tailings was established through the use of digital terrain surfaces (DTM), which defined the upper (current topography) and lower (paleo-beach surface) boundaries. The tailings base was interpreted considering changes in composition, shell and gravel content, granulometry and colour, supported by the information from the drill hole records. In addition, the paleo-beach was characterised by a marked decrease in total copper grade (<0.1% CuT).

Within the tailings, a grade zonation was identified, with higher values at the top and a gradual decrease towards the base. Consequently, two mineralised domains were modelled:

- Upper Zone, defined with a nominal threshold of 0.15% CuT, (domain code 1001)
- Lower Zone, with grades lower than the threshold. (domain code 1002)

The lateral boundary towards the sea was initially established with the high tide line (50 m berm) provided by Copper Bay. Subsequently, in the January 2016 update, the marine extent of the tailings

domain was projected to the surface of the seafloor, using data from the 2014 bathymetric surveys to define the submarine base of the tailings.

Sample Composition and Coding

Within the framework of the Chañaral resource estimate, drill intervals within the mineralised domains were encoded with unique identifiers in the MS Access database. To do this, the zone code table was created, where each domain was assigned through the process of intersecting drill holes in Surpac, using a four-digit numbering system (example: 1001 = Chañaral domain 1001). Cube then graphically verified each intercept and made manual adjustments when necessary. These unique codes allowed data to be extracted from samples and compositions for statistical analysis and estimation.

In terms of sample lengths, the database recorded a total of 2,913.2 m of intervals, with varying lengths. Most intervals were 1.0 m or 1.5 m, with an average of 1.13 m and a median of 1.0 m, reflecting a trend toward intervals close to the standard metric unit.

For the compositing process, factors such as length statistics, sedimentary stratification complexity, total copper grade homogeneity (% CuT) and composite suitability for resource estimation were considered. A compositing of 1 m in depth was applied, seeking to reduce the variability of the raw samples and adjust to the dimensions of the blocks of the resource model.

The procedure was executed in Surpac, extracting the data from the `cu_use_pct` field of the Assays table. Intervals with values of -2 (unsampled) were excluded. Composites were adjusted using a best-fit method to maintain intervals close to 1 m and, in cases where the length was less than 50% (0.5 m), they were weighted and added to the preceding composite. Finally, the composite files were reviewed in Surpac to analyse the spatial distribution of grades, ensuring consistency in the model.

Statistical analysis of copper grade

In order to validate the domain controls over the copper grade and assess the need for further adjustments, a statistical and visual analysis of the drill data was performed. This work sought to determine if it was necessary to redefine domains according to the type of drilling or sedimentary stratification, as well as to establish a special treatment for possible outliers.

The analysis included three main components:

- Domain Analysis: review of copper grade populations to verify the internal consistency of the interpreted domains.
- High Cut Sensitivity Analysis: Evaluation of outliers and definition of maximum grade limits for composite data.
- Metal at Risk Analysis: estimation of the impact of applying different upper cuts in the copper grade on the resource.

The results showed that the two main domains have similar grade populations, without significant variations. The inflection point in the raw data is around 0.15% CuT, and only one relevant outlier was identified in Domain 1002.

In the comparison by drilling phases, it was observed that the most recent campaigns have a somewhat lower average grade, while historical drilling reflects more representative statistics of the entire tailings area. However, population trends for 1 m composites are consistent across all campaigns.

Regarding the treatment of high values, Cube applied an analysis using grade histograms, log-transformed probability plots and percentiles, also considering the spatial location of the outliers. An upper cut-off of 0.6% CuT was defined for domains. In the case of Domain 1001, only 12 samples were affected by this adjustment, with a metal loss considered not significant.

Modelling of copper grade variability in the Deposit

The variographic analysis for the tailings domains in Chañaral were performed using Isatis Software, applying experimental models composed of a nugget and several spherical structures. The nugget component was defined from the vertical variograms (*down-the-hole*) of each estimation domain.

In tailings, a possible mixture of data attributable to different factors was identified:

- superposition of sedimentary layers within the primary domains,
- variations in drilling methods, sample types, and analytical techniques,
- effects of physical and chemical weathering on exposed tailings.

The variograms generated with the raw %CuT data were difficult to interpret due to the biased distribution. To overcome this limitation, a modelling in Gaussian space was applied, with subsequent retro-transformation to real space, obtaining more robust models.

In Domain 1001, considered the most representative due to its homogeneous distribution and spatial coverage, a relative nugget of 0.37 was selected. The directional variogram showed maximum continuity in the direction of the deposit of the beach tailings, equivalent to -70° in Isatis, rotated to 160° in Surpac.

The variogram parameters used in the resource estimation were based on the results of Domain 1001, given that its data are more consistent and cleaner for analysis. However, in some areas a lateral limitation was recognised due to the wide spacing of the original data. The backward parameters were consolidated in the following table as a reference for the final estimate.

Table 12. Theoretical variograms used for estimation of Cu grades with OK

Variable (Domain)	Nugget	Spherical 1				Spherical 2				Surpac Rotation (azi/dip/pl)
		sill	major (m)	semi (m)	minor (m)	sill	major (m)	semi (m)	minor (m)	
%CuT (1001)	0.37	0.12	80	60	2	0.51	1200	500	5	160/0/0
%CuT (1002)	0.37	0.12	80	60	2	0.51	1200	500	5	160/0/0

Source: Appendix 1 - Cube Mineral Resource Report.pdf

EMI-S.A. reviewed WAI information and, in this report, appear experimental variograms with a trend of variability of law that can be modelled without transforming the original data. It is always recommended to use the original information without making modifications to its values, for the transparency of the results.

Block Model and Estimation Methodology

For resource estimation in Chañaral, Cube built a unique block model that covers the entire resource area. The parameters were optimised considering the density of holes, volumetric fill and mine planning requirements. The model was generated in Surpac v.6.7.2, with sub cells designed to fit the interpreted geometries and reduce processing times.

Model parameters: The basic unit of station (block) was defined as 100 m (N) x 50 m (E) x 1 m (RL), with sub-blocks of 25 m (N) x 12.5 m (E) x 0.5 m (RL). The drill meshes were arranged in an oblique system with spacing of 125 m (N) x 100 m (E). The model was not rotated.

- Oxidation: No subdomains were applied due to weathering.

- Density: Updated density values were assigned according to the results of tests carried out by IDIEM in 2016, encoded in the density attribute and differentiated by DTM domains and surfaces (current topography and paleo-beach).
- Tailings domains: Mineralised domains acted as hard boundaries to control estimation, encoded in the zone code attribute.
- Depletion: Updated DTM surfaces (topography and floor of flooded areas) were applied to discount volumes of tailings already removed or affected by flooding.
- Classification: Classification limits were defined in Surpac (Measured, Indicated and Inferred) after interpolation and validation of grades, considering the areas below the surface and affected by flooding.

Regarding the estimation methodology, interpolation of grades was applied by means of Ordinary Kriging (OK), complemented with an Inverse Squared Distance (ID2) control estimate.

OK: Composites of 1 m within the highest-grade domain (1001) were used, with variographic parameters obtained in Isatis v.14.0.0.376 (retro transformed Gaussian variograms). The interpolation was carried out in blocks of 125 m (Y) x 100 m (X) x 1 m (Z), following the direction of maximum continuity of the grades, associated with the tailings channel of the beach.

ID2: The same search parameters as in OK were applied, weighting the samples by distance, to validate the consistency of the results.

Search parameters: A minimum of 4 composites and a maximum of 16 were defined, with a search ellipsoid of 250 m. The search strategies were iteratively adjusted to minimise errors and biases and were applied to both the top (1001) and bottom (1002) domains.

Block Model Validation

The validation of estimated copper grades in block model was carried out through a set of technical controls that included visual inspection, volumetric comparisons, global and semi-local statistical analyses, as well as methodological robustness verifications against alternative estimates.

- Visual validation: Copper grade interpolations (%CuT) in sections and planes were inspected, comparing block values with raw drill hole data. The results showed a good correlation, confirming that the Ordinary Kriging (OK) estimate respected the geological orientation and patterns identified in the variography. The level plans prepared in 1 m increments (from +2 m RL to -8 m MSL) showed a coherent spatial distribution of the grades. It was observed that isolated high values were smoothed out in the model and that the wide spacing of holes generated a certain smearing effect on the grades.
- Volumetric comparisons: The correspondence between the volumes of the 3D wireframes and the domains encoded in the block model was verified. The differences were minimal and acceptable for the purpose of the estimation, confirming the correct assignment of boundaries and surfaces.
- Global statistical comparisons: In Domain 1001, the variation between crude, de-clustered, and estimated grades was virtually zero, reflecting the consistency of drill hole spacing and the absence of significant outliers. In Domain 1002, the model diluted the raw grades by 17.6%, attributable to lower drill density and scarce data in certain areas, resulting in a greater smoothing effect.

- Swath plots: The relationship plots showed a close correspondence between the composite data and the block values, confirming that the estimates adequately honoured the conditioning data. The oscillations in the crude laws were smoothed out in the model, as is characteristic of the OK method.
- Methodological robustness: The comparison with the ID2 control estimate showed very similar results, with differences of less than 2% in the metal content, which reinforces the reliability of the final model.

Finally, the block model did not present un-estimated blocks within the tailing's domains, and no manual modifications or arbitrary assignments of grades were made, ensuring the transparency and consistency of the estimation process.

Results of the Mineral Resource Estimate

The mineral resource estimate of the Chañaral tailings project has demonstrated sufficient geological continuity and copper grades, which supports its definition as a Mineral Resource under the guidelines of the JORC Code (2012). The model developed adequately reflects the vision of the CP, ensuring that the technical and classification criteria were rigorously applied.

The technical report, updated as of August 31 2016, presents a summary of the copper resources contained in the Chañaral tailings, expressed in different grade cut-offs (%CuT). These results consolidate the information obtained in drilling, modelling, and validation campaigns, and allow you to confidently establish the categories of Measured, Indicated, and Inferred based on data quality and density.

The results are shown in point 5.3 in the format specified by the London Stock Exchange (AIM Notes).

5.2 Mineral Reserves

5.2.1 Definition and classification of reserves

In this CPR, the mining reserves are part of the mineral resources of the declared mining asset.

5.2.1.1 Concept of Mineral Reserves

According to the JORC Standard (2012), a "Mining Reserve" is the economically exploitable part of a Measured and/or Indicated Mineral Resource. It includes dilution of materials and tolerances for losses that may occur when the material is mined and is defined by appropriate studies at the Feasibility or Pre-Feasibility level that consider the application of Modifying Factors and demonstrate that, at the time of reporting, extraction could be reasonably justified.

Ore Reserves are subdivided in increasing order of confidence into Probable Mineral Reserves and Proven Mineral Reserves.

5.2.2.2 Categories: Proven, Probable

A "Probable Ore Reserve" is the economically exploitable portion of an Indicated Mineral Resource and in some circumstances a Measured Mineral Resource. Confidence in the application of Modifying Factors to a Probable Ore Reserve is lower than that applied to a Proven Ore Reserve. Consideration of the level of confidence in Modifying Factors is important in the conversion of Mineral Resources to Ore Reserves. A Probable Ore Reserve has a lower level of confidence than a Proven Ore Reserve, but it is of sufficient quality to serve as a basis for a decision on the development of the deposit.

A "Proven Ore Reserve" is the economically exploitable portion of a Measured Mineral Resource. A Proven Ore Reserve implies a high degree of confidence in the Modifying Factors. The application of the category of a Proven Mineral Reserve implies the highest degree of geological, technical and economic confidence in the estimate, at the level of the production increases used to support mining and production planning, with the consequent expectations that may be formed by the readers of the report.

5.2.2 Estimation of reserves

5.2.2.1 Information used

The determination of mining reserves was based on a carefully integrated set of technical and economic backgrounds. First, the block model was considered, elaborated from the estimation of mineral resources, which constitutes the geological and quantitative basis of the analysis. Added to this input was the topography of the sector, which is essential to accurately define the physical limits of the ore bodies and the conditions of exploitation.

Likewise, information on operational costs and sales prices of the products was incorporated, factors that allow the economic viability of the project to be evaluated under different market scenarios. In parallel, the metallurgical processing methods planned for the ore were analysed, ensuring that the technical characteristics of the deposit correspond to efficient and reproducible processes. Finally, the marketing aspects of the product were integrated, considering both the placement in the destination markets and the associated contractual and logistical conditions.

The details of each of these components are developed in the following sections, in order to offer a complete and transparent view of the reserve estimation process.

5.2.2.2 Metallurgical Recovery Model

Regarding copper recovery, Copper Bay developed a carbonate-dependent recovery formula and differentiated acid consumption and leaching/flotation ratios by domains and depth, ensuring a more realistic model for the estimation of recoverable resources in Chañaral.

The main points were:

- Expected Global Recovery: At a concentrate grade of 20% Cu, an average recovery of 72% Cu is projected, with associated levels of 5.5 g/t gold and 1.1% arsenic.
- Total recovery equation (leaching + flotation):

$$\%Cu \text{ Recovery} = 81.932 - (8.8331 * \%CO_3)$$

This formula is applied to each block of the Block Model considering the estimated levels of carbonates (CO₃).

- Domains and zoning:
 - Domain 1001 – High Zone (0.0 to 2.5 m): Recovery divided into 90.6% leaching and 9.4% flotation.
 - Domain 1001 – Lower Zone (>2.5 m): Recovery divided into 79.5% leaching and 20.5% flotation.
 - Domain 1002: Recovery divided into 84.3% leaching and 15.7% flotation.
- Assigned acid intake:
 - Upper area of domain 1001 → 7.65 kg/t or Lower area of domain 1001 → 12.51 kg/t or Dominio 1002 → 18.71 kg/t

The Copper Bay notes established a carbonate-dependent recovery formula and differentiated acid consumptions and leaching/flotation ratios by domains and depth, ensuring a more realistic model for estimating recoverable resources in Chañaral.

5.2.2.3 Geotechnical Drill Holes

During the 2015 drilling campaign, geotechnical drilling (GDH) was carried out in order to obtain altered and unaltered samples for laboratory tests, in addition to performing Standard Penetration Tests (SPTs). The procedure applied combined drilling, casing and sampling phases, following an alternating sequence that guaranteed the recovery of cores and the execution of tests in situ.

The SPTs were performed every 3 meters, starting from 3 m below the surface. In parallel, undisturbed samples were selected throughout the drilling, except at the depths where the SPTs were performed. In cases of uniform subsoil, undisturbed samples were taken every 3 m from a depth of 2 m.

The altered samples were used to determine parameters such as particle size distribution, particle roundness and dry density. On the other hand, the unaltered samples were used to evaluate total density, water content, shear resistance and Atterberg limits, providing essential information for the geotechnical characterisation of the tailings.

Geotechnical investigations confirm that the Chañaral tailings are non-cohesive sands, dominated by angular quartz, with localised presence of fines that can affect the dredging efficiency. The recommendation to operate with a maximum slope of 30° ensures stability against currents and tides, while the angularity of the particles anticipates significant wear on equipment, a critical aspect for the design and maintenance of the operation.

5.2.2.4 Cut of grade

No cut-off grade was applied, as dredging does not allow selectivity: the method of extracting the ore requires that all the extracted material be sent to the processing plant.

5.2.2.5 Ore processing

The basic process concept for the Playa Verde Project was developed within the framework of the Pre-Feasibility Study (PFS). At the time of the deposition of the tailings in the bay, the remaining copper was mainly in the form of sulphides, almost exclusively as chalcopyrite. However, over the years, weathering and oxidation processes have transformed approximately 60% of copper into acid-soluble oxides and chlorides, according to tests carried out by Copper Bay.

From a metallurgical point of view, copper sulphides respond efficiently to concentration by froth flotation but show low recovery by acid leaching. In contrast, copper oxides and chlorides exhibit an inverse behaviour: low flotation efficiency, but high solubility and recovery by leaching.

The metallurgical testing program was designed with the goal of maximising copper extraction from tailings, generating marketable products and environmentally safe waste that allows for the rehabilitation of the current beach. To achieve this, a hybrid process was developed that combines flotation and leaching technologies, taking advantage of each method according to the predominant mineralogy.

The optimised flow sheet strategically combines leaching, SX/EW and flotation, achieving an overall copper recovery of close to 72% and ensuring the production of commercial-grade cathodes and concentrates. In addition, it incorporates robust environmental measures, such as arsenic treatment and beach rehabilitation, consolidating a technically and environmentally viable process for the Playa Verde Project.



Figure 5. Ore Processing Flow Sheet

5.2.2.6 Extraction of the ore

The extraction of the ore (tailings) will be done through dredging. The design leans into the non-cohesive nature of tailings, allowing passive excavation with an electric dredging wheel. The multi-lane pond configuration ensures stability, efficiency and operational continuity, although it implies the need for dividing berms that carry risks of ore loss or dilution. The final scheme achieves a balance between technical feasibility, extraction efficiency and control of operating costs.

Dredging and Pond Design

IHC was contracted by Copper Bay to assess the feasibility and operational parameters of tailings recovery by dredging in Chañaral Bay.

The design of the dredging is based on key factors: material cohesion, excavation tool, dredging depth, equipment manoeuvrability and selectivity of extraction.

- **Material cohesion:**

The tailings are homogeneous and practically without internal cohesion, which favours passive excavation by breaching (erosion under its own weight). Therefore, the predominant method will be passive excavation, without the need for cutters or buckets.

- **Forehead Tool:**

An electric dredging wheel was selected, suitable for free sands and consistent with the plant's feed requirements. The rotation of the wheel allows eroded material to enter the buckets and be led into the suction mouth, reducing material losses.

- **Dredging depth:**

The maximum depth planned is 12 m below the pond level, plus an additional 2 m above the height of the pond, which will also be extracted with the same dredging wheel.

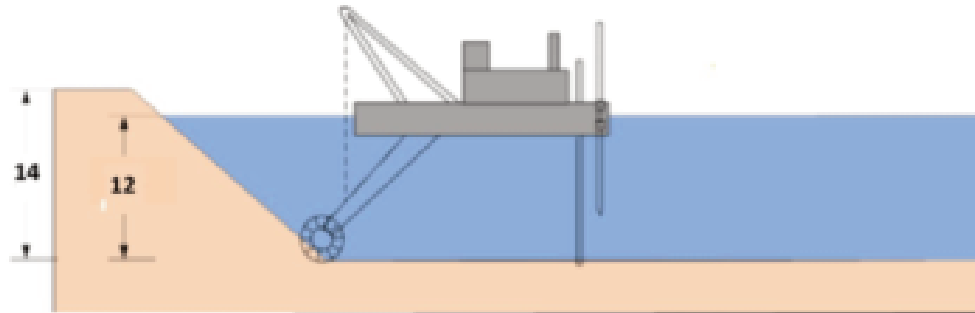


Figure 6. Drainage Method Schematic

Pond Design and Manoeuvrability:

Dredging will be carried out in series of lanes within the mining pond. IHC assessed the number of lanes, manoeuvrability, required overlap and stability of the side anchorages.

- Resource dimensions: 4.5 km (N-S) x 1 km (E-W).
- A single run is not feasible because of excessive forces on anchors and additional costs on floating pipes and power. At least two runs, separated by berms, are required, implying potential loss of ore (if the berm is left intact) or dilution (if reprocessed).
- With modern equipment, a 500 m wide pond is possible. Manoeuvrability is achieved with side winches anchored to the edges of the pond, allowing a rotation of up to 35° from the centreline, equivalent to a 32 m wide panel and a reach of 19 m.
- Advance is controlled by the spud carrier (central anchor), which travels in 5 m increments. Each pass includes three steps, moving 15 m before changing to the next lane.

Final Pond Configuration:

Under this scheme, the mining pond will comprise 16 lanes per pass, each 30 m wide, for a total of 480 m effective width.

- **Physical effects:** risk of erosion at the base of the pockets due to the action of the waves, which could compromise the stability of the wall.

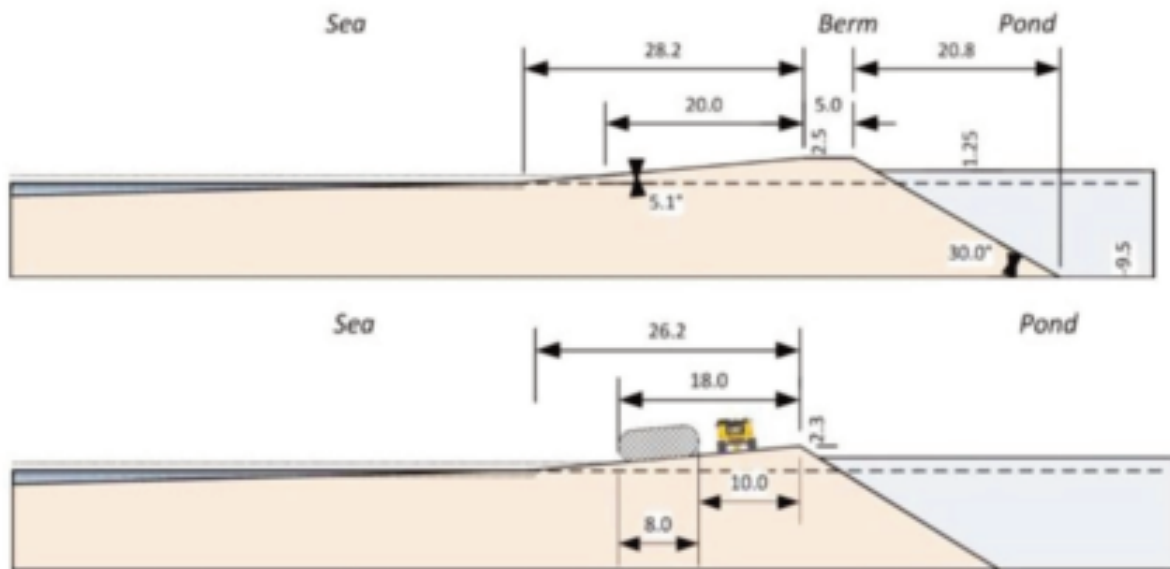


Figure 8. Tidal Berms Alternatives

Dredging Operations

The dredging system is designed as a **massive, continuous** operation, connected to a **floating pipe** that transports the ROM material to the edge of the pond, where it is linked with a fixed pipe to the process plant.

- **Excavation method:**
 - Dredging is not very selective, which is in line with the homogeneous distribution of copper mineralisation.
 - The main equipment is a suction dredging wheel, capable of digging with an accuracy of $\pm 10\text{--}20$ cm from the target depth (footwall).
 - This accuracy is achieved by high-quality sensors that measure the angle of the pontoon ladder, complemented by a tracking and positioning system (DTPS) to compensate for tidal level fluctuations.
- **Start of operations:**
 - Dredging begins in an initial pond of 50 m x 40 m x 4 m ($\approx 9,000$ m³), excavated with auxiliary equipment (backhoe loader or local contractor).
 - The dredger is launched by means of a ramp, pneumatic rollers and the support of a bulldozer, and from there it progressively expands the mining pond.
- **Mining pond design:**

- Dredging is carried out in a pond up to 500 m wide, following a circular path parallel to the water line.
- This design minimises overlaps between dredging runways, reducing dilution and ore loss, and optimises operation by limiting unnecessary turns.
- The pond has two active faces:
 - Front: the dredger digs and advances.
 - Posterior: it is filled with clean tailings from the plant, maintaining constant dimensions of the pond.
- The backfill generates tailings fans with slopes of 1.3° above water and 5.8° underwater, with the intended use of flocculants to improve sedimentation.
- The length of the pond varies between 120 and 220 m, depending on the depth, to ensure manoeuvrability and sedimentation space.
- **Auxiliary equipment:**
 - 1 workboat (IHC DMC 1050).
 - 1 backhoe loader (XCMG XE305D, capacity 1.3–1.5 m³).
 - 1 bulldozer (XCMG TY230, capacity 5.1–8.3 m³).
 - 4 light vehicles (Toyota Hilux).
- **Water balance:**
 - Dredging generates an outflow of 11.3 Mm³/year of water.
 - The fill returns approximately the same volume to the pond.
 - A net inflow of 0.9 Mm³/year from the aquifer is estimated, compensating for evaporation and dilation of the fill.
 - The tidal effect was modelled with a maximum change of 0.5 m between low tide and high tide, validated with long-term hydrogeological observations.

Production Program

A dredging production program was prepared based on the total resources contained in the final design of the dredging pond. The program was developed using the MineSight® Strategic Schedule Optimiser (MSSO).

The program was developed considering a consolidated copper tailings extraction of 5 million tonnes per year (5 Mtpa). The initial position and direction of the dredging were determined in the initial stage of this study using the previously calculated net value attribute for the blocks of the Block Model. According to this plan, there is ore to feed the processing plant for 7 years and obtain 80,500 tonnes of fine copper at the end of its useful life. It is planned that the reprocessed tailings produced by the processing plant will be deposited back into the dredged pond behind the dredging operation. It is estimated that approximately 0.65 Mt of the total 2.5 Mt will need to be pushed before the start of dredging (pre-striping).

Table 13. Production Program

Item	Unit	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Total
Copper Bay Licence Area									
Dredge Production	Mm ³	3.2	3.2	3.2	3.2	3.2	3.2	2.8	22.2
Dredge Production	Mt	4.9	5.0	5.0	5.0	5.0	5.0	4.3	34.2
Feed Grade Cu	%	0.25	0.21	0.23	0.25	0.26	0.25	0.22	0.24

Source: Appendix 7 - Chañaral Mine Planning Study Oct 2016.pdf

EMI-S.A. has reviewed the available information, and it is not possible to know whether this production schedule ensures that only proved reserves are mined in the early years in order to reduce uncertainty. It is recommended that the above table be broken down by reserve category per year, as this information is necessary to manage plan uncertainty and to help prepare an infill drilling campaign when required.

5.2.2.7 Results of the Mining Reserve Estimate

Cube, in addition to providing the mineral resource estimate, was contracted to support the mining engineering and design of the dredging pond, with the aim of determining how much of the estimated resource could be economically exploited.

Since dredging seeks to maximise the extraction of existing tailings, the traditional open pit optimisation approach is not applicable. The design was based on physical and practical criteria, with the following guidelines:

Dredging sequence in two passes:

- A continuous route was defined along the north-south axis of the beach, divided into two passes by the east-west amplitude, which exceeds the practical anchoring capacity of dredging.

Maximising Tailings Extraction:

- The design seeks to recover as much tailings as possible but maintaining a 1 m standoff on the paleo surface, to avoid dilution with material with high acid consumption.

Western sea berm:

- A 5 m wide berm was established, leaving the edge of the pond about 25 m from the high tide line, as a safety measure against waves and interaction with the sea.

Central Separation Berm:

- A dividing berm was maintained to separate the filled material from the pond from the material not yet dredged, preventing reprocessed tailings from mixing with the target material.

Mechanical mining of the eastern end:

- Due to the shallower depth in this area (less than 2 m of water), mechanical pre-mining is planned with bulldozers or other equipment, pushing the material into the dredging path. A volume of 2.5 Mt is estimated, with a nominal cost of US\$0.30/t if carried out by contractors, although Copper Bay anticipates that its own crew could do it at a lower cost.

Dredging in the southern flood zone:

- Part of the resource was affected by the March 2015 flood, which generates uncertainty and classification as an inferred resource. Even so, it was included in the design, since the dredging will continue its trajectory along the entire beach.

Based on this design, Cube estimated a mineable resource of approximately 34.8 million tonnes, including 0.6 million tonnes that are in ENAMI concessions¹¹ which have not yet been secured via a commercial agreement. No cut-off law was applied, since dredging does not allow selectivity: all the extracted material will be sent to the process plant.

The final design of the extraction method allows the recovery of 34.8 million tonnes of ore integrating criteria of safety (berms), efficiency (two passes and complementary mechanical mining) and economic viability (carbonate dilution control). The strategy ensures that all dredged material is treated, consolidating a massive, continuous and technically robust exploitation scheme.

These total mineable resources are comprised of 10.4 MillTon@0.26%Cu measured mineral resources, plus 21.8 MillTon@0.24%Cu indicated mineral resources, plus 2.6 MillTon@0.20%CuT inferred mineral resources.

The Mineral Reserves of the Playa Verde Project are composed of the measured mineral resources (proven reserves), plus indicated mineral resources (probable reserves).

The results are shown in point 5.3 in compliance with the format specified by the London Stock Exchange (AIM Notes).

5.2.2.8 Potential for Growth of Resources and Reserves

The August 2016 mineral resource estimate for Chañaral covers the beach area only, but there is significant potential for augmentation into 200% increase through the future incorporation of mineralised material in the surf and bay zones, subject to regulatory approvals from the Chilean government.

Analysis of 2008 subsea drilling data and bathymetric modelling were not part of the scope of the 2016 model. However, the WAI report (2014) includes a summary of the "potential" estimate made by NCL Ingeniería y Construcción S.A. in July 2008, which considered the Bahía, Rompiente and Playa areas.

The potential for resource growth at Chañaral lies in the future incorporation of the subsea zones (Bay and Surf-zone), where previous estimates suggest significant volumes of mineralised tailings, which could double the resource base if confirmed by further exploration and sampling campaigns.

¹¹ National Mining Company, belonging to the State of Chile.

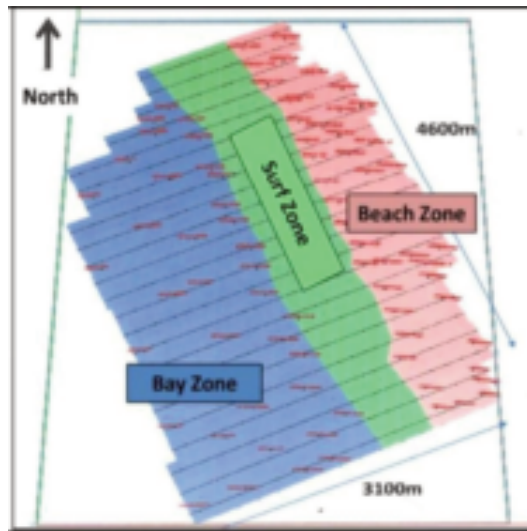


Figure 16-3 Designation of the Coastal Bay Deposit (NCL 2008)

Figure 9. Coastal areas Playa Verde Copper Deposit

5.3 Statement of Resources and Reserves

Summary of Mineral Reserves and Mineral Resources of the Playa Verde Project, in AIM format.

Table 14. Statement of Mineral Reserves and Mineral Resources
Playa Verde Copper Deposit

Appendix 3 – SUMMARY OF RESERVES AND RESOURCES BY STATUS
Minerals & Ore

Category	Gross			Net			Operator
	Tonnes (millions)	Grade (%Cu)	Contained metal (tons)	Tonnes (millions)	Grade (%Cu)	Contained metal (tons)	
Ore Reserves per asset							Minera Playa Verde Ltda.
Proved	10.40	0.26	26,609	10.40	0.26	26,609	
Probable	21.80	0.24	52,750	21.80	0.24	52,750	
Sub-total	32.20	0.25	79,359	32.20	0.25	79,359	
Mineral Resources per asset							Minera Playa Verde Ltda.
Measured + Indicated	6.84	0.23	15,800	6.84	0.23	15,800	
Inferred	14.40	0.23	32,400	14.40	0.23	32,400	
Sub-total	21.24	0.23	48,200	21.24	0.23	48,200	
Total	53.44	0.24	125,820	53.44	0.24	125,820	Minera Playa Verde Ltda.

Source: Brian Fitzpatrick, Cube Consulting Pty Ltd, Perth, Western Australia

Notes:

Operator: "Operator" is the name of the company that operates the asset

Gross: "Gross" They represent 100% of the reserves and/or resources attributable to the license

Net attributable: "Neto atributable" These are those attributable to the company listed on AIM.

Equivalent grades: Metal equivalents are not accepted and should not be used in reports.

Regarding Table 15. it is clarified that the total Declared Mineral Resources amount to 53.44 million tonnes with an average grade of 0.24% Cu with an in-situ fine copper content of 125,820 tonnes. This tonnage of ore includes the Declared Mineral Reserves corresponding to 32.2 million metric tonnes,

with an average grade of 0.25% with an in-situ fine copper content of 79,359 tonnes. In other words, the Mineral Resources include in their declaration both the tonnage and the qualities associated with the Mining Reserves, thus constituting the integral basis of the economic evaluation of the mineralised deposit.

5.4 Economic Analysis of Reserves and Assumptions

An estimate of net present value (after tax) at a 10% discount rate of reserves (or equivalent depending on the Standard used) analysed separately and the main assumptions (including assumptions of costs, effective date, constant and/or forecast prices, exchange rates) on which the valuation is based together with an analysis of sensitivities.

The most recent update and estimate of the Project's economic indicators was developed by Copper Bay in 2017(Base Case). To provide order-of-magnitude figures for the current economic analysis, the prices of copper, gold, and sulfuric acid were updated to December 2025. For this purpose, EMI S.A. used values from reliable sources regarding market prices and currency-adjustment factors for both U.S. dollars and Chilean pesos.

For this update, the 2025 average gold price (source: Chilean Copper Commission) of US\$4,300/oz was considered. In the case of copper, it was deemed reasonable to use US\$5.30/lb.international institutions project a tight market, low inventories, and historically high copper prices for 2026, driven by the energy transition and insufficient mine supply. Goldman Sachs, Citi, and J.P. Morgan forecast price levels equivalent to US\$5–6/lbCu, with some scenarios exceeding this range, while Cochilco has revised its estimates upwards to around US\$4.55/lb under a conservative outlook. The combination of structural deficits, robust demand, and restricted supply provides a solid basis for adopting US\$5.3/lb as a technically defensible and market-consistent price assumption.

In summary, the recommended prices are US\$5.30/lb for copper and US\$4,300/oz for gold (the current prices are both above the levels used for this reports analysis).

Regarding cost escalation, the following criteria were applied:

- **For foreign procurement and capital expenditures (CAPEX):** an escalation factor of 30.76% in U.S. dollars was calculated for the period January 2018 – November 2025, based on consumer price index data published by the U.S. Bureau of Labor Statistics.
- **For expenditures in Chile (administrative, operating costs, etc.):** an escalation factor of 44.4% in Chilean pesos was applied for the same period, using information from the Chilean National Institute of Statistics.

In the case of sulfuric acid, the price was updated to US\$175 per tonne, based on the value provided by Halo.

This approach provides a realistic basis for updating the Playa Verde Project's economic indicators to December 2025.

5.4.1 Economic model and key assumptions

Considered sales prices (constant or projected), applicable exchange rate, time horizon and discount rate used in valuations.

The copper marketing strategy is based on two complementary product lines: concentrates and grade A electrolytic cathodes. Each responds to different market dynamics and requires a differentiated approach in terms of costs, risks and positioning.

In the case of **concentrates**, the economic model is articulated based on sales contracts to international smelters, mainly in Asia and Europe. The reference price is established according to the international copper quotations (LME/COMEX), adjusted for the payable metal content and deductions associated with treatment and refining charges (TC/RC). Added to this are penalties for impurities and logistical costs of maritime transport and insurance. This scheme, although more exposed to the volatility of smelter charges, allows immediate liquidity and diversification of customers, ensuring placement in high-demand markets.

On the other hand, **copper cathodes** represent the final product with the highest added value, with a purity of 99.99% and direct acceptance in the cable, energy and construction industries. Its commercialisation is carried out through spot or long-term contracts, with prices referenced in international exchanges and adjusted by logistical or quality premiums. This model provides direct access to end consumers, greater stability in margins and positioning in premium markets, although it requires significant investments in refining plants and international certifications.

The comprehensive strategy combines both approaches: the sale of concentrates ensures cash flow and risk diversification, while the production of cathodes strengthens competitiveness and maximises added value. The economic model also contemplates the use of hedging financial instruments (futures and options in LME/COMEX) to mitigate price volatility, along with a balanced contract policy between spot operations and long-term agreements.

The key assumptions revolve around international prices, contractual deductions, production volumes, logistics costs, customer structure and regulatory stability. These elements define the viability of the model and are the basis for any sensitivity analysis or financial projection.

5.4.2 Key assumptions used in the project

The main updates to the assumptions used in the DFS study of the Project are:

- constant selling prices: 5.30 US\$/Lb Cu; 4,300 US\$/oz
- Time horizon: 7 years
- Discount rate used in valuations: 10% per year
- Marketing Strategy

5.4.2.1 Sale of Cathodes

The Playa Verde Project contemplates an estimated annual production of 7,080 tonnes of SX-EW copper cathodes. The most likely commercial strategy for MPV is to sell these cathodes through a trading company, replicating the model initially built by its former parent company, Central Asia Metals PLC. Under this scheme, the trader would purchase the cathodes at the spot price, without premium, and charge a fixed trading fee of US\$250 per tonne. This fee would cover all costs associated with the sale, including freight, insurance, taxes, duties, and any other expenses related to placing the product. In addition, all risks and liabilities linked to marketing would fall exclusively on the marketing company.

While this model implies a lower net sales price, it offers placement certainty and eliminates the operational complexity and risks associated with selling directly to end users. Alternatively, MPV could choose to market its cathodes directly to the industrial sectors that concentrate the demand: cable manufacturers and brass mills. However, until the cathodes obtain the "good delivery" certification by the LME and COMEX exchanges, it is estimated that they will face a discount of approximately US\$30 per tonne compared to the reference price. This certification is projected to be obtained at the end of the second year of commercial production.

In the long term, Playa Verde's SX-EW cathodes could access premiums of up to LME + US\$90 per tonne in Asian markets (CIF main ports in China and Southeast Asia), once the registration process

is completed. Maritime freight costs from Chile to Asia have shown historical stability, so a projection of US\$60 per tonne is considered reasonable.

In case of opting for direct sales, MPV would have to assume marketing costs estimated at US\$125 per tonne, in addition to US\$1 per tonne in transportation from the plant to Puerto Barquito and US\$10 per tonne in port and marine insurance. Alternatively, these services could be outsourced to a sales agent for an estimated total cost of US\$200 per tonne, including the negotiation of initial contracts and annual reviews with customers. In summary, MPV faces a strategic choice between ensuring immediate sales with less exposure to risk through a marketer or capturing higher margins in the long term through direct sales, once the international certification of its cathodes has been obtained.

Table 15. Revenue from the sale of copper cathodes

Summary updated Assumptions for Revenue Calculation for Playa Verde SxEw Cathodes			
Parameters	Unit	Value	Notes
Metal Price			
Copper Price	US\$/lb	5.3	
Sales Terms			
Premium - Year1 and 2	US\$/cathode	60	CIF Main Chinese/South East Asian Port
Premium - Year3 and beyond	US\$/cathode	90	CIF Main Chinese/South East Asian Port
Marketing Costs (*)			
	US\$/cathode	327	
(*) Including all cost associated with the marketing and sales of copper cathode (freight, handling, insurance, taxes) and any other costs incurred in the selling of copper cathode.			

5.4.2.2 Sale of copper concentrate

MPV copper concentrate exhibits the following average characteristics over the life of the mine:

- Annual production: 7,800 dry metric tonnes (dmt) of concentrate per year
- Average Copper Grade (Cu): 20%
- Average Gold Grade (Au): 5.5 grams per dmt of concentrate
- Moisture content: 10%
- Arsenic content: 1.1%

The copper concentrate produced by MPV will contain deleterious levels of arsenic, averaging 1.1%, implying a trade penalty equivalent to US\$55 per dry tonne.

The concentrate will be suitable for maritime transport in accordance with the regulations of the International Maritime Organisation (IMO).

In terms of marketing, the main destination for Playa Verde's concentrates would be Enami's Hernán Videla Lira smelter (also known as the Paipote smelter), located 170 km southeast of Chañaral.

Currently, established copper smelters in the market operate with a feed mix of approximately 29% copper. A trend is observed in the market where the average grade of copper in concentrates is decreasing worldwide. As a result, smelters are looking for higher-grade copper concentrates (above 35% Cu) for blending, especially now that the supply of high-arsenic concentrates is increasing. Producers and marketers of concentrates demand better quality materials, offering better treatment

and refining charges (TCRCs) for concentrates with higher grade and lower impurity content, thus encouraging their production.

This premium will not be available for Playa Verde, as the copper grade of the concentrate is typical, around 20% Cu.

It is not considered sea freight for MPV copper concentrate. On the other hand, a surcharge should be considered in the estimates of treatment charges (TCs) to be negotiated with Enami, in addition to the benchmark for TCRCs CIF Asian port. This surcharge is estimated at US\$46.00 per dry tonne of concentrate, equivalent to approximately 70% of the savings in freight costs to Asia, estimated at US\$65 per dry tonne.

Table 16. Revenue from the sales of copper concentrates

Summary Assumptions for Revenue Calculation for Playa Verde Copper Concentrates			
Parameter	Unit	Value	comentarios
Concentrates Grade			
Copper	%	20%	contenido cobre fino en 1 ton seca de concentrado
Gold	g/dmt concentrate	5.5	contenido oro fino en 1 ton seca de concentrado
Moisture Content	%	10%	
Arsenic	%	1.1	
Metal Prices			
Copper Price	\$/lb	5.3	
Gold Price	\$/oz	4300	
Smelter Terms			
Minimum smelter deduction	% Cu	1.0%	
Smelter payable	%	95.0%	(20-1)-95.0%
Treatment charges	\$/dmt	152.0	Charge per dry metric tonne of concentrate
Refining charges - Payable copper	c/lb Cu	15.2	
Penalty for arsenic	\$/dmt	0.0	Charge per dry metric tonne of concentrate
Payable factor - gold	%	90.0%	Minimum deduction 0.5 grams per DMT
Refining charges - Payable gold	\$/oz Au	6.0	
Transportation, Handling and other Sales Related Costs			
Marketing costs - Concentrates	\$/wmt Cu Conc	12	Charge per wet metric tonne of concentrate
Concentrate transport (plant to smelter)	\$/wmt Cu Conc	13.6	Charge per wet metric tonne of concentrate
Transport losses (plant to port)	\$/wmt Cu Conc	0.20%	Charge per wet metric tonne of concentrate
Sales Revenue for Concentrate			
Sales revenue for copper	\$/dmt	1868	
Sales revenue for gold	\$/dmt	683	
Total sales revenue (copper & gold) NSR	\$/dmt	2552	

5.5.3 Capital and Operating Costs

Estimation of initial and expansion CAPEX; unit OPEX per tonne; Maintenance and replacement costs of critical assets.

5.5.3.1 Optimised DFS

The Playa Verde project is already well defined through the Cube mineral resource report and the Copper Bay DFS which was completed in 2016. However, Halo expect to incur costs in the optimisation of the current Playa Verde DFS which Halo have identified as being a precursor to being in a position to be able to take a final investment decision and move to the construction phase of the project.

Halo expect to engage a number of consultants over the period ending 31 December 2027 to implement workstreams which Halo has identified as advantageous to optimise the definitive feasibility study and prepare the project for a final investment decision.

The workstreams that Halo have identified to be included in the optimised definitive feasibility study involve;

- geological consultants;
- confirmatory metallurgic test work;
- metallurgical consultants;
- consultants to update the dredging study;
- mining engineers;
- waste management pipeline design consultants;
- environmental consultants;
- infrastructure and power engineers;
- social impact specialists;
- consultants to assist Halo in the submission of ancillary permits deemed necessary to be able to take a final investment decision; and
- support from Chilean legal advisors and associated travel costs.

The total budget Halo expect to spend in concluding the work streams to finalise an optimised DFS are £752,000; with that budget being;

Table 17. DFS Optimisation Budget Summary

Item	£'000
Ancillary permits required for final investment decision	216
Consultant fees to secure ancillary permits	51
Mining engineers	70
Confirmatory metallurgical test work	52
Metallurgical consultants	38
Geological consultants	50
Environmental consultants	50
Social impact specialists	45
Infrastructure and power engineers	28
Dredging study	25
Waste management pipeline design consultants	5
Associated administrative costs	123
DFS Optimisation costs	752

5.5.3.2 CAPEX

The cost of capital expenditure (**CAPEX**) estimate is based on quotes provided by Propipe, in relation to the processing plant and certain aspects of the Beach Infrastructure and provided by IHC in relation to the dredging operation.

The estimated capital expenditure for the Playa Verde Project is summarised in the Table below:

Table 18. CAPEX Summary

	Initial
	US\$ mill
Dredging Equipment	10.2
Plant Equipment	32.6
Plant Construction	28.2
Indirect and other capex	9.5
Contingency	6.3
Total	86.8

5.5.3.3 OPEX

Operating **costs (OPEX)** include: fixed costs related to the labour required for the operation of the plant and extraction (drainage); variable costs, which depend on the level of operation and treatment used in the plant and are related to electric and diesel power; other consumables and maintenance, and marketing. Propipe has provided detailed estimates of the OPEX in relation to processing, and IHC in relation to the dredging operation.

The operational expenses of the Playa Verde Project can be summarised in the Table below:

Table 19. OPEX Summary

	US\$/lb Cu Produced*	US\$/lb Cu Produced*
Processing Plant		
Plant Labour	0.14	
Electrical Power	0.58	
Sulphuric Acid	0.55	
Other Consumables	0.26	
Maintenance	0.12	
		1.65
Dredging		
Labour	0.07	
Power	0.09	
Maintenance	0.04	
		0.20
Sales & Marketing		
Selling Costs	0.32	
Gold credit	-0.28	
		0.03
G & A		0.23
Contingency		0.08
TOTAL		2.19

*-Average per annum over the 7 year life of the project

5.5.4 Metallurgical recovery

Assumptions regarding metallurgical recovery, dilution factors, plant yield, and the expected mine life. No dilution factors are applied in consideration of the method of exploitation (dredging).

The useful life of the mineralised deposit to the east of the western berm which includes only the reserves is estimated at 7 years at an annual extraction rate of 5.0 million tonnes/year.

Regarding copper recovery, Copper Bay developed a carbonate-dependent recovery formula and differentiated acid consumption and leaching/flotation ratios by domains and depth, ensuring a more realistic model for the estimation of recoverable resources in Chañaral.

The main points were:

- Expected Global Recovery: At a concentrate grade of 20% Cu, an average recovery of 72% Cu is projected, with associated levels of 5.5 g/t gold and 1.1% arsenic.
- Total recovery equation (leaching + flotation):

$$\%Cu \text{ Recovery} = 81.932 - (8.8331 * \%CO_3)$$

This formula is applied to each mining block considering the estimated levels of carbonates (CO₃).

- Domains and zoning:
 - Domain 1001 – High Zone (0.0 to 2.5 m): Recovery divided into 90.6% leaching and 9.4% flotation.
 - Domain 1001 – Lower Zone (>2.5 m): Recovery divided into 79.5% leaching and 20.5% flotation.
 - Domain 1002: Recovery divided into 84.3% leaching and 15.7% flotation.
- Assigned acid intake:
 - Upper area of domain 1001 → 7.65 kg/t or Lower area of domain 1001 → 12.51 kg/t or Dominio 1002 → 18.71 kg/t

5.5.5 Economic Evaluation

5.5.5.1 Net Present Value and Internal Rate of Return

Within the framework of the economic analysis of the project, two cash flow scenarios have been calculated:

- **Cash flow including gold credits, before taxes.**
- **Cash flow including gold credits, after taxes.**

For both cases, the key financial indicators were determined: the **Net Present Value (NPV)** at a discount rate of 10%, the **Internal Rate of Return (IRR)**¹² and the **payback period of the investment**.

The exercise is based on the following **main assumptions**:

- Total Mineral Resources: **34,821,000 tonnes**.
- Copper content: **83,790 tonnes**.
- Total copper production: **60,329 tonnes**.
- Project lifespan: **7 years**.
- Material dredged to full production: **5 million tonnes per year**.
- Copper production at full capacity: **8,640 tonnes per year**.
- Copper price: **US\$5.30 /lb Cu**

On this basis, Table 21 and Table 22 was prepared, which summarises the financial results obtained and allows the profitability of the project to be evaluated under different tax scenarios.

Table 21. Cash flow forecast

Item	Item	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Ore mined (Mt)	(Mt)		5.00	5.00	5.00	5.00	5.00	5.00	4.80
Grade (%)	(%)		0.25	0.21	0.23	0.25	0.26	0.25	0.22
Recovery (%)	(%)		72.9	72.0	72.0	72.0	72.0	72.0	72.0
Cu Cathode (t)	(t)		7,464	6,245	6,834	7,472	7,697	7,349	6,376
Cu in Concentrate (t)	(t)		1,645	1,376	1,506	1,646	1,696	1,619	1,405
Gold (payable) (oz)	(oz)		1,322	1,306	1,210	1,323	1,363	1,302	1,129
Cu Price (\$/lb)	(\$/lb)		5.30	5.30	5.30	5.30	5.30	5.30	5.30
Gold Price (\$/oz)	(\$/oz)		4300	4300	4300	4300	4300	4300	4300
Net revenues (\$m)	(\$m)		112.1	85.9	94.0	102.8	105.9	101.1	87.7
Production costs (\$m)	(\$m)		37.6	31.5	34.4	37.6	38.8	37.0	32.1
G&A costs (\$m)	(\$m)		4.6	3.9	4.2	4.6	4.8	4.6	4.0
Total OPEX (\$m)	(\$m)		42.2	35.3	38.7	42.3	43.6	41.6	36.1
CI costs (\$/lb Cu)	(\$/lb Cu)		2.10	2.10	2.10	2.10	2.10	2.10	2.10
EBITDA (\$m)	(\$m)		69.9	50.6	55.3	60.5	62.3	59.5	51.6
CAPEX (\$m)	(\$m)	-86.8							
Tax (effective)	(\$m)					6.9	9.9	9.2	7.1
Cash flow (before tax)	(\$m)	-86.8	69.9	50.6	55.3	60.5	62.3	59.5	51.6
Cash flow (after tax)	(\$m)	-86.8	69.9	50.6	55.3	53.6	52.4	50.4	44.5

Table 22. NPV and IRR Summary

	NPV	IRR
	\$m	%
Cash flow before tax	182.0	59.2
Cash flow after tax	164.1	51.4

Considering only the Ore Reserves declared in this CPR (32.2 million tonnes @ 0.25% Cu, see Table N°2), the project's financial results indicate a Net Present Value at a 10% discount rate (NPV10) of US\$154.1 million and an Internal Rate of Return (IRR) of 50.9%.

¹² Source: 5.4.1 DFS Base Case Financial Model May 2017.xlsm, Copper Bay

5.5.5.2 Sensitivity Analysis

A sensitivity analysis has been carried out in relation to the variations of the following parameters: OPEX, Cu Recovery, CAPEX, Copper Price, Energy and Sulphuric Acid.

Figure 10. Sensitivity Analysis

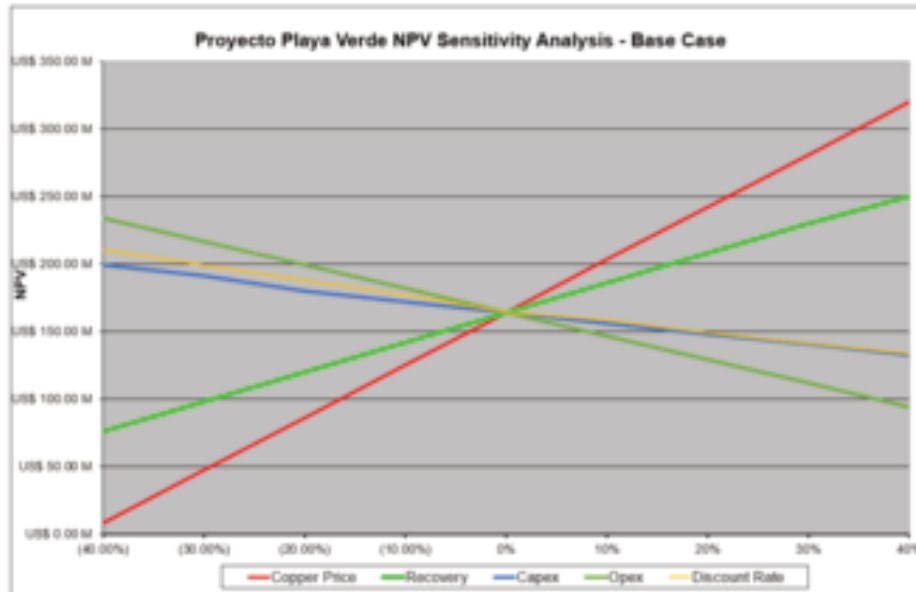


Figure 10 shows that the economics of the project are more sensitive to changes in the price of copper, copper recovery and OPEX at lower proportion.

6. Other Assets

6.1 Any other tangible assets for the applicant.

No additional tangible assets have been identified, based on the information provided by the company.

6.2 Comments on Significant Equipment for the Operation

The Process Plant strategically combines **leaching, SX/EW and flotation**, achieving an overall copper recovery of close to **72%** and guaranteeing the production of commercial quality cathodes and concentrates.

The important equipment for the operation is equipment for the processing of the mineral such as; sand conditioning (screens, conveyors, thickeners, belt filters, pumping equipment), leaching (agitation tanks, belt filters, pumping equipment), SX (mixer-settlers, agitators equipment, crud removal system), EW (anodes, cathodes, EW cell, rectifier, reverse osmosis plant) and flotation (Rougher Flotation cells, Cleaner Flotation cells, Regrinding Ball Mill, Hydro cyclone system, Pumping equipment and piping (for the re deposition of coarse tailings back on the beach).

To extract the ore and transport it to the plant, the following equipment is important: IHC custom-built wheel dredge, lurs feed pipe, tailings pump and pipe, workboat, bulldozer, excavator, and utility vehicles. All this equipment is commonly used in mineral processing facilities in Chile, except for the

wheel dredger.

7. Conclusions and Recommendations

The CPR prepared by EMI-SA for Halo was developed in accordance with the JORC Code (2012) and the AIM Notes (2009) applicable to the admission process to AIM, ensuring full regulatory compliance and transparency.

The technical review included the audit and analysis of previous reports prepared by Cube Consulting, Wardell Armstrong (WAI) and Copper Bay, with the aim of validating the available geological, legal and financial information, ensuring its consistency and reliability as a basis for the comprehensive evaluation of the project.

Conclusions

EMI-S.A. believes that, based on the reviewed data, the workflows and data capture for the Mineral Resource Estimates and determination of the Mineral Reserves of the Playa Verde copper tailings deposit by the Company and advisory firm, have been completed in accordance with the international standards of the JORC Standard.

EMI-S. A confirms the existence and ownership of the mining assets of the Playa Verde Project, located in the Atacama Region, Chile.

Halo's Mining Asset is a tailings deposit containing copper and other minor elements. The deposit corresponds to historical tailings accumulated in Chañaral Bay over decades.

The Playa Verde deposit corresponds to an anthropogenic deposit of low-grade (but commercial and commensurate grades for tailing projects) copper tailings accumulated over approximately 70 years and being a product of the operations of the Potrerillos and later El Salvador mines owned by the state-owned company Codelco. Currently, the holding of exploitation concessions is legally protected by six mining licenses in force covering 13.57 km² in the name of Minera Playa Verde Limitada. Its composition reflects the characteristic mineralogy of both districts, with the presence of primary and secondary sulphides. The orebody extends for about 5 km in length, 900 m in width and average depths of 9.5 m, constituting a significant volume of coastal and subtidal tailings.

The exploration campaigns carried out between 1972 and 2015, from the first drill holes of the BRGM to the modern programs with SONIC drilling, have generated a robust and representative database. The total of 2,611 samples used in the resource estimation, with adequate quality control in the most recent campaigns, supports the validity of the estimated resources. The Playa Verde Project has a robust database of 2,611 samples, of which the most recent campaigns (2014–2015) comply with quality assurance (QA/QC) protocols, while the historical ones (1972 and 2008) lack this control, but the 1972 campaign was validated through twin drillings. The 2008 campaign and other minor ones were left out of the mineral resource estimation process for not complying with the JORC standard. The mineral resource estimate made by Cube Consulting (2016) under the JORC Code (2012) confirms sufficient geological continuity and copper grades.

The **reported Mineral Resources** amount to **53.44 million tonnes with an average grade of 0.24% Cu**. This tonnage includes mining reserves.

Regarding the definition of reserves, it was based on an updated block model, accurate topography, operating costs, market prices and metallurgical tests, consolidating a reliable technical and economic framework. Bulk density and metallurgical recovery studies, together with the design of a hybrid flotation and leaching process, allow the complex mineralogy of the deposit to be addressed.

Finally, extraction by dredging operated with electricity is presented as a viable solution, balancing technical efficiency, operational continuity and cost control.

The production schedule designed by CUBE, using the MineSight® Strategic Schedule Optimiser (MSSO), establishes an extraction of 5.0 million tonnes per year of consolidated tailings, ensuring continuous feeding to the processing plant for 7 years.

The **initial mineable reserve and resources** for the Playa Verde Deposit amount to **34.20 million tonnes with an average grade of 0.25% Cu**, consolidating the technical viability of the Playa Verde Project.

The plan contemplates the replacement of reprocessed tailings in the same dredged pond and the need for an initial pre-stripping of 0.65 Mt. In addition, a significant potential for resource growth is recognised through the future incorporation of the surf and bay areas, which could more than double the current base if confirmed with new exploration campaigns.

The economic evaluation carried out in 2016 by MPV confirms the viability of the Playa Verde Project, based on assumptions of international prices, exchange rate, time horizon and discount rate. The marketing strategy combines the sale of copper concentrates – which ensure immediate liquidity and customer diversification – with the production of grade A cathodes (99.99% purity), which provide added value and access to premium markets.

The financial analysis estimates an initial CAPEX of US\$ 86.8 million and operating total costs of US\$2.19 per pound of copper, with a NPV₁₀ of US\$ 164.1 million and an IRR of 51.4% after tax, over a useful life of 7 years and a total projected production of 60,329 tonnes of copper. These results consolidate the technical and economic feasibility of the project under the 2017 market conditions previously considered.

If only the Ore Reserves declared in this CPR are considered, the project's financial results indicate a NPV₁₀ of US\$154.1 million and an IRR of 50.9%.

Halo confirms that the following statements are correct as of December 30, 2025:

- They are not aware of any legal proceedings that could affect their mineral exploration rights.
- Legal ownership of all mining and surface rights has been verified; and
- Whereas, except as disclosed in the documents filed with the London Stock Exchange, there are no significant legal issues that could affect the expected viability of the exploration activities described in this report.

Comments

The Playa Verde Project is a unique case of anthropogenic deposit, whose magnitude and continuity make it a mining asset of strategic interest. The methodological evolution of exploration campaigns reflects the transition from initial practices with technical limitations to modern drilling and sampling standards, which strengthens the credibility of current results. The combination of historical background and recent campaigns gives the project a solid technical base, although the heterogeneity of the material and the environmental conditions demand a careful approach in the planning of its eventual exploitation.

The project represents a unique challenge as it is a tailings deposit with complex mineralogy and dynamic environmental conditions. The combination of modern drilling, modelling, and quality control

methodologies with historical studies provides a solid, albeit heterogeneous, technical foundation. The hybrid processing strategy and dredging scheme reflect an innovative approach that seeks to maximise copper recovery while ensuring the environmental rehabilitation of the bay. Overall, the CPR is evidence of a project with consistent technical foundations, but which requires careful management of operational and environmental risks to consolidate its economic and social viability.

The Playa Verde Project's economic model reflects a comprehensive approach that combines financial security, business diversification and added value. The duality between concentrates and cathodes allows liquidity and competitiveness to be balanced, while the incorporation of hedging instruments strengthens resilience in the face of market volatility.

It is evident that the population of the Commune of Chañaral has been influenced by the history of the city, which for many decades received tailings from the El Salvador and Potrerillos mines deposited on the beach. Environmentalists from the local community believe they have been victims of constant pollution over a long period of time due to mining activity.

However, the overall view of the Playa Verde Project is favourable, based on the expectation that the beach will be decontaminated and available for later use for recreational purposes, as well as boosting the city's economy. However, there is a fear among some local actors that the operation of the project will cause the dispersion of toxic elements present on the beach, which could affect the community, the sea and its resources. Minera Playa Verde Ltda is planning a new phase of community engagement, during which the Project will be presented in detail to the community and the municipality, both in terms of the construction and operation stages, also explaining the environmental mitigation measures that have already been included in the design of the project.

The strategic location of Playa Verde, with logistics access and current licenses, constitutes a relevant opportunity for investment in this copper tailings deposit in Chile.

Chile is consolidating its position as the world's leading copper producer and one of the countries with the greatest mining tradition in South America. Mining is a strategic pillar of its economy, contributing more than 10% of GDP and being the main source of exports. In addition to copper, Chile is among the ten largest gold producers, which reinforces its relevance in the international metals market.

In terms of prices, at the time of writing copper remains above US\$ 5.30 per pound (the price used to calculate the economics of the project in this CPR), influenced by global demand and the energy transition, while gold retains its role as a safe-haven asset, with values above US\$4,300 per ounce in current markets. Both metals offer prospects of stability and attractiveness for investment projects.

The country stands out for its political and institutional stability, with a clear regulatory framework and legal certainty that position it as one of the most reliable destinations for mining investment in the region. However, it faces growing environmental, water and social challenges, which require balanced management to maintain its competitiveness.

In the ranking of mining investments in South America, Chile leads with a portfolio of projects of more than US\$104,000 million in the next decade. Its leadership is based on the magnitude of its mineral resources, the infrastructure developed and the confidence it generates in international investors such as: BHP Billiton (Australia-UK), Anglo American (UK), Glencore (Switzerland), Freeport-McMoRan (USA), Teck Resources (Canada), Lundin Mining (Canada), Kinross Gold (Canada), Rio Tinto (UK-Australia), KGHM Polska Miedź (Poland), Mitsui & Co. and JX Nippon Mining & Metals (Japan). among others.

It should be noted that, as of December 2025, the three-month average price of copper reached **US\$ 5.30 per pound**, which represents an increase of **70.3%** compared to the value recorded in 2016 (**US\$ 3.00 per pound**). In parallel, the price of gold stands at **US\$ 4,300 per ounce**, a figure that reflects an increase of **258.3%** compared to the value considered in the initial evaluation of the project

(US\$ 1,200 per ounce in 2017, as of the date of the last update). While the costs of services and inputs have increased to a lesser extent (30.76% for US\$ and 44.40% for Chilean pesos) since 2018 – 2025, it is reasonable to expect that the economic results of the Project will be higher. In fact, an updated Rev. 1 prepared by EMI S.A., incorporating cost-update factors and product prices as of December 2025, yields an NPV10 of US\$164.1 million and an IRR of 51.4%.

Considering only the Ore Reserves declared in this CPR (32.2 million tonnes @ 0.25% Cu, see Table N°2), the project's financial results indicate a Net Present Value at a 10% discount rate (NPV10) of US\$154.1 million and an Internal Rate of Return (IRR) of 50.9%.

Recommendations

EMI-S.A. conducted a detailed review of the original information and differed from CUBE's comments on correlations between twin drill holes. However, considering that the 2014 and 2015 drilling campaigns were executed under QA/QC protocols and cover the entire area declared as mining reserves, the mineral resource estimates are considered valid. This difference in appreciation constitutes an opportunity for improvement, recommending that in the development of the Block Model, drill holes with QA/QC control be used exclusively, in strict compliance with international standards such as the JORC standard.

Likewise, the review of information prepared by WAI evidenced experimental variograms with trends of grade variability that can be modelled without the need to transform the original data. It is recommended, for transparency and consistency, to always work with the original information without modifying its values.

Finally, from the analysis of the available information it is not possible to confirm whether the production program ensures the initial extraction of proven reserves. It is suggested to break down the reserve table by year, which would allow managing the uncertainty of the mining plan and facilitate the preparation of in-fill drilling campaigns when necessary.

It is recommended that Halo maintain the periodic updating of technical and regulatory information, reinforcing the quality control protocols (QA/QC) in sampling and analysis. strengthen the credibility of the CPR and its usefulness as a strategic management tool.

It is recommended to advance in underwater exploration and in the updating of the geological model by incorporating bathymetric data and recent drilling, to validate the potential of the bay and surf areas. It is also advisable to reinforce the economic and environmental feasibility studies associated with dredging and reprocessing, ensuring that the reprocessed tailings deposit strategy complies with regulatory and sustainability standards. Operational planning should consider control measures to minimise dilution risks and optimise dredging efficiency.

It is recommended to evaluate the dredging time sequence and the starting point of the mining plan. A slightly offset start and counter clockwise sequence could generate a higher net present value, by prioritising the extraction of higher-grade ore in the early periods. This alternative would be valid as long as there are no operational restrictions or commitments to the community that limit such adjustment. With this change, an additional US\$3.3 million could be added to the NPV.

It is recommended that economic assumptions (prices, exchange rates, energy and logistics costs) be updated to reflect current market conditions and perform broader sensitivity analyses. It is also advisable to strengthen the financial hedging strategy through futures and options, and to maintain a contractual balance between spot operations and long-term agreements.

8. Ratings and basis of the review

CP Qualifications

EMI-S.A. is a Chilean company founded in 2007, dedicated to engineering services and technical consulting, based in Santiago (Las Condes). Its focus is in the field of professional, scientific and technical activities, including conceptual projects, prefeasibility and feasibility. EMI Ingenieros y Consultores S.A. is positioned as a multidisciplinary technical support firm, with experience in **mining** projects that require institutional support and regulatory compliance. Its profile makes it relevant for small, medium and large mining, national and Latin American, where the integration of engineering and consulting is key to the viability of projects. EMI–Ingenieros y Consultores S.A., together with its associated company EMT E Mining Technology S.A., form an engineering group comprising more than 40 professionals specialised in mining engineering, geology, and geotechnics.

Since 2013, Mr. Orlando Rojas Vercelotti has maintained accreditation as a Qualified and Competent Person, with registration No. 118 granted by the Qualifying Commission for Competencies in Mining Resources and Reserves of Chile, attached to CRIRSCO.¹³ he has a recognised track record in the audit of mineral resources and mining reserves reports, both in Chile and internationally, standing out for his objectivity, technical rigor and strict confidentiality. He is a Civil Mining Engineer, graduated from the Technical University of the State (Chile), with more than 45 years of professional experience.

Throughout his career he has worked as an independent consultant, serving a multi-client portfolio of national and foreign mining companies, in the development of studies and projects of open pit and underground mining. His specialisation in the use of advanced computer applications has allowed him to optimise production scenarios and conduct more than 300 studies and projects for more than 40 national and Latin American mining companies. As a Competent Person, it has certified for five consecutive years resources and reserves for SQM (nitrates, iodine and lithium, reported in the Annual Report and in the F-20 form before the SEC of the United States), as well as for CMP (Algarrobo, Cerro Negro, Tofo, Los Colorados and Pleito projects) and Codelco (Radomiro Tomic, Minera Gaby and Ministro Hales Divisions). among others. He has also participated in the valorisation of deposits in Chile and Colombia.

He is an active member of the Qualifying Commission of Competencies in Mining Resources and Reserves of Chile, Law No. 20,235 Republic of Chile. In addition, he is a member of the Institute of Mining Engineers of Chile.

Mr. Nolberto Contador Villegas is a Mining Engineer, graduated from the University of Chile, and holds a Master of Science in Mining Engineering from the University of Arizona, United States. He has 35 years of professional experience in mining, geotechnics, geotechnical risk management, and technological development applied to the mining industry. According to the document, he is “qualified as a Competent Person (QP – No. 0394) by the Commission for the Qualification of Competencies in Mineral Resources and Reserves”, and is widely recognised for his contributions to engineering, applied geotechnics, innovation, and the development of high-impact solutions for mining.

His career includes national and international advisory roles, leadership of multidisciplinary teams, and the creation of geotechnical and operational management tools. The CV highlights him as an “impulse driver of ongoing developments focused on delivering solutions with high impact in mining”

¹³ CRIRSCO Committee for Mineral Reserves International Reporting Standards, an international body created in 1994 that establishes and harmonises standards for the reportability of exploration results, mineral resources and mining reserves. It aims to promote transparency, consistency, and technical rigor in public reporting of the mining industry. It represents more than 15 countries/regions, including Australia (JORC), Canada (CIM), South Africa (SAMREC), Europe (PERC), the United States (SME), Chile (CH20235), Brazil, Colombia, Russia, Turkey, India, Indonesia, Mongolia, Kazakhstan and the Philippines, among others, with which there is a reciprocity agreement regarding the signature and validation of public reports of mineral resources and reserves in another country by a Competent Person, always under standards compatible with CRIRSCO's International Reporting Template.

and a leader oriented towards solving complex industry challenges with a strong emphasis on technology and innovation.

Declaration of independence

EMI-S.A. will receive remuneration for the preparation of this report, in accordance with the usual practices of professional consulting. This remuneration is based on the time and expenses associated with the preparation of the CPR and the conduct of field visits; it is not contingent on the outcome of admission to AIM or the value of Halo.

EMI-S.A. will not receive any other benefits from the preparation of this report.

Neither EMI-S.A., nor the CP, as of the date of this report, have owned any interest or interest in Halo or its assets. Consequently, EMI-S. A and CP are deemed to be independent of Halo, its directors, officers and advisors.

In this CPR, EMI-S.A. provides assurances to Halo that the existing interpretations of the technical data related to the mineral potential of the Mining Asset, as indicated in the documents provided by Halo and in public domain sources collected by EMI-S. A, are reasonable, based on the information available at the time of their preparation. EMI-S.A. trusts that Halo and its technical representatives have provided truthful and accurate technical information. Information obtained from public domain sources, related to historical mining and exploration backgrounds, academic research or work carried out by geological survey bodies, has been considered in good faith.

EMI-S.A. does not assume responsibility for loss or damage arising from errors or incorrect interpretations in the technical information prepared by third parties and summarised in this CPR.

To the knowledge of EMI-S.A., and according to the information provided by Halo, there have been no material changes in relation to the Mining Asset from December 2016 to date.

Basis of reviews

The application of international standards such as the JORC Code (2012), together with the incorporation of previous studies by specialised consulting firms, gives validity and transparency to the results reported. Likewise, the consideration of critical aspects such as grade variability, the influence of carbonates on metallurgical recovery and the definition of exploitation strategies, ore processing and marketing strategy reinforce the technical and economic consistency of the model.

Overall, the information reviewed allows us to conclude that the Playa Verde Project has a solid foundation, both in terms of data and evaluation criteria, ensuring that the estimates of resources and reserves are presented in a reliable, verifiable manner and aligned with international standards.

9. Appendices

Glossary Technical Terms

Geological, Mineralogical and Technical Terms

Biotite – common iron and magnesium-rich mica mineral in the phyllosilicate group.

Bornite – copper iron sulphide mineral (Cu_5FeS_4).

Chalcocite – copper sulfide mineral (Cu_2S) that forms primarily as a secondary mineral through supergene enrichment below oxidation zones.

Chalcopyrite – copper iron sulphide mineral ($CuFeS_2$), serving as the most important and abundant copper ore worldwide.

Covellite – a rare telluride mineral ($CuTe$) commonly forming as a secondary mineral in the oxidation zones of copper deposits.

DTM – Digital Terrain Model.

Feldspars – the most abundant group of rock-forming aluminosilicate minerals in Earth's crust that contain potassium, sodium and/or calcium

Hypogenous – mineral deposits or geologic processes occurring deep below Earth's surface by ascending hot solutions.

Molybdenite – molybdenum disulphide mineral (MoS_2), serving as the primary ore of molybdenum.

Propylitic – alteration style characterised by chlorite, sericite, quartz, albite and carbonates.

Porphyry – igneous rock characterised by conspicuous large crystals embedded in much finer-grained groundmass, indicating a two-stage cooling history.

Quartz – silicon dioxide, one of the most abundant minerals in Earth's crust.

Sulphides – class of minerals containing the sulphide anion bonded to one or more metals.

Tailings – finely ground materials left over from mining and ore processing operations.

Chemical Elements

Au – Gold

Cu – Copper

Fe – Iron

Mo – Molybdenum

Exploration, Mining and Reporting Terms

Competent Person (CP) – Individual responsible for the technical report who meets experience, competence and professional membership requirements.

CPR – Competent Person Report.

CRM – Certified Reference Material.

Indicated Mineral Resource – part of a Mineral Resource in which the quantity, grade, densities shape and physical characteristics are estimated with sufficient confidence to permit the application of Modifying Factors in sufficient detail to support the mining planning and assessment of the economic viability of the deposit.

Inferred Mineral Resource – part of a Mineral Resource in which the quantity and grade is estimated on the basis of limited geological evidence and sampling.

JORC Standard – Australian Code for the Statement of Results of Exploration, Minerals Resources and Ore Reserves.

Measured Mineral Resource – part of a Mineral Resource in which the quantity, grade, densities, shape and physical characteristics are estimated with sufficient confidence to permit the application of Modifying Factors to support the mining planning and assessment of the economic viability of the deposit.

Mining Reserve – economically exploitable part of a Measured and/or Indicated Minerals Resource.

Modifying Factors – technical, economic, legal, environmental, social and market factors affecting extraction.

Probable Ore Reserve – economically exploitable portion of an Indicated Minerals Resource and in some circumstances a Measured Mineral Resource.

Proven Ore Reserve – economically exploitable portion of a Measured Mineral Resource.

QA/QC – Quality Assurance / Quality Control.

Legal, Regulatory and Administrative Terms (U.S. and International)

AIM – Alternative Investment Market operated by the LSE.

LSE – London Stock Exchange.

Units, Symbols and Financial Abbreviations

Metric Units

t – Metric tonne (1,000 kg)

kt / Kton – Thousand tonnes

Mt – Million tonnes

%Cu – Copper grade by weight

Imperial / U.S. Customary Units

oz (troy) – 31.1035 g

lb – 0.453592 kg

short ton (st) – 907.185 kg

long tonne (lt) – 1,016.05 kg

Financial

US\$ – United States dollars

K US\$ – Thousand U.S. dollars

M US\$ / US\$M / Mill US\$ – Million U.S. dollars

CAPEX – Capital Expenditure

OPEX – Operating Expenditure

Metal Exchange Terminology

COMEX – Commodity Exchange Inc, a leading division of the CME Group

LME – London Metal Exchange

AIM (Alternative Investment Market) Terminology

AIM – AIM market of the London Stock Exchange

AIM Rules – the AIM Rules for Companies (as may be updated from time to time)

Commercial Marketing & Metal Sales Terminology

Payable Metal – Percentage of contained metal paid to the seller

TC/RC – Treatment and Refining Charges

Penalties – Charges for deleterious elements

QP (Quotational Period) – Period used to average metal prices

CIF – Incoterms defining delivery obligations

Market Premium / Discount – Adjustments to benchmark prices

Hedging – Use of futures/options to manage price risk

Spot / Forward Price – Immediate vs. future delivery pricing

10. Signatures

This REPORT OF THE COMPETENT PERSON ON THE MINERAL ASSETS OF Halo Minerals PLC, dated 12 February 2026, was prepared by:



**Orlando Rojas Vercelotti, Mining Engineer, Competent Person
Senior Principal Consultant
EMI-Ingenieros y Consultores S.A.**



**Noberfo Contador Villegas, Mining Engineer, Competent Person
MSc Mining Engineer University of Arizona (USA)
Senior Associate Geotechnical Consultant**

11. References

- Cube Consulting Pty Ltd. (2016), Mineral Resources Estimate Report, Chañaral Bay Copper Project, Chañaral Chile
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- Wardell Armstrong International (WAI) (2014), Copper Bay PLC Maiden Mineral Resource Estimate Report of the Chañaral Copper Project, Chile.
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- London Stock Exchange (2009) AIM Note for Mining, Oil and Gas Companies.
- AusIMM (2012), The JORC Code Australasian Code for Reporting Exploration Results.
- Vergara, A., Ph.D. History, California State University Los Angeles, (2011), "If the river sounds it is because it is carrying rocks": Copper tailings in the Bay of Chañaral, 1938-1990.
- LSE (2009), AIM Note for Mining Oil_and_Gas_Companies.
- 5.6 CAML Board Presentation May 2017 FINAL.pptx

PART V

ADDITIONAL INFORMATION

1 RESPONSIBILITY

- (a) The Directors, whose names and functions are set out on page 20 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Competent Person accepts responsibility for its report set out in Part IV of this document and for any information sourced from the CPR in this document. To the best of the knowledge and belief of the Competent Person (who has taken all reasonable care to ensure that such is the case) the information contained therein is in accordance with the facts and contains no omission likely to affect its import.

2 THE COMPANY

- 2.1 The Company was incorporated as Enegi Oil Plc as a public limited company on 13 September 2007. The share capital of the Company was admitted to trading on AIM in March 2008.
- 2.2 On 26 October 2015, the Company changed its name to Nu-Oil and Gas Plc.
- 2.3 On 5 May 2021, the Company's share capital was cancelled from trading on AIM.
- 2.4 On 20 January 2022, the Company changed its name to Guardian Global Security Plc.
- 2.5 On 12 August 2024, the Company changed its name to Guardian Metals Plc.
- 2.6 On 6 January 2026, the Company changed its name to Halo Minerals Plc.
- 2.7 The Company's registered number is 06370792.
- 2.8 The Company's LEI is 2138001MKE18HLW9YX42.
- 2.9 The Company's registered office and principal place of business is at 85 Great Portland Street, First Floor, London, England, W1W 7LT. The address of the Company's website on which the information required by Rule 26 of the AIM Rules is available is on the Company's website at www.halominerals.co.uk. The information contained on the website does not form part of this document.
- 2.10 The principal legislation under which the Company operates is the Act and regulations made under the Act.
- 2.11 The Company is subject to the Act, the Takeover Code and the AIM Rules.
- 2.12 The ISIN number of the Ordinary Shares is GB00BP92JV57. The Ordinary Shares have been created pursuant to the Act under the laws of England and Wales.
- 2.13 The liability of the members of the Company is limited.
- 2.14 The Company has no administrative, management or supervisory bodies other than the Board and with effect from Admission, the remuneration committee and the audit committee.

3 SHARE CAPITAL HISTORY OF THE GROUP

A summary of the new share issues in those companies in the Group which are incorporated in England and Wales which have occurred within the last three financial years is set out as follows:

The Company

- 3.1 22 November 2023 – the Company issued 892,857,143 ordinary shares of nominal value £0.000001 each at an issue price of £0.000056 each;
- 3.2 1 October 2024 – the Company issued 19,238,082,606 ordinary shares of nominal value £0.000001 each, the consideration for which was the capitalisation of outstanding debt owed by the Company;
- 3.3 24 March 2025 – the Company issued 185,170,707 ordinary shares of nominal value £0.000001 each at an issue price of £0.00002808 each;
- 3.4 30 October 2025 – the Company issued 9,501,472,031 ordinary shares of nominal value £0.000001 each at an issue price of £0.0001019 each;
- 3.5 30 October 2025 – the Company issued 48,782,391,509 ordinary shares of nominal value £0.000001 each at an issue price of £0.000025624 each in respect of all outstanding loan notes;
- 3.6 6 November 2025 – the Company issued 245,338,567 ordinary shares of nominal value £0.000001 each at an issue price of £0.0001019 each in satisfaction of fees owed to an adviser;
- 3.7 14 November 2025 – the Company issued 1,786,152,972 ordinary shares of nominal value £0.000001 each at an issue price of £0.000111972 each;
- 3.8 5 January 2026 – to better facilitate the division of the Company's share capital for the purposes of the share consolidation referenced in paragraph 3.9 below, the Company issued 299 ordinary shares of nominal value £0.000001 each at an issue price of £0.000001 each; and
- 3.9 7 January 2026 – the Company consolidated its share capital such that the number of ordinary shares in issue decreased from 85,096,863,000 to 85,096,863 and the nominal value of each consolidated ordinary share became £0.001.

Copper Bay

- 3.10 There have been no changes to the share capital of Copper Bay within the last 3 financial years.

Copper Bay UK

- 3.11 There have been no changes to the share capital of Copper Bay UK within the last 3 financial years.

Guardian Mining Ltd

- 3.12 There have been no changes to the share capital of Guardian Mining Ltd within the last 3 financial years.

Guardian Africa Ltd

- 3.13 There have been no changes to the share capital of Guardian Africa Ltd within the last 3 financial years.

Halo Metals Ltd

- 3.14 There have been no changes to the share capital of Halo Metals Ltd within the last 3 financial years.

4 ARTICLES OF ASSOCIATION

- 4.1 The Articles were adopted by a special resolution passed on 6 January 2026. The following is a summary of the rights attached to the Ordinary Shares based on the Articles contain, amongst others,

provisions to the following effect. This is a high-level summary only which is not exhaustive and is qualified in its entirety by the full terms of the Articles.

Limited liability

The liability of the Company's members is limited to the amount (if any) unpaid on the shares in the Company held by them.

Unrestricted objects

The objects of the Company are unrestricted.

Share rights

Rights of different classes of shares

Each Share is entitled to one vote at a general meeting of the Company on a poll and each Share is entitled to share proportionately in any dividend paid by the Company or any other distribution or on a return of assets on a winding up subject in each case to any other class of share capital in issue.

The rights attaching to the Deferred Shares and the 2019 Deferred Shares differ to the Shares in that they carry no voting or general meeting attendance rights, no rights to receive any dividend or other distribution and the holders of such shares, on a winding up of the Company, shall only be entitled to receive the amount paid up on such shares after the holders of the Shares have received the aggregate amount paid up thereon plus £10,000,000 for each such share held by them and shall have no other right to participate in the assets of the Company.

Subject to the provisions of the Act and to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as the Company may by ordinary resolution determine or, in the absence of any such determination, as the Board may decide. Subject to the provisions of the Act and to any rights attached to any existing shares, the Company may also issue shares which are to be redeemed or which, at the option of the Company or the holder, are liable to be redeemed. The Board may decide the terms, conditions and manner of redemption of any redeemable shares which are issued.

Voting rights

Subject to any rights or restrictions as to voting attached to any shares and to any suspension or abrogation of voting rights pursuant to the Articles:

- (a) on a vote on a resolution on a show of hands, every member present (not being present by proxy) and entitled to vote on the resolution has one vote and every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote (save that a proxy who has been appointed by more than one member has one vote for and one vote against if they have been instructed to vote in different ways on the resolution); and
- (b) on a vote on a resolution on a poll, every member who is present in person or by proxy and entitled to vote on the resolution has one vote for every share of which they are the holder.

Unless the Board otherwise decides, no member is entitled in respect of any share held by them to vote on any resolution at a shareholders meeting, either in person or by proxy, if any call or other sum presently payable by them to the Company in respect of that share remains unpaid.

Variation of rights

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into different classes of share, the rights attached to any class may be varied either with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and may be so varied either while the Company is a going concern or during or in contemplation of a winding up. The quorum at any such separate meeting (other than an adjourned meeting) shall be not less than two persons entitled to vote and holding or representing

by proxy at least one third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

Transfer of shares

A member may transfer all or any of their shares which are in certificated form by an instrument of transfer in any usual form or common form or in any other form approved by the Board. The instrument of transfer must be signed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. A member may transfer all or any of their shares which are in uncertificated form by means of a relevant system in accordance with the Act.

The Board may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, in the case of a class of shares admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may refuse to register a transfer of a certificated share unless the instrument of transfer is:

- (a) in respect of only one class of share;
- (b) in favour of not more than four persons jointly; and
- (c) lodged (duly stamped if required) at the place where the register of members is situated (or such other place as the Board may appoint) accompanied (except in the case of a transfer by a person to whom the Company is not by law required to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Board may refuse to register a transfer of an uncertificated share in the circumstances set out in the Act or if the transfer is in favour of more than four persons jointly.

Subject to the above and subject to the transfer restrictions summarised in the paragraph headed "Suspension of rights attaching to shares" below, the Articles contain no restrictions on the free transferability of fully paid shares.

Pre-emption rights

There are no pre-emption rights under the Articles in respect of transfers of issued shares or the allotment of new shares.

Section 561 of the Act confers on holders of Ordinary Shares rights of pre-emption in respect of the allotment by the Company of equity securities (as defined in section 560 of the Act) which are, or are to be, paid up in cash. Under these statutory pre-emption rights, the Company is, subject to certain limited exceptions, required to offer to allot the equity securities concerned to holders of Ordinary Shares on a *pro rata* basis before allotting them to other persons.

Suspension of rights attaching to shares

Under section 793 of the Act, the Company may send out a notice (a "**section 793 notice**") to any person whom the Company knows or has reasonable cause to believe to be interested in its shares (or to have been so interested at any time during the preceding three years) asking for information concerning their interest in the shares and information concerning any other interest in the shares of which they are aware.

If a member, or any other person appearing to be interested in shares held by that member, has been served with a section 793 notice and has failed in relation to any shares (the "**default shares**" which expression includes any further shares issued in respect of those shares) to give the Company the information required by the section 793 notice for a period of 14 days from the date of its service, then (unless the Board otherwise determines) the following sanctions apply:

- (d) the member is not entitled in respect of the default shares to attend or to vote (either in person or by proxy) at any meeting or on a poll or to exercise any other right conferred by membership in relation to shareholder meetings;

- (e) where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of any class of shares of the Company (excluding any shares of that class held as treasury shares):
 - (i) any dividend or any other amount payable in respect of the default shares is to be withheld by the Company (without the Company being liable to pay interest on it) and the member is not entitled to elect to receive shares in lieu of dividend; and
 - (ii) save for an excepted transfer, no transfer of any default shares is to be registered unless the member is not themselves in default in supplying the information required and they prove to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.

Where the sanctions described above apply, they cease to have effect (and any dividend or other money withheld becomes payable) at the expiry of seven days (or such shorter period as the Board may decide) following the earlier of:

- (f) the date on which the Company receives notification that the default shares have been transferred by means of an excepted transfer; and
- (g) the date on which the Company receives, in a form satisfactory to the Board, all of the information required by the relevant section 793 notice.

For the purposes of the above, an “excepted transfer” is: (i) a transfer by way of acceptance of a takeover offer; (ii) a transfer in consequence of a sale made through a recognised investment exchange or any other stock exchange outside the UK on which the Company’s shares are normally traded; or (iii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

Dividends

Subject to the provisions of the Act and the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. If and so far as in the opinion of the Board, the profits of the Company available for distribution justify such payments, the Board may declare and pay fixed dividends on shares of any class carrying a fixed dividend on the dates prescribed for the payment of those dividends and interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as the Board thinks fit.

Except as otherwise provided by the rights attaching to, or the terms of issue of, any shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid and shall be apportioned and paid proportionately to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose, no amount paid up on a share in advance of the date on which a call is payable shall be treated as paid up on the share.

Unless otherwise provided by the rights attaching to the share, no dividend or other monies payable in respect of a share shall bear interest as against the Company. The Board may deduct from any dividend or other monies payable to any person in respect of a share all such sums as may be due from that person to the Company on account of calls or otherwise in relation to shares in the Company.

Any unclaimed dividend or other amount payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of 12 years after it was declared or became due for payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

The Board may, with the prior authority of an ordinary resolution of the Company, offer holders of Ordinary Shares (excluding Ordinary Shares held as treasury shares) the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend specified by the ordinary resolution. The ordinary resolution may specify a particular dividend or dividends (whether declared or not) or may specify all or any dividends declared within a specified period but such period may not end later than the fifth anniversary of the date of the meeting at which the resolution is passed.

Distribution of assets on liquidation

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company. For this purpose, the liquidator may set such value as they consider fair on any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members. The liquidator may, with the same authority, transfer the whole or any part of the assets to trustees on such trusts for the benefit of members as they think fit.

Shareholder meetings

Annual general meetings

In accordance with the requirements of the Act, the Company must hold a general meeting as its annual general meeting each year.

Calling of general meetings

The Board may call a general meeting whenever it thinks fit. The Board must, on the requirement of members under the Act, call a general meeting in accordance with the requirements of the Act.

Notice of general meetings

General meetings must be called by at least such minimum period of notice as is required under the Act which, in the case of an annual general meeting, is 21 clear days' notice and, in the case of other general meetings, is 14 clear days' notice. Notice of the meeting must be given to the members (other than any members who, under the Articles or by virtue of any restrictions imposed on any shares, are not entitled to receive notice from the Company) to the Directors and to the auditors of the Company. The accidental omission to send notice of a general meeting to any person entitled to receive it does not invalidate the proceedings of the meeting.

Every notice of a general meeting must specify: (i) the time, date and place of the meeting:

- (i) (in the case of an annual general meeting) that the meeting is an annual general meeting;
- (ii) the general nature of the business to be transacted at the meeting; and (iv) any intention to propose a resolution as a special resolution. In addition, the notice must specify, with reasonable prominence, that a member is entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at the meeting, that a member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to different shares and that a proxy need not be a member.

Quorum

No business is to be transacted at any general meeting unless a quorum is present. The quorum for a general meeting is two members present in person or by proxy and entitled to vote on the business to be transacted at the meeting.

Method of voting

At any general meeting, a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is demanded in accordance with the Articles.

Directors

Number and appointment of Directors

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two but shall not be subject to any maximum number. Directors may be appointed by the Company by ordinary resolution or by the Board, in each case either to fill a casual vacancy or as an addition to the existing Board.

A Director is not required to hold any shares in the Company by way of qualification.

Retirement of Directors

At each annual general meeting, all the Directors shall retire from office except for any Director appointed in the period after the notice of that annual general meeting has been posted and before that annual general meeting takes place. Each retiring Director shall be eligible for re-election at that same annual general meeting and if a Director is not re-elected, they shall hold the post until the close of the annual general meeting at which they retire.

Removal of a Director by resolution of the Company

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director from office and appoint another person in place of a Director so removed.

Vacation of office

The Articles provide for the office of a Director to be vacated in the following circumstances:

- (a) if they cease to be a Director by virtue of any provision of the Act, is removed from office pursuant to the Articles or the Act or becomes prohibited by law from acting as a Director;
- (b) if they become bankrupt or make any arrangement or composition with their creditors generally;
- (c) if a registered medical practitioner who is treating them gives a written opinion to the Company stating that they have become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- (d) if they are or have been suffering from mental or physical ill health and the Board resolves that their office be vacated;
- (e) in the case of a Director holding executive office subject to the terms of any contract between them and the Company, if they resign their office by notice in writing to the Company;
- (f) if they have for more than 6 consecutive months been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that their office be vacated;
- (g) if they are removed from office by notice in writing served on them signed by all their co Directors; or
- (h) if they are removed from office by ordinary resolution of the Company in an Annual General Meeting or General Meeting.

Alternate directors

Any Director may appoint any person to be their alternate and may remove any alternate appointed by them. The appointment requires the approval of the Board unless the appointee is another Director.

Directors' remuneration and expenses

Each Director is entitled to be paid by way of remuneration for their services as a Director such fee as may be decided by the Board (or such other amount as may be decided by ordinary resolution of the Company). Such fee shall be distinct from and additional to any salary, remuneration or other amounts which may be paid or provided to a Director under any other provision of the Articles.

Any Director who performs any special or extra services which in the opinion of the Remuneration Committee or the Board are outside the scope of their ordinary duties as a Director and not in their capacity as a holder of employment or executive office may be paid such additional remuneration (whether by way of lump sum, salary, commission, participation in profits or otherwise) as the Board may decide in addition to any remuneration paid or provided for pursuant to any other provision of the Articles.

The remuneration of any Director appointed to hold any employment or executive office shall be such as the Board may decide and may be either a fixed sum of money or may, in whole or in part, be governed by business done or profits made or otherwise decided by the Remuneration Committee or the Board.

Each Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as a Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or shareholder meetings.

Pensions and other benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) to or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings, members of their family and their dependants.

The Board may also exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings.

Borrowing powers

The Board may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Proceedings of the Directors

Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. The quorum necessary for the transaction of business may be determined by the Board and, unless so determined at any other number, shall be two. A duly convened meeting of the Board at which a quorum is present is competent to exercise all or any of the powers, authorities and discretions vested in or exercisable by the Board. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting has a second or casting vote.

A resolution in writing signed by all the Directors who would have been entitled to vote on the resolution at a meeting of the Board (provided that those Directors would have formed a quorum at such a meeting) is as valid and effective as a resolution duly passed at a meeting of the Board.

Directors' conflicts of interest

The Board may authorise any situation or matter in which a Director (an **"Interested Director"**) has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in the Interested Director being in breach of their statutory duty to avoid conflicts of interest. An Interested Director seeking authorisation of a conflict of interest must declare to the Board the nature and extent of their interest giving rise to the conflict as soon as reasonably practicable. An Interested Director must not be counted in the quorum or vote in respect of any resolution of the Board giving such authorisation.

Where the Board authorises a situation or matter, it may impose on the Interested Director such terms for the purpose of dealing with the conflict of interest as the Board may determine.

Permitted interests of Directors

A Director, notwithstanding their office and provided the Board has been informed of any conflict, may:

- (a) be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;
- (b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director or act by themselves or through a firm with which they are associated in a professional capacity for the Company or any body corporate in which the Company is directly or indirectly interested (otherwise than as auditor);
- (c) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested (including by the holding of shares or other securities) in, any body corporate promoted by the Company or in which the Company is otherwise directly or indirectly interested or as regards which the Company has any powers of appointment; and
- (d) be a director of any body corporate in which the Company is not directly or indirectly interested if, at the time of their appointment as a director of that other company, such appointment cannot reasonably be regarded as giving rise to a conflict of interest.

If a Director has any interest referred to above, they must, subject to certain exceptions, declare the nature and extent of that interest to the Board. The declaration must be made as soon as is reasonably practicable and, in the case of an interest in a proposed transaction or arrangement with the Company, before the Company enters into the transaction or arrangement.

Directors not liable to account

A Director is not liable to account to the Company for any remuneration, profit or other benefit which he derives from any transaction or arrangement or from any office, employment, position or relationship or from any interest in any body corporate if the relevant matter has been authorised by the Board (subject, in any such case, to the terms of such authorisation) or is permitted under the Articles.

No transaction or arrangement is liable to be avoided on the grounds that a Director has an interest in it (or derives a benefit from it) if the interest has been authorised by the Board or is permitted under the Articles.

Restrictions on voting by Directors

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board (or of a Board committee) concerning any transaction or arrangement in which they have a direct or indirect interest. However, this prohibition does not apply to any resolution concerning a transaction or arrangement in which their interest cannot reasonably be regarded as likely to give rise to a conflict of interest or to any resolution concerning:

- (a) the giving of any guarantee, security or indemnity to the Director or any other person in respect of:
 - money lent or obligations incurred by them or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; or
 - a debt or other obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (b) an offer by the Company or any of its subsidiary undertakings of securities for subscription, purchase or exchange, in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which they are to participate;
- (c) a transaction or arrangement in which they have an interest only by virtue of an interest in shares, debentures or other securities of the Company or by reason of any other interest in or through the Company;
- (d) a transaction or arrangement concerning any other body corporate in which the Director (or any person connected with them) is interested (directly or indirectly) and whether as an officer, shareholder, creditor, employee or otherwise, if they and any persons connected with them do not to their knowledge hold an interest in shares representing one per cent. or more of either any class of the equity share capital of that body corporate or the voting rights available to members of that body corporate;
- (e) a transaction or arrangement concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefit scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the fund or scheme relates;
- (f) a transaction or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the transaction or arrangement relates;
- (g) any proposal relating to the purchase or maintenance of insurance against any liability for the benefit of any Directors (or of persons who include Directors);
- (h) the giving of indemnities in favour of Directors; and
- (i) the funding of expenditure incurred or to be incurred by any Director in defending any criminal or civil proceedings or in connection with an application to the court for relief or in defending them in any

investigation by, or against action proposed to be taken by, a regulatory authority or the doing of anything to enable any Director to avoid incurring any such expenditure.

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board concerning their own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested.

Indemnification of Directors

Subject to the Act, every Director is entitled to be indemnified by the Company against any liability incurred by them in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company (other than any liability to the Company or any associated company or any liability of the kind referred to in section 234(3) of the Act) and any other liability incurred by them in the performance of their duties.

Subject to the Act, the Company may provide a Director with funding to meet their expenditure in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company or any associated company. The Company may also provide a Director with funding to meet their expenditure in connection with any investigation or action undertaken by a regulatory authority.

The above is a summary only of certain provisions of the Articles. The full provisions of the Articles are available on the Company's website at <https://halominerals.co.uk>.

5 PUBLIC TAKEOVER BIDS

Takeover Code

5.1 The Company is a public limited company subject to the Takeover Code, which will, amongst other things, regulate any takeover offer for the Company and any other transaction which has its objective or potential effect (directly or indirectly) obtaining or consolidating control of the Company. For this purpose, control is defined as an interest or interests in shares carrying more than 30 per cent. of the voting rights of a company, irrespective of whether such interest or interests give *de facto* control.

Mandatory bids

5.2 Under Rule 9 of the Takeover Code, if an acquisition of an interest in shares in the Company were to increase the aggregate interests of the acquirer and persons acting in concert with it to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, the persons acting in concert with it would be required (except with the consent of the Panel) to make an offer for the outstanding shares in the Company. Any such offer must, be in cash (or accompanied by a cash alternative) at not less than the highest price paid by the acquirer or any person acting in concert with it for an interest in shares in the Company during the previous 12 months.

5.3 A similar obligation to make a mandatory cash offer would also arise on an acquisition of an interest in shares in the Company by a person who (together with persons acting in concert with it) is interested in shares which in the aggregate carry between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of the acquisition were to increase the percentage of shares carrying voting rights in the Company in which that person is interested.

5.4 There has been no offer pursuant to Rule 9 of the Takeover Code for any Ordinary Shares during the Company's current financial year.

6 SUMMARY OF SHARE CAPITAL

6.1 A summary of the Company's share capital as at 24 March 2026 (being the latest practicable date before publication of this document) and as it is expected to be immediately following Admission is as set out in the table below:

	<i>Number of Ordinary Shares of £0.001</i>	<i>Number of Deferred Shares of £0.009</i>	<i>Number of 2019 Deferred Shares of £0.000999</i>
As at 24 March 2026 (being the latest practicable date before publication of this document)	85,096,863	189,792,348	1,498,726,550
Immediately following Admission	110,744,746	189,792,348	1,498,726,550

7 SHARE OPTIONS

7.1 As at the date of this document the Company has the following outstanding Existing Options:

<i>Option holder</i>	<i>Number of existing options held</i>	<i>Exercise price</i>	<i>Exercisable from</i>	<i>Exercisable to</i>
Andrew Dennen	2,500,000	2.5624p	Admission Date	25/08/2035
	1,000,000	10.19p	Admission Date	25/08/2035
Francis Jackson	2,500,000	2.5624p	Admission Date	25/08/2035
	1,000,000	10.19p	Admission Date	25/08/2035
Erick Pegot-Ogier Pelagatti	1,000,000	10.19p	Admission Date	25/08/2035
Total	8,000,000			

The Company intends to grant the following New Options to key staff and non-executive Directors, subject to Shareholder approval of the New Option Plan which the Company intends to seek at the Company's 2026 annual general meeting:

<i>Option holder</i>	<i>Number of options to be granted on Admission</i>	<i>Exercise price</i>
Daniel Bloor	500,000	20p
David Minchin	500,000	20p
Lionel Therond	300,000	20p
Colin Hunter	300,000	20p
Juan Pasten	300,000	20p
Patrica de la Sotta	200,000	20p
Camilo Gonzales	300,000	20p
Total	2,400,000	

(A) Share option Plan

On 29 August 2025, the Company adopted its share option scheme rules which set out the overall rules governing the award of the Company's share options (the "**Share Option Plan**"). Options granted under the Share Option Plan may qualify as enterprise management incentive options for tax purposes. No further options will be granted under the Share Option Plan, provided that the New Option Plan is approved by shareholders. The key terms of the Share Option Plan are as follows:

(i) Grant of options

The Board has the discretion to specify the number and class of shares over which the option is granted, the price at which each share subject to an option may be acquired, the condition that must be satisfied before an option may be exercised, and the date when the option will lapse if not exercised (which must be no later than the tenth anniversary of the date the option was granted).

(ii) Exercise condition

The Board is able to specify any condition that must be satisfied before the option can be exercised and this can apply to whole or only part of the option ("Exercise Condition").

The Board is also able to waive or vary any of the Exercise Condition subject to any new Exercise Condition being a fairer measure of performance than the original and no more difficult to satisfy than the original.

If the Board considers that any Exercise Condition is no longer capable of being satisfied, then that option will lapse.

(iii) Exercise of options

The period during which an option holder may exercise an option will be set at the time the option is granted. The current outstanding options are exercisable from Admission.

An option holder may not exercise their option if there are any ongoing disciplinary proceedings, ongoing investigation, or a breach of duty, whether discovered at the time of employment or after.

(iv) Lapse of options

An option holder cannot transfer, assign or use an option as security. If the holder does so, the option will automatically lapse.

(v) Variation of share capital

If the Company carries out any changes to its share capital that may affect the value of an existing option, the Board will act reasonably to adjust the options. However, the exercise price cannot be reduced below the nominal value of the shares and the total amount payable to exercise of any option in full cannot be increased.

(vi) Termination

An option holder who ceases to be an employee may not exercise an option unless it was already vested or the Board provides their permission. This may include scenarios such as injury, health, disability, retirement, redundancy.

(vii) Takeovers and liquidations

(viii) Options may be exercised in the event of a change of control of the Company (by way of takeover, scheme of arrangement options or otherwise). Alternatively, options may be exchanged for equivalent options over shares in the acquiring company. Jurisdiction

All disputes relating to the share option scheme will be in the exclusive jurisdiction of the courts of England and Wales.

(ix) Tax indemnity

Each option has been granted on the basis that the holder indemnifies his employer in respect of tax and national insurance contributions (NICs) arising on exercise including secondary class 1 (employers) NICs.

(x) New Option Plan

Details of the New Option Plan will be provided to shareholders as part of the Company's notice of 2026 annual general meeting. It is proposed that the terms of the New Option Plan will be broadly similar to the Share Option Plan. Options will be exercisable on the earlier of (a) the second anniversary of the date of grant; and (b) the Project achieving Final Investment Decision (FID). Grants under the New Option Plan will be limited to 10 per cent. of the diluted ordinary share capital of the Company, excluding for these purposes the Existing Options, or their replacement if required.

8 CORPORATE GOVERNANCE CODE

Corporate Governance

The Board recognises its responsibility for the proper management of the Company and is committed to maintaining a high standard of corporate governance. The Directors recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its Shareholders. The Directors have decided that the Company will, from Admission, adopt the QCA Code. The Board notes that all AIM companies must provide details on their corporate websites of the recognised code that they have decided to apply, how they comply with such code and, where the company departs from such code, an explanation of the reasons for doing so. As such, from Admission, the Group's website at <https://halominerals.co.uk> will set out the extent of any non-compliance with the QCA Code.

The Board comprises three executive directors and two non-executive Directors, reflecting a blend of different skills, experiences and backgrounds. Daniel Bloor and David Minchin are considered to be independent for the purposes of the QCA Code. The Directors believe that the proposed Board composition is appropriate in light of the balance of skills and experience of its members and the Company's size at Admission, however it will monitor this position on an ongoing basis as the Group grows and develops and seek to make appropriate changes or additions to the composition of the Board as necessary. The Board is satisfied that all Directors will have adequate time to fulfil their roles.

The Company will hold regular Board meetings and the Board will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure.

The Company has established an Audit Committee, a Remuneration Committee, a Nomination Committee and an AIM Rules and UK MAR Compliance Committee with formally delegated duties and responsibilities and has adopted a share dealing code and an anti-bribery and corruption policy.

8.1 Audit Committee

(a) *Duties*

The audit committee's duties include: (i) monitoring the integrity of the Company's financial statements, (ii) reviewing announcements relating to financial performance, (iii) reviewing and challenging the accounting policies and processes, (iv) reviewing the internal financial controls and management systems, (v) reviewing and approving statements to be included in the annual report concerning internal controls and risk management, (vi) reviewing the accuracy and adequacy of the Company's arrangements for its employees, (vii) reviewing regular reports from the Money Laundering Reporting Officer and (viii) reviewing the systems relating to prevention of bribery.

The Company has no internal audit function and the audit committee will review annually whether an internal audit function is needed. If the Board decides to establish an internal audit function, the audit committee will be responsible for overseeing this. The audit committee is responsible for managing the Company's relationship with the external auditor including appointment and selection and ongoing oversight.

The audit committee will make recommendations to the Board on any areas within its remit where any action or improvement is required. This includes compiling a report to shareholders on its activities to be included in the annual report.

(b) *Membership*

The members of the audit committee shall be appointed by the Board on the recommendation of the nomination committee in consultation with the chair of the audit committee. All members should be non-executive Directors who are independent and free from any business or other relationship which could interfere with exercising independent judgment. Where possible, the audit committee should include at least one member of the remuneration committee.

Appointments shall be for periods of up to three years which may be extended for no more than two additional three-year periods. The audit committee shall have at least two members and one of the members should have recent relevant financial experience, ideally with a professional qualification. A quorum shall be any two members of the audit committee.

The Board shall appoint the committee chair. In the absence of a chair, the remaining audit committee members shall elect one of themselves as chair.

(c) **Voting**

Each member shall have one vote and votes can only be cast by members attending a meeting of the audit committee. The chair shall have a casting vote (except where they have a personal interest).

(d) **Attendance**

The audit committee shall meet at least three times a year and the chair will maintain a dialogue with key individuals involved in the Company's governance. Only audit committee members have the right to attend meetings, however, finance director, internal auditors and external auditors will be invited to meetings on a regular basis.

The proceedings, resolutions and meetings of the audit committee (including names of those present and in attendance) will be minuted.

(e) **Notice**

Meetings of the audit committee shall be called by the company secretary at the request of any of its members. Notice of the meeting will be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting.

(f) **General**

Any recommendations of the audit committee must be approved by the Board before they can be implemented.

The audit committee shall arrange periodic reviews of its own performance at least once a year.

8.2 Remuneration Committee

(a) **Duties**

The remuneration committee's duties include agreeing with the Board the overall policy for remuneration of the chief executive officer, chair, company secretary, senior directors and non-executive Directors of the Company. No director or senior manager may be involved in decisions about their own pay, and the remuneration committee oversees and recommends the structure and level of remuneration. The remuneration committee may also oversee senior employees' participation in share schemes.

When designing the remuneration policy, the remuneration committee must consider legal and regulatory requirements and any relevant governance guidelines. The remuneration committee must review the relevance and appropriateness of the Company's remuneration policy at least every three years, set targets for performance related pay schemes, review whistleblowing arrangements, set pension policy arrangements, determine total remuneration packages, ensure termination terms are fair, oversee any major changes to employee benefits, select and appoint remuneration consultants and obtain up to date market information on remuneration.

The remuneration committee must produce an annual report to shareholders on the Company's remuneration policy and practices, which is presented for approval at the AGM.

(b) **Membership**

The members of the remuneration committee shall be appointed by the Board on the recommendation of the nomination committee in consultation with the chair of the remuneration committee. All members should be non-executive Directors who are independent and free from any business or other relationship which could interfere with exercising independent judgment. If possible, the remuneration committee shall include at least one member of the audit committee.

Appointments shall be for periods of up to three years which may be extended for no more than two additional three-year periods. The remuneration committee shall have at least two members and at least one of the members should have recent relevant experience. A quorum shall be any two members of the remuneration committee. The members of the remuneration committee can be varied at any time by a majority resolution of the existing members of the remuneration committee save that any additional appointment must still be an independent non-executive Director of the Company.

The Board shall appoint the chair of the remuneration committee. The chair should have served for at least 12 months on a remuneration committee before being appointed. In the absence of a chair, the remaining remuneration committee members shall elect one of themselves as chair.

(c) **Voting**

Each member shall have one vote and votes can only be cast by members attending a meeting of the remuneration committee. The chair shall have a casting vote (except where they have a personal interest).

(d) **Attendance**

The remuneration committee shall meet at least twice a year. Only remuneration committee members have the right to attend meetings, however, other non-members may be invited to meetings if appropriate.

The proceedings, resolutions and meetings of the remuneration committee (including names of those present and in attendance) will be minuted.

(e) **Notice**

Meetings of the remuneration committee shall be called by the company secretary at the request of any of its members. Notice of the meeting will be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting.

(f) **General**

Any recommendations of the remuneration committee must be approved by the Board before they can be implemented.

The remuneration committee shall arrange periodic reviews of its own performance at least once a year.

8.3 **Nomination Committee**

(a) **Duties**

The nomination committee's duties include: (i) reviewing the composition of the Board and its succession, (ii) reviewing the process of appointment to the Board, (iii) assisting with the appointment of the chair, (iv) requiring proposed directors to disclose any existing or potential conflicts of interest, (v) reviewing the Company's leadership needs and (vi) ensuring the new non-executive Directors receive a formal appointment letter.

The nomination committee will make recommendations to the Board on key governance and personnel matters including but not limited to: (i) succession planning, (ii) identifying candidates for senior roles, (iii) membership to the audit and remuneration committees, (iv) the re-appointment of non-executive Directors, (v) the re-election of directors by shareholders, (vi) the continuation in office and appointments to executive or other offices (except for the chair and chief executive roles which must be considered by the full Board).

The nomination committee will prepare a report for inclusion in the annual report to explain its activities throughout the year and any relevant diversity policies.

(b) **Membership**

The members of the nomination committee shall be appointed by the Board. All members should be non-executive Directors who are independent and free from any business or other relationship which could interfere with exercising independent judgment.

Appointments shall be for periods of up to three years which may be extended for no more than two additional three-year periods. The nomination committee shall have at least two members and at least one of the members should have recent relevant experience. A quorum shall be any two members of the nomination committee. The members of the nomination committee can be varied at any time by a majority resolution of the existing members of the nomination committee save that any additional appointment must still be an independent non-executive Director of the Company.

The Board shall appoint the nomination committee chair. In the absence of a chair, the remaining nomination committee members shall elect one of themselves as chair.

(c) **Voting**

Each member shall have one vote and votes can only be cast by members attending a meeting of the nomination committee. The chair shall have a casting vote (except where they have a personal interest).

(d) **Attendance**

The nomination committee shall meet at least three times a year and the chair will maintain a dialogue with key individuals involved in the Company's governance. Only nomination committee members have the right to attend meetings, however, other non-members may be invited to meetings if appropriate.

The proceedings, resolutions and meetings of the nomination committee (including names of those present and in attendance) will be minuted.

(e) **Notice**

Meetings of the nomination committee shall be called by the company secretary at the request of any of its members. Notice of the meeting will be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting.

(f) **General**

Any recommendations of the nomination committee must be approved by the Board before they can be implemented.

The nomination committee must arrange periodic reviews of its own performance at least once a year.

8.4 AIM Rules and UK MAR Compliance Committee or the Market Disclosure Committee

(a) **Duties**

The Market Disclosure Committee will monitor the Company's compliance with the AIM Rules and UK MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and vice versa. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and UK MAR. This includes being responsible for retrieving and sourcing information pertaining to assets and projects that the Company has invested in. The committee will also ensure that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers, as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, will ensure that they are appropriately updated on their AIM responsibilities and obligations.

(b) **Membership**

The Market Disclosure Committee will be chaired by Andy Dennan with its other members being Frank Jackson and David Minchin.

(c) **Voting**

Each member shall have one vote and votes can only be cast by members attending a meeting of the Market Disclosure Committee. The chair shall have a casting vote (except where they have a personal interest)

(d) **Attendance**

The Market Disclosure Committee shall meet at least once per quarter or more than that if the members see fit. Only committee members have the right to attend meetings, however, other non-members may be invited to meetings if appropriate.

The proceedings, resolutions and meetings of the committee (including names of those present and in attendance) will be recorded by the company secretary.

8.5 Notice

Meetings of the Market Disclosure Committee shall be called by the company secretary at the request of any of its members. Notice of the meeting will be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting.

8.6 General

Any recommendations of the Market Disclosure Committee must be approved by the Board before they can be implemented.

The committee must arrange periodic reviews of its own performance at least once a year

8.7 Share Dealing Code

With effect from Admission, the Company has adopted a share dealing code which sets out the requirements and procedures for dealings by the Board and applicable employees in the Company's securities in accordance with the provisions of UK MAR and the AIM Rules for Companies.

8.8 Anti-Bribery and Corruption Policy

The Company adopted its current anti-corruption and bribery policy on 3 November 2025 which details its strategy to ensure compliance with relevant anti-bribery and corruption legislation and any relevant ethical principles in the countries within which the Group operates (including the UK Bribery Act), as well as guidance to employees as to how to comply these rules and responsibilities.

The policy extends to the Company and all of its respective affiliates, jointly controlled entities and subsidiaries, comprising employees and all officers including the Directors.

9 CORPORATE STRUCTURE

9.1 The Company is the parent entity of the Group. A summary of the Company's subsidiaries in which it holds shares is set out in the tables below:

<i>Name</i>	<i>Principal activity</i>	<i>Country of Incorporation</i>	<i>Ownership</i>
Copper Bay Limited	Holding company	England	100% by the Company
Copper Bay (UK) Ltd	Holding company	England	100% by Copper Bay Limited
Guardian Mining Limited	Dormant company	England	100% by the Company
Guardian Africa Limited	Dormant company	England	100% by the Company
Halo Metals Ltd	Dormant company	England	100% by the Company
Copper Bay Chile SpA	Holding company	Chile	99% held by Copper Bay Limited and 1% held by Copper Bay (UK) Ltd
Minera Playa Verde SpA	Operating company which holds the Project	Chile	99% held by Copper Bay Chile SpA and 1% held by Copper Bay Limited

10 DIRECTORS

10.1 Details of the Directors and their functions in the Company are set out on page 20 of this document under the heading “**Directors, Secretary and Advisers**”. Each of the Directors can be contacted at the registered office.

10.2 In addition to their directorships of the Company or members of the Group, the Directors are currently or have previously been directors or partners of the following companies and partnerships within the past 5 years:

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Frank Jackson	<ul style="list-style-type: none"> • Halo Minerals Plc • Halo Metals Ltd • Guardian Mining Ltd • Guardian Africa Ltd • Copper Bay Ltd • Copper Bay (UK) Ltd • Copper Bay Chile SpA • Minera Playa Verde SpA. • Sustainable Energy Projects Ltd • Herontye Properties Ltd 	<ul style="list-style-type: none"> • Cool Planet Technologies Ltd • Shearwater Resources Ltd
Andrew Dennan	<ul style="list-style-type: none"> • Halo Minerals Plc • Copper Bay Ltd • Copper Bay (UK) Ltd • Copper Bay Chile SpA • Minera Playa Verde SpA. • Gemi Global Ltd • Ascent D1 Ltd • Team 147 Partners 	<ul style="list-style-type: none"> • Coro Energy Plc • Ascent Claim Entitlement SPV Ltd • Ascent Resources Plc • PMA Life Sciences Ltd • Ascent Hispanic Resources UK Ltd • Ascent Slovenia Ltd • Ascent Resources d.o.o • Trameta d.o.o • Ascent Resources LLC • Ascent Hispanic Ventures SL

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Erick Pegot-Ogier Pelagatti	<ul style="list-style-type: none"> • Halo Minerals Plc • Ecotopia Peru SAC • Aurum 8 EIRL • BEPO SAC 	<ul style="list-style-type: none"> • BEPO Consulting LLC • Boku Resources SAC • Quantica Inversiones Peru SAC • Gamacmin SAC • Cuantica Mining SAC • Cuantica Metals SAC • Olivia Copper SAC • Aurelia La Grande SAC • Intibar SAC • Buenosvientos SAC • Qori Capital SAC
David Minchin	<ul style="list-style-type: none"> • Halo Minerals Plc • Hawk Copper and Gold Ltd • Occasio Partners Ltd • Eclogite Management Ltd • Evechem GmbH • Evechem Europe GmbH • Eastport Ventures Inc 	<ul style="list-style-type: none"> • East Star Resources plc • Helix Exploration plc • Hereford Resources • Ask Green Energy Ltd • Helium One Global Ltd • Black Swan Resources • Helium One (Gogota) • Helium One (Njozi) • Helium One (Stahamili) • ScandiVanadium Ltd
Daniel Bloor	<ul style="list-style-type: none"> • Halo Minerals Plc • Striding Edge Advisory Ltd • The CloudMiner Ltd • The CloudMiner Consulting Ltd • Tethyan Mining Resources Ltd 	<ul style="list-style-type: none"> • Livista Energy S.A.R.L. • Livista Energy GmbH • Livista Energy Ltd

- (a) As at the date of this document, no Director:
- (i) has any unspent convictions in relation to indictable offences;
 - (ii) has been declared bankrupt or been subject to any individual voluntary arrangement;
 - (iii) has been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which has entered into a company voluntary arrangement or a composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - (iv) has been a partner in any partnership which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (v) has had any asset belonging to him placed in receivership or has been a partner in any partnership which had an asset placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (vi) has been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body); or
 - (vii) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

11 DIRECTORS' SERVICE AGREEMENTS, LETTERS OF APPOINTMENT AND EMPLOYEE ARRANGEMENTS

11.1 On 25 March 2026, each of the executive Directors entered into service agreements with the Company, the key uniform terms of which are summarised as follows:

- (a) 6 months' notice from the Company and the executive to terminate;
- (b) the obligation not to commit or attempt to commit the criminal offence of insider dealing nor contravene Articles 14, 15 or 19 of UK MAR;
- (c) the duty to act honestly in respect of dealings with Company and the Group and not to make any secret profit and disclose to the Board any conflicts of interest;
- (d) confidentiality and intellectual property obligations;
- (e) 28 days' holiday in addition to public holidays;
- (f) participation in the Company's share option arrangements;
- (g) a discretionary bonus dependent upon performance criteria as determined by the Board in its absolute discretion;
- (h) full pay for sickness absence up to a maximum of 40 working days during any 12 month period and thereafter one half of salary for a further 40 working days in that same 12 month period;
- (i) full suite of post-termination restrictive covenants (non-compete, non-dealing and non-solicitation of customers, non-deal with suppliers, non-solicitation/non-employment of employees) for 6 months following the termination of employment less any period of garden leave; and
- (j) a change of control provision which provides that if there is a change of control of the Company, within three months following the change of control, either the Company or the executive may give notice to terminate the employment of the executive.

11.2 Specific terms which differ from those uniform terms referred to above are as follows:

- (a) Andrew Dennan, annual salary of £218,750;
- (b) Francis Paul Jackson, annual salary of £172,000;
- (c) Erick Pegot-Ogier Pelagatti, annual salary of £120,000;
- (d) Erick Pegot-Ogier Pelagatti, the Company shall establish a pension scheme and the Company shall contribute an amount equal to 4 per cent. of Erick's base salary;
- (e) Andrew Dennan, the Company shall establish a pension scheme and the Company shall contribute an amount equal to 8 per cent. of Andrew's base salary;
- (f) Francis Paul Jackson, the Company shall underwrite Francis's private medical insurance and cover all reasonable contributions for him and his spouse;
- (g) Erick Pegot-Ogier Pelagatti, the Company shall underwrite Erick's private medical insurance and cover all reasonable contributions (to the satisfaction of the Company) for him and his spouse; and
- (h) Andrew Dennan, the Company shall provide membership of a private medical and dental insurance scheme and make contributions for him, his spouse and any of his children under 18.

11.3 David Minchin has agreed to act as non-executive Director of the Company pursuant to a letter of appointment entered into on 12 January 2026. Mr Minchin will receive an annual fee of £30,000 per annum with additional remuneration of up to £5,000 available for the taking on of certain additional responsibilities. The agreement may be terminated by either party giving three months' written notice.

11.4 Daniel Bloor has agreed to act as non-executive Director of the Company pursuant to a letter of appointment entered into on 4 January 2026. Mr Bloor will receive an annual fee of £30,000 per annum with additional remuneration of up to £5,000 available for the taking on of certain additional responsibilities. The agreement may be terminated by either party giving three months' written notice.

12 DIRECTORS' SHAREHOLDINGS AND OTHER INTERESTS

12.1 The interests (all of which are beneficial, unless otherwise stated) of the Directors (including, so far as is known to the Directors having made appropriate enquiries, the interests of any persons connected with the Directors within the meaning of section 252 of the Act in the issued share capital of the Company as at the date of this document and as they will be immediately following Admission are as follows:

As at the date of this document

<i>Director</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of current issued share capital (%)</i>
Andrew Dennan ¹	–	–
Francis Jackson ²	156	0.00%
David Minchin	98,135	0.12%

At Admission

<i>Director</i>	<i>Number of Ordinary Shares on Admission</i>	<i>Percentage of Enlarged Share Capital (%)</i>
Andrew Dennan ¹	666,667	0.60%
Francis Jackson ²	156	0.00%
David Minchin	98,135	0.09%
Erick Pegot-Ogier Pelagatti	132,306	0.12%

1 As at the date of this document, C4 Energy Limited holds 8,856,113 Ordinary Shares and at Admission will hold 8,856,113 Ordinary Shares. Andrew Dennan, a director of the Company, is a 25 per cent. shareholder of C4 Energy Limited.

2 As at the date of this document, Sustainable Energy Projects Ltd holds 2,000 Ordinary Shares and at Admission will hold 668,667 Ordinary Shares, Francis Jackson is a 10 per cent. shareholder and the sole director of Sustainable Energy Projects Ltd.

12.2 On Admission, the Directors will have the following Options over Ordinary Shares:

<i>Option holder</i>	<i>Number of existing options held</i>	<i>Exercise price</i>	<i>Exercisable from</i>	<i>Exercisable to</i>
Andrew Dennan	2,500,000	2.5624p	Admission Date	25/08/2035
	1,000,000	10.19p	Admission Date	25/08/2035
Francis Jackson	2,500,000	2.5624p	Admission Date	25/08/2035
	1,000,000	10.19p	Admission Date	25/08/2035
Erick Pegot-Ogier Pelagatti	1,000,000	10.19p	Admission Date	25/08/2035
Total	8,000,000			

12.3 Save as set out in this paragraph 12 above, no Directors, has an interest (whether beneficial or non-beneficial) in the share or loan capital of the Company and nor (so far as is known to the Directors having made appropriate enquiries) does any person connected with any of the Directors within the meaning of section 252 of the Act have any such interest (whether beneficial or non-beneficial).

12.4 None of the Directors nor (so far as is known to the Directors having made appropriate enquiries) any person connected with any of the Directors within the meaning of section 252 of the Act holds a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares and/or any Placing Shares.

12.5 There are no outstanding loans or guarantees granted or provided by the Company to or for the benefit of any of the Directors.

12.6 No Director has or has had any interest, whether direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Company.

- 12.7 No Director has or has had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company since its incorporation or which remains in any respect outstanding or unperformed.
- 12.8 No Director has any conflict of interest (or potential conflict of interest) between any of the duties owed by him to the Company and his private interests or any duties owed by him to third parties.
- 12.9 Details of any restrictions agreed by the Directors with regard to the disposal of their holdings in the Company's securities are set out in paragraph 14.1 of this Part V.

13 SIGNIFICANT SHAREHOLDERS

- 13.1 In addition to the interests of the Directors disclosed in paragraph 12 above, the Directors are aware of the following persons who are at the date of this document, or will immediately following Admission be, directly or indirectly interested in 3 per cent. or more of the Company's issued share capital or voting rights:

As at the date of this document

<i>Significant Shareholder</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of current issued share capital (%)</i>
MBD Partners SA	23,415,547	27.52%
Atacama Investments Limited	15,610,365	18.34%
Mr John Bolitho	14,955,963	17.58%
C4 Energy Limited ¹	8,856,113	10.41%

At Admission

<i>Significant Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of Enlarged Share Capital (%)</i>
MBD Partners SA	23,415,547	21.14%
Atacama Investments Limited	15,610,365	14.10%
Mr John Bolitho	14,955,963	13.50%
C4 Energy Limited ¹	8,856,113	8.00%
Acorn Finance Limited	3,842,274	3.47%
Peel Hunt Limited	3,759,132	3.39%

¹ Andrew Dennan, a director of the Company, is a 25 per cent. shareholder of C4 Energy Limited.

- 13.2 None of the persons interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital or voting rights has voting rights which are different from other Shareholders.
- 13.3 Save as disclosed in this document, the Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- 13.4 So far as the Directors are aware, there are no arrangements in place, the operation of which may at a later date result in a change of control of the Company.

14 MATERIAL CONTRACTS

- 14.1 The following is a summary of (i) each material contract (other than contracts entered into in the ordinary course of business) to which the Company or its subsidiaries have entered into within the period of two years immediately preceding the date of this document; and (ii) any other contract (other than contracts entered into in the ordinary course of business) entered into by the Company or its subsidiaries which contains obligations or entitlements which are or may be material as at the date of this document.

(a) Copper Bay Main Acquisition Agreement:

- (i) On 6 February 2025, the Company entered into the Copper Bay Main Acquisition Agreement, pursuant to which it agreed to acquire the entire issued share capital of Copper Bay from CAML as seller. Subject to the terms and conditions of the Copper Bay Main Acquisition Agreement, CAML agreed to sell 76.1 per cent. of the issued share capital of Copper Bay (on the terms set out in the Copper Bay Main Acquisition Agreement) and, through the exercise of certain drag rights afforded to it, to procure the sale of the remaining 23.9 per cent. of the issued share capital of Copper Bay by the Copper Bay Minority Sellers (on the terms set out in the Copper Bay Minority Acquisition Agreement). The Company in turn agreed to purchase the entire issued share capital of Copper Bay, free from encumbrances.
- (ii) Under the terms of the Copper Bay Main Acquisition Agreement, the consideration payable by the Company to CAML consists of the total sum of US\$7,500,000 in cash, US\$5,707,500 of which is allocated to CAML and the remaining US\$1,792,500 of which is allocated to the Copper Bay Minority Sellers under the terms of the Copper Bay Minority Acquisition Agreement. The consideration is payable by the Company to CAML as follows:
- (A) US\$3,750,000 once an aggregate of 7,500 metric tonnes of copper, whether contained in cathode, concentrate or other product, has been produced from the Project; and
- (B) a further US\$3,750,000 once an additional 7,500 metric tonnes of copper has been produced, whether contained in cathode, concentrate or other product (i.e. once cumulative production has reached 15,000 metric tonnes of copper) from the Project,
- with such amounts apportioned between CAML and the Copper Bay Minority Sellers *pro rata* in accordance with their respective shareholdings in Copper Bay immediately prior to completion of the Copper Bay Main Acquisition Agreement.
- (iii) The consideration owed to CAML under the terms of the Copper Bay Main Acquisition Agreement is secured by way of fixed charge over the Company's shares in its subsidiary, Copper Bay, in accordance with the terms of the CAML Share Charge (as defined below).
- (iv) Subject to the Company (or any entity within its Group) receiving in cash funding, in any form whatsoever, including whether by loan, equity or other means, of a cash amount (whether in a series of separate fundraisings or in a single transaction), in aggregate and in any currency equal or equivalent to US\$2,700,000, the Company is obligated under the terms of the Copper Bay Main Acquisition Agreement to reimburse CAML for the amount of US\$114,000 (such amount being half of the expenditure which CAML has incurred in progressing certain regulatory approvals). The Company anticipates that the requirement to pay such reimbursement costs will be triggered as part of Admission.
- (v) The Copper Bay Main Acquisition Agreement includes customary time and financial limitations of liability in favour of CAML, including (i) in the case of claims under the tax warranties or the tax covenant, the seventh anniversary of the end of the accounting period in which Completion falls; (ii) in the case of fundamental warranty claims, the third anniversary of the Completion Date; (iii) in the case of general warranty claims, the second anniversary of the Completion Date; and (iv) in the case of the warranty relating to how the minority shareholders hold their shares, one year from the Completion Date. General warranty and tax warranty claims are subject to a de minimis of US\$100,000 and an aggregate value of US\$300,000, with the warranty relating to the minority shareholders being subject to a de minimis value of US\$10,000. All general warranty and tax claims shall not exceed a value of the greater of either US\$2,000,000 or the total value of the Consideration.
- (vi) A tax covenant was also provided by CAML in favour of the Company on customary terms and entered into on 31 March 2025.
- (vii) The Copper Bay Main Acquisition Agreement is governed by the laws of England and Wales.

(b) Copper Bay Minority Acquisition Agreement

- (i) On 31 March 2025, the Company entered into the Copper Bay Minority Acquisition Agreement, pursuant to which it agreed to acquire 23.9 per cent. of the entire issued share capital of Copper Bay from the Copper Bay Minority Sellers of Copper Bay (the "**Minority Sellers**").

- (ii) Under the terms of the Copper Bay Minority Acquisition Agreement, the consideration payable by the Company to the Copper Bay Minority Sellers consists of the Minority Consideration, payable in two tranches as follows:
 - (A) US\$896,250 once an aggregate of 7,500 metric tonnes of copper, whether contained in cathode, concentrate or other product, has been produced from the Project; and
 - (B) a further US\$896,250 once an additional 7,500 metric tonnes of copper has been produced, whether contained in cathode, concentrate or other product (i.e. once cumulative production has reached 15,000 metric tonnes of copper) from the Project,
 with such amounts apportioned between the minority shareholders *pro rata* in accordance with their respective shareholdings in Copper Bay Ltd.
- (iii) The Copper Bay Minority Acquisition Agreement does not expressly include any express time limitations of liability in favour of the Copper Bay Minority Sellers, but does include financial limitations of liability in favour of the Copper Bay Minority Sellers and the aggregate liability of any Copper Bay Minority Seller is capped at the amount of Consideration it actually receives from the Company for the relevant shares.
- (iv) The Copper Bay Minority Acquisition Agreement is governed by the laws of England and Wales.

(c) CAML Share Charge

- (i) On 25 May 2025, the Company as chargor entered into a share charge with CAML as security trustee (the “**CAML Share Charge**”), pursuant to which, as security for its obligations to pay the deferred consideration to CAML and the Copper Bay Minority Sellers under the terms of the Copper Bay Main Acquisition Agreement and Copper Bay Minority Acquisition Agreement, it granted CAML (as security) a fixed charge over its present and future right, title and interest in its shares in Copper Bay together with all dividends, interest, coupons and other distributions paid or payable in respect of such shares.
- (ii) The CAML Share Charge includes certain customary representations and warranties given by the Company to CAML as security trustee on the basis of equivalent warranties having been given to the Company in its capacity as Buyer under the Copper Bay Main Acquisition Agreement and Copper Bay Minority Acquisition Agreement, as applicable.
- (iii) The security under the CAML Share Charge will become immediately enforceable if (i) the Company fails to pay any of the deferred consideration in accordance with the terms of the Copper Bay Main Acquisition Agreement unless (A) its failure to pay is caused by administrative or technical error or (B) a force majeure event and payment is made within 5 Business Days of its due date; or (ii) the Company requests CAML to exercise any of its powers under the CAML Share Charge as security trustee.
- (iv) Immediately upon the security becoming enforceable or at any time thereafter CAML is granted broad rights under the terms of the CAML Share Charge including but not limited to the power to exercise the power of sale, appoint a receiver over all or part of any of the secured assets and to exercise all other powers conferred on mortgagees or receivers by law.
- (v) The security created under the CAML Share Charge will lapse once the Company has paid to CAML and the Minority Sellers the outstanding deferred consideration.
- (vi) The CAML Share Charge is governed by the laws of England and Wales.

(d) Copper Bay Security Trust Deed

- (i) The Company as buyer entered into a security trust deed on 31 March 2025 with CAML as majority seller and security trustee and the Copper Bay Minority Sellers as minority sellers (the “**Copper Bay Security Trust Deed**”), pursuant to which CAML agreed to hold the benefit of the security and other rights and interests created by the CAML Share Charge on trust for itself (the “**Trust Property**”) and the Copper Bay Minority Sellers as sellers.

- (ii) Under the terms of the Copper Bay Security Trust Deed, CAML is granted all such powers in relation to the Trust Property as a natural person acting as the beneficial owner of the Trust Property would have. The security trustee must act in accordance with any instructions given to it by CAML and any instructions given by CAML override any conflicting instructions given to the security trustee by any other parties to the Copper Bay Security Trust Deed.
 - (iii) The Copper Bay Security Trust Deed includes customary limitations and exclusions of liability in CAML's favour together with a waiver of the right of any parties (other than CAML) to the Copper Bay Security Trust Deed to take any proceedings against any officer, employee or agent of CAML in respect of any claim it might have against CAML or in respect of any act or omission of any kind by that officer, employee or agent in relation to the security created by the CAML Share Charge.
 - (iv) The Copper Bay Security Trust Deed is governed by the laws of England and Wales.
- (e) **WFW LOE**
- The Company entered into a letter of engagement with WFW dated 12 November 2025 (the "**WFW LOE**") pursuant to which WFW agreed to provide legal advice and assistance to the Company in relation to the Transaction in accordance with the scope of work detailed therein.
- (f) **Nomad LOE**
- The Company entered into a letter of engagement with the Nomad on 5 November 2025 for the purpose of acting as the Company's nominated advisor in relation to the Admission and in accordance with Rule 1 of the AIM Rules. The letter of engagement may be terminated by either party giving the other at least seven days' prior written notice or shall automatically terminate on completion of the Transaction or on 5 November 2026, being the date 12 months following the date of the letter of engagement, whichever is earlier.
- (g) **Broker LOE**
- The Company entered into a letter of engagement with the Broker on 24 October 2025 pursuant to which the Broker has agreed to act as sole broker and sole placing agent in connection with Admission on the terms and conditions therein. The appointment commenced on 24 October 2025 and is terminable (i) by the Broker immediately on written notice, or (ii) by the Company giving to the Broker not less than 3 (three) months' prior written notice, such notice not to be served prior to the end of the second anniversary of the date of the letter of engagement.
- (h) **Roast PR LOE**
- The Company entered into an agreement with Roast PR Limited ("**Roast**") on 10 February 2026 pursuant to which Roast has agreed to provide corporate public relations and investor relations services. The fee for providing such services to the Company is £25,000 plus VAT, which shall be satisfied by the issue of Fee Shares in the Company at Admission.
- The agreement may be terminated by either party giving one month's notice of termination.
- The agreement is governed by the laws of England and Wales.
- (i) **Nomad Agreement**
- The Company, the Directors and the Nomad entered into an agreement dated on or around the date of this document (the "**Nomad Agreement**") pursuant to which the Nomad has agreed to act as nominated adviser to the Company in reliance on the warranties, representations and undertakings contained therein. The appointment will commence on or around the date of this document and will continue for an initial period of 12 months and thereafter unless and until terminated by either the Company or the Nomad.

(j) Nomad Warrant Agreement

The Company and the Nomad entered into an agreement on 20 February 2026, confirming the Nomad's entitlement to new equity warrants in the Company equal to 1 per cent. of the Enlarged Share Capital. Under the terms of the agreement, it was agreed that the new equity warrants shall be exercisable at the Placing Price per Ordinary Share and are exercisable either in whole or in part from the date of Admission, until the date falling 7 years from the date of Admission, subject to the Nomad paying a cash exercise price of 18p for each equity warrant. The Company and the Nomad agreed to enter into a formal warrant deed documenting these arrangements together with other additional details relating to the warrants.

(k) Nomad Warrant Deed

Further to the agreement dated 20 February 2026 referenced at paragraph (j) above, the Company executed a formal warrant deed on or about the date of this document issuing warrants conferring a right to subscribe in cash for Ordinary Shares equal to 1 per cent. of the Enlarged Share Capital, on the terms and subject to the conditions set out in the warrant deed. The warrant deed is conditional upon Admission becoming effective in accordance with the terms of the Placing Agreement.

Under the terms of the warrant deed, it is agreed that the new equity warrants shall be exercisable at any time in the 7 year period following Admission subject to the Nomad paying a cash exercise price of 18p for each equity warrant.

The deed includes customary warranties and representations given by the Company in favour of the Nomad as regards its authority to issue the warrants and the due issue of the warrants.

The deed is governed by the laws of England and Wales.

(l) Placing Agreement

On or about the date of this document, the Company, the Directors, Cairn and GIS entered into the Placing Agreement. The Placing Agreement is conditional, *inter alia*, on Admission taking place not later than 8.00 a.m. on 30 March 2026 (or such later date as Cairn, GIS and the Company may agree, but in any event no later than 16 June 2026). Cairn is a party to the Placing Agreement in its capacity as nominated adviser to the Company in relation to Admission.

Pursuant to the Placing Agreement, GIS agreed to use its reasonable endeavours to procure subscribers for Placing Shares at the Placing Price. The Placing Agreement provides for the Company to pay all expenses of, and incidental to, the Placing and the application for Admission.

The Placing Agreement contains certain customary warranties given by the Company and the Directors in favour of Cairn and GIS, including as to the accuracy of information contained in this Document and a customary indemnity from the Company in favour of Cairn and GIS which is unlimited in time and amount. The Placing Agreement also contains customary warranties given by the Directors which are subject to customary financial and time limitations.

Cairn and/or GIS may terminate the Placing Agreement in customary specified circumstances prior to Admission, including (but not limited to) where there is a breach or alleged breach of warranty or the occurrence of a specified force majeure event at any time prior to Admission.

(m) Shareholder Lock-in and orderly market agreements

Between 23 February 2026 and the date of this document, (i) the Company, (ii) the Nomad, (iii) the Broker and (iv) each of the Rule 7 Locked-In Shareholders entered into Lock-in Agreements pursuant to which each Rule 7 Locked-In Shareholder has, conditional on Admission, undertaken as a separate undertaking to each of the Company, the Nomad and the Broker that, subject to certain limited exceptions, it will not dispose of, or agree to dispose of, the Ordinary Shares held by it or on behalf of it for a period of 12 months from the date of Admission.

On 27 February 2026 (i) the Company, (ii) the Nomad, (iii) the Broker and (iv) C4 entered into a Lock-in Agreement pursuant to which C4 has, conditional on Admission, undertaken as a separate undertaking to each of the Company and the Broker that, subject to certain limited exceptions, it will not dispose of, or agree to dispose of, the Ordinary Shares held by it or on behalf of it for a period of 12 months from the date of Admission.

On 4 March 2026 (i) the Company, (ii) the Nomad, (iii) the Broker and (iv) Origen entered into a Lock-in Agreement pursuant to which it has, conditional on Admission, undertaken as a separate undertaking to each of the Company, the Nomad and the Broker that, subject to certain limited exceptions, it will not dispose of, or agree to dispose of, the Ordinary Shares held by it or on behalf of it for a period of 6 months from the date of Admission.

The Rule 7 Locked-In Shareholders have also undertaken that for the period of 12 months following the anniversary of the date of Admission, subject to certain conditions, it will only dispose of Ordinary Shares held by it in consultation with each of the Nomad and the Broker (in order to maintain an orderly market in the Ordinary Shares) and then through the Broker.

(n) Director Lock-in and orderly market agreements

On or around the date of this document (i) the Company, (ii) the Nomad, (iii) the Broker and (iv) the Directors entered into Lock-in Agreements, pursuant to which each Director has, conditional on Admission, undertaken as a separate undertaking to each of the Company, the Nomad and the Broker that, subject to certain limited exceptions, they will not dispose of, or agree to dispose of, Ordinary Shares held by them or on behalf of them for a period of 12 months from the date of Admission. Each Director has also undertaken that for the period of 12 months following the anniversary of the date of Admission, subject to certain conditions, they will only dispose of Ordinary Shares held by them in consultation with each of the Nomad and the Broker (in order to maintain an orderly market in the Ordinary Shares) and then through the Broker.

(o) Rule 7 Locked-In Shareholder Relationship Agreements

Between 23 February 2026 and 26 February 2026, the Company entered into the Relationship Agreements with each Rule 7 Locked-In Shareholder and the Nomad. The Relationship Agreements are conditional on Admission occurring in accordance with its terms, and will regulate the relationship between each Rule 7 Locked-In Shareholder and the Company for so long as each Rule 7 Locked-In Shareholder together with its Associates and any persons deemed to be acting in concert with it, hold at least 10 per cent. of the issued share capital of the Company.

Under the terms of the Relationship Agreements, each Rule 7 Locked-In Shareholder provides certain undertakings, including but not limited to procuring that it and each of its Associates shall:

- not preclude or inhibit the Group from, carrying on business for the benefit of the shareholders as a whole;
- conduct all business with the Group at arm's length and on normal commercial terms. Any enforcement, implementation or amendment of such terms is to be approved by the Directors who are considered by the Board, in consultation with the Nomad, to be independent as determined by reference to the QCA Code 2023, ("Independent Directors") alone;
- procure that each of its Associates shall, subject always to Applicable Laws, exercise their respective voting rights on any board or shareholder resolution to replace any Independent Director who ceases to be a Director with another Independent Director;
- declare any actual or potential conflicts of interest which may arise and of which they are aware to the Independent Directors as soon as reasonably practicable; and
- not approve variations to the Articles which would otherwise fetter the discretion of the Company in favour of the Rule 7 Locked-In Shareholder.

The Relationship Agreements are governed by the laws of England and Wales.

(p) C4 Relationship Agreement

On 27 February 2026 the Company entered into a Relationship Agreement with C4 and the Nomad. The Relationship Agreement is conditional on Admission occurring in accordance with its terms, and will regulate the relationship between C4 and the Company for so long as C4 together with its Associates and any persons deemed to be acting in concert with it, hold at least 5 per cent. of the issued share capital of the Company.

The Relationship Agreement is governed by the laws of England and Wales.

(q) Introduction Agreement

On 6 May 2025 the Company entered into an introduction agreement with Origen Capital Partners Limited (“**Origen**”), later amended on 5 February 2026, pursuant to which Origen is entitled to a £50,000 fee for introducing the Company to the Broker as well as further payments in the event Origen introduces the Company to relevant institutional and qualified investors which may wish to participate in a fundraise undertaken by the Company. The £50,000 fee shall be satisfied by the issue of new Ordinary Shares on Admission. Such Ordinary Shares will be subject to a 6 month lock-in agreement.

In consideration for such future introductions, the Company shall pay to Origen: (i) where investment from investors introduced to the Company by Origen leads to an overall investment of up to \$50,000,000 within the Company, 2 per cent. of gross proceeds received; (ii) where investment from investors introduced to the Company by Origen leads to an overall investment of at least £250,000, 5 per cent. of the gross proceeds received and (iii) for introductions to reverse takeover candidates which results in the completion of a reverse takeover transaction in the mining and tailings metal processing space, a fixed fee of £100,000.

Under the terms of the Introduction Agreement, Origen provides certain customary warranties to the Company, including capacity and compliance warranties.

Either the Company or Origen may terminate the Introduction Agreement with immediate effect on the occurrence of certain customary termination events, such as in the event of material breach committed by the other party or the other party undergoing a change of control or entering insolvency.

The Introduction Agreement is governed by the laws of England and Wales.

(r) Convertible Loan Note Instrument

On 12 January 2024, the Company entered into a convertible unsecured loan note instrument relating to the creation and issuance of up to £750,000 convertible senior unsecured loan notes (the “**Loan Notes**”) (the “**Loan Note Instrument**”). The creation and issuance of the Loan Notes was authorised pursuant to board resolutions of the Company passed on 13 December 2023.

The principal amount of each Loan Note is £25,000 up to a total principal amount of £750,000 and the conversion rate formula for the Loan Notes is detailed within the instrument.

Unless converted, the Company will redeem the Loan Notes at 100 per cent. of the relevant principal on the maturity date being the date falling 24 months after the issue date of the relevant Loan Note.

The Loan Note Instrument is governed by the laws of England and Wales.

As of the date of this document, all of the subscribed Loan Notes have been converted by the holders of the Loan Notes into equity in accordance with the terms of the Loan Note Instrument.

(s) Convertible Loan Notes Subscription Agreements

Between 12 January 2024 and 19 June 2025, the Company entered into subscription agreements with each of Atacama, John Bolitho and MBD relating to each investor’s subscription of a prescribed portion of the Loan Notes (the “**CLN Subscription Agreements**”).

Under the terms of the CLN Subscription Agreements, each investor agreed to pay a subscription price of £25,000 per Loan Note totaling an aggregate subscription price of £1,250,000.

Each investor gave customary warranties, acknowledgements and confirmations to the Company, including that it was a lawful investor and had obtained all necessary consents and authorities to enable it to subscribe for the Loan Notes. The Company also provided customary warranties to the investors as to the lawful creation of the Loan Notes.

The CLN Subscription Agreements are governed by the laws of England and Wales.

(t) Initial Settlement and Warrant Issuance Agreement

On 23 February 2026, the Company entered into a settlement and warrant issuance agreement with each of (i) John Bolitho, (ii) Stephen Lundy, (iii) Andrew Jones and (iv) Bespoke Capital Solutions Limited (together, the “**Settlement Warrant Holders**”), pursuant to which the Company agreed to issue a total of 539,750 warrants to subscribe for up to 539,750 Ordinary Shares to the Settlement Warrant Holders in consideration for full and final settlement of a historic disagreement between the parties as to the continued validity of warrants issued pursuant to a 2021 warrant agreement.

The terms of the warrants shall be documented in warrant deeds to be executed by the Company in favour of the Settlement Warrant Holders, though the principal terms of the warrants areas are set out below.

The warrants shall have an exercise price of £0.25 and may be exercised in whole or in part, at any time and from time to time during the period commencing on their issue date, being 28 February 2026, and ending on 17 March 2028. The warrants shall contain standard adjustment provisions in respect of any subdivision or consolidation of share capital, bonus issue, rights issue, capitalisation issue or similar corporate action and shall be transferable subject to the prior written consent of the Company.

The agreement includes customary warranties and representations given by the Company in favour of each of the Settlement Warrant Holders as regards its authority to issue the warrants and the due issue of the warrants.

The agreement is governed by the laws of England and Wales.

It is noted that John Bolitho holds the percentage of Ordinary Shares shown against his name at paragraph 13.1 of Part V of this document as significant shareholder and, accordingly, the issue of the warrants to him under the settlement and warrant issuance agreement is considered a related party transaction under the AIM Rules. Accordingly, the independent directors, being all Directors for the purposes of the warrant issue, having consulted with the Nomad, consider the terms of the warrant issuance to be fair and reasonable insofar as the Shareholders are concerned.

(u) Settlement Warrant Holders Warrant Instrument

Further to the Initial Settlement and Warrant Issuance Agreement, the Company executed a warrant instrument on 6 March 2026 issuing warrants conferring a right to subscribe in cash for 539,750 Ordinary Shares, on the terms and subject to the conditions set out in the warrant instrument. Under the terms of the warrant instrument, it is agreed that the new equity warrants shall be exercisable at any time prior to 17 March 2028 subject to the Settlement Warrant Holders paying a cash exercise price of 25p for each equity warrant (representing total cash consideration of £134,937.5).

The agreement includes customary warranties and representations given by the Company in favour of the Settlement Warrant Holders as regards its authority to issue the warrants and the due issue of the warrants.

The agreement is governed by the laws of England and Wales.

It is noted that John Bolitho holds the percentage of Ordinary Shares shown against his name at paragraph 13.1 of Part V of this document as significant shareholder and, accordingly, the issue of the warrants to him under the instrument is considered a related party transaction under the AIM

Rules. Accordingly, the independent directors, being all Directors for the purposes of the warrant issue, having consulted with the Nomad, consider the terms of the warrant issuance to be fair and reasonable insofar as the Shareholders are concerned.

(v) Consultancy agreement with Christian Boletta

The Company entered into a consultancy agreement with Christian Boletta on 9 December 2025 pursuant to which Christian agreed to provide the Company and the Broker assistance with fundraising activities in connection with Admission. The fee for providing such services consists of (i) £10,000 to be satisfied through the issue of new Ordinary Shares upon Admission, (ii) a further £10,000 to be satisfied through the issue of new Ordinary Shares upon Admission if the Placing raises more than £4,000,000, and (iii) a further £10,000 to be satisfied through the issue of new Ordinary Shares on Admission if the Placing raises more than £5,000,000 is raised. A rolling fee of £2,000 per month is payable following Admission. The term of the agreement consists of the period of 12 months from Admission though the agreement can be terminated at any time by either party on one month's notice.

(w) Consultancy agreement with Patrick Morton

The Company entered into a consultancy agreement with Patrick Morton on 19 February 2026 pursuant to which Patrick agreed to provide the services of (i) assisting the Company and its executive team with evaluating financing proposals, introducing the Company to potential new funding solutions and/or providers and supporting the Company's business development activities, and (ii) advising and assisting the Company on investor relations, including strategy, communications, and engagement. The term of the agreement consists of the period of 12 months from the date of the agreement and the fee for providing such services will be £20,000 to be satisfied through the issue of new Ordinary Shares in the Company on Admission. The agreement can be terminated by either party on one month's notice.

(x) FlowComms LOE

The Company entered into an agreement with FlowComms on 23 November 2025 pursuant to which FlowComms agreed to provide the services of (i) digital branding; (ii) supporting the Company with digital media channels and (ii) advising and assisting the Company on the presentation of its corporate story. The term of the agreement consists of the period of 12 months from the date of the agreement and the fee for providing such services will be £40,000 to be satisfied through the issue of new Ordinary Shares in the Company on Admission.

(y) Atacama Warrant Deed

The Company executed a warrant deed on 23 February 2026 issuing warrants conferring a right to subscribe in cash for 7,500,000 Ordinary Shares, on the terms and subject to the conditions set out in the warrant deed. Under the terms of the warrant deed, the granting of the warrants is subject to Atacama paying an initial price of £18,500 and it is agreed that the new equity warrants shall be exercisable at any time in the 4 year period following Admission subject to Atacama paying a cash exercise price of 18p for each equity warrant (representing total cash consideration of £1,350,000). The warrants contain standard adjustment provisions in respect of any subdivision or consolidation of share capital, bonus issue, rights issue, capitalisation issue or similar corporate action and shall be transferable subject to the prior written consent of the Company.

The deed includes customary warranties and representations given by the Company in favour of Atacama as regards its authority to issue the warrants and the due issue of the warrants.

The deed is governed by the laws of England and Wales.

It is noted that Atacama holds the percentage of Ordinary Shares shown against its name at paragraph 13.1 of Part V of this document as significant shareholder, and, accordingly, the entry into the warrant deed is considered a related party transaction under the AIM Rules. Accordingly, the independent directors, being all Directors for the purposes of the warrant issue, having consulted with the Nomad, consider the terms of the warrant deed to be fair and reasonable insofar as the Shareholders are concerned.

(z) Colin Hunter LOE

On 1 July 2025 the Company entered into an agreement with Colin Hunter (a qualified metallurgist) to support the Company as i) Technical Advisor to the Board and to focus on optimising the process flowsheet to allow the DFS to be optimised; and ii) lead a working group to engage Chilean engineering contractors to update DFS CAPEX costs; and iii) support the Company in the awarding of contracts and construction of the processing plant on site and commission it. Colin Hunter is entitled to payment of £1,700 per month for 4 days work and an additional £425 per day in excess of this initially retained time period with a bonus of 110 per cent. of the amounts paid subject to a material funding event following which the day rate will be increased to £850/day. Upon completion of the DFS a bonus of 0.075 per cent. of the net amount raised and subject to first production he will be awarded options to purchase 106,662 new shares at a strike price of £0.20. The agreement can be terminated by the Company with immediate effect in the event of a number of events happening, including but not limited to gross misconduct, negligence or breaches of the Company's policies.

(aa) Charles Archer LOE

On 19 December 2025 the Company entered into an agreement with Charles Archer to provide services to the Company including i) articles and written analysis; ii) recorded interview and discussions; iii) podcast participation; iv) social media support; and v) general PR and strategic messaging support. The term of the engagement is for 12 months and the Company will pay £12,000 + VAT which will be satisfied by the issue of new Ordinary Shares in the Company at Admission.

(bb) CPR LOE

On 6 November 2025 the Company entered into an agreement with EMI Ingenieros y Consultores S.A. to produce an independent competent persons report on the Playa Verde Project.

(cc) Jose Hofer LOE

On 11 March 2026 the Company entered into an agreement with Jose Hofer to provide services to the Company including advising and supporting the Company and its executive team with stakeholder and Government engagement strategies designed to maximise the effectiveness of local engagement within Chile. The term of the engagement is 12 months from the date of the agreement.

The Company is to pay £20,000 in fees to Jose Hofer which shall be satisfied by the issue of new Ordinary Shares in the Company at a price of 18p each. In addition, under the terms of the agreement, the Company is to pay Jose Hofer (i) £15,000 upon the approval of the Maritime Concession; £10,000 upon the granting of the full mining-use easement; and (iii) £10,000 upon the securing of access to grid powered electricity to power the processing plant and dredge operation required to commence production at the Project. Payment for these milestones is conditional on such milestones being achieved within 18 months of the date of the agreement. Such conditional consideration is, if the requisite milestones are achieved, to be satisfied by the issue of new Ordinary Shares in the Company at the higher of (i) 18p, or (ii) the arithmetic average of the 30 daily volume weighted average price calculations of the Company's Ordinary Shares preceding the vesting date for the bonus criteria to be achieved.

(dd) Consultancy agreement with Archipelago Consulting Services Limited

The Company entered into a consultancy agreement with Archipelago Consulting Services Limited ("**Archipelago**") on 5 December 2025 pursuant to which Archipelago agreed to provide the Company assistance with financial economic modelling and planning support, including leading the development of the Company's financial models. The fee for such services is £67 per day from (but excluding) 26 June 2024 up to and including the date of Admission. 50 per cent. of such fee is to be paid in cash, with the remaining 50 per cent. to be paid through the issue of new Ordinary Shares to Archipelago on Admission, with the mechanism for calculating such shares detailed within the consultancy agreement. A rolling fee of £2,000 per month is payable following Admission. Hours spent providing the agreed services in excess of 32 hours per month shall be charged at a rate of £75 plus VAT. The term of the agreement commenced on 1 December 2025 and shall, unless terminated or extended by mutual agreement, continue for a period of 12 months from the date of Admission, though the agreement can be terminated at any time by either party on one month's notice.

15 TAXATION

Taxation in the United Kingdom.

The following information is based on UK tax law and HM Revenue and Customs (“**HMRC**”) practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

15.1 Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), 10 per cent. or more, of the shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Up to 5 April 2026, Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company.

Non-UK residents

Income Tax

Up to 5 April 2026, Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company.

From 6 April 2026, the concept of post-departure profits will be abolished. Any dividends received from private companies (close companies) during a period of temporary non-UK residence will be fully taxable in the year of return, at the applicable UK tax rate in force. The result of this change means that non-UK residents will no longer benefit from the notional tax credit that was previously applied at 8.75 per cent.. However, double taxation relief will be available, if not covered within a double tax treaty.

Capital Gains Tax

Non-UK residents are generally exempt from capital gains tax on the sale or other disposal of Ordinary Shares.

Capital gains tax can apply if Shareholders are classed as “temporary non-residence”. This applies where an individual was UK resident for at least four out of the seven tax years preceding their departure and their period of non-residence was less than five years.

If a return to the UK takes place within five years, then gains from both UK and overseas assets held at the date of departure will be subject to capital gains tax in the year of return at the applicable UK tax rate in force.

Such Shareholders should consult their own tax advisers concerning their tax liabilities.

15.2 Dividends

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals have a £500 per annum dividend tax allowance.

Dividend receipts received after 6 April 2024 in excess of £500 will be taxed at 8.75 per cent. for basic rate taxpayers, 33.75 per cent. for higher rate taxpayers, and 39.35 per cent. for additional rate taxpayers.

With effect from 6 April 2026, dividend receipts received in excess of £500 will be taxed at 10.75 per cent. for basic rate taxpayers and 35.75 per cent. for higher rate taxpayers. The additional rate will not increase and remain at 39.35 per cent..

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

15.3 Disposals of Ordinary Shares

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

For disposals of Ordinary Shares, the rate of capital gains tax is 18 per cent. for basic rate taxpayers and 24 per cent. for higher and additional taxpayers.

Subject to certain exemptions, the corporation tax rate applicable to a Shareholder within the charge to UK corporation tax is currently 25 per cent. for profits in excess of £250,000, with profits below £50,000 to be taxed at 19 per cent., and a marginal rate where the profits fall between these values. The profit limits are reduced under certain circumstances, with close investment-holding companies not being entitled to the lower rate.

Further information for Shareholders subject to UK income tax and capital gains tax

15.4 “Transactions in Securities”

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor UK stamp duty reserve tax should arise on transfers of Ordinary Shares on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

- the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
- AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions do not apply, stamp duty or stamp duty reserve tax may apply to transfers of Ordinary Shares in certain circumstances.

HMRC has accepted that it will no longer seek to impose the 1.5 per cent. charge in respect to new issues of Ordinary Shares so long as they are an integral part of a capital raising, on the basis that the charges were not compatible with EU law. On 14 September 2023, HMRC introduced draft legislation confirming that it will not reintroduce the 1.5 per cent. charge on the issue of Ordinary Shares into clearance following the UK's exit from the EU and the withdrawal of the appropriate EU legislation from 31 December 2023. This measure was enacted in Finance Act 2024 with the legislation effective from 1 January 2024.

Any transfer of Ordinary Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or stamp duty reserve tax.

The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, Intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

16 RELATED PARTY TRANSACTIONS

Details of related party transactions the Company and/or the Group has been party to are set out in the historical financial information on the Company in Part III "*Historical Financial Information*", paragraph 9 of Part I (Conversion Shares & Fee Shares), paragraph 16 of Part I (Share Options and Warrants), paragraph 11 of Part V (Directors' service agreements and letters of appointment) and employee arrangements) and paragraph 14 of Part V (Material Agreements) in this document.

17 PRINCIPAL INVESTMENTS

Save as set out or referred to in this document:

- (a) no significant investments have been made by the Company since incorporation and up to the date of this document;
- (b) no significant investments by the Company are in progress;
- (c) there are no joint ventures or undertakings to which the Company holds a proportion of the capital that are likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses; and
- (d) there are no future significant investments by the Company in respect of which a legally binding commitment has already been made.

18 WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the estimated net proceeds of the Placing, the working capital available to the Company will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

19 LITIGATION

- 19.1 Other than as stated in paragraph 19.2 below, in the previous 12 months, the Company has not, nor has any other member of the Group, been affected by: (i) any ongoing or threatened arbitration, mediation, litigation or similar proceedings or disputes with third parties; (ii) any pending judgments; or (iii) any investigation, enquiry or enforcement proceedings or process in relation to any member of the Group by any governmental, administrative or regulatory body.
- 19.2 On 28 November 2025, an individual filed an injunction against the committee which granted the environmental approval in relation to the Project on the basis that the decision failed to properly address significant risks to public health, water resources, the marine environment and a nearby conservation site. An appellate hearing is scheduled to take place on 29 April 2026, during which the relevant parties may submit their arguments to the relevant court. Following the appellate hearings, pursuant to Chilean law, the court will have 30 days to issue a ruling in relation to the matter, however this time period is not mandatory and in practice the relevant court could take between 3 to 6 months to issue its decision. Please refer to the paragraph entitled "Appeal against Project environmental approval" of Part II of this document for further details.

20 NO SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Company since 30 June 2025, being the date to which the unaudited consolidated interim financial information on the Company was prepared, save for the following:

- on 30 October 2025, the Company issued 9,501,472,031 Ordinary Shares at £0.0001019 each;
- on 30 October 2025, the £1,250,000 balance due on the Loan Notes was converted in full via the issue of 48,782,391,509 Ordinary Shares at £0.000025624 each;
- on 6 November 2025, the Company issued 245,338,567 Ordinary Shares at £0.0001019 each to settle adviser fees of £25,000; and
- on 14 November 2025, the £200,000 balance due on the YA Global loan was converted in full via the issue of 1,786,152,972 Ordinary Shares at an issue price of £0.000111972 each.

21 CONSENTS

Each of Cairn Financial Advisers LLP, Crowe U.K. LLP, and Global Investment Strategy (GIS) UK Limited has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

22 GENERAL

- 22.1 The total costs and expenses payable by the Company in connection with or incidental to the Placing and Admission are estimated to be approximately £1,145,000 (net of VAT). The gross proceeds of the Placing are estimated to be approximately £4,000,000 and the net proceeds of the Placing are estimated to be approximately £3,393,000.
- 22.2 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Company's activities.
- 22.3 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to the Company, been:
- (a) any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document; or
 - (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.
- 22.4 Save as disclosed in this document, the Directors are not aware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

- 22.5 Save as disclosed in this document, no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has received, directly or indirectly, from the Company within the 12 months preceding the application for Admission or has entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any of the following:
- (a) fees totalling £10,000 or more;
 - (b) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
 - (c) any other benefit with a value of £10,000 or more at the date of Admission.
- 22.6 The Directors confirm that, where information in this document has been sourced from a third party, this information has been accurately reproduced and that, so far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 22.7 Crowe U.K. LLP is the auditor of the Company and is a member firm of the Institute of Chartered Accountants in England and Wales.
- 22.8 The accounting reference date of the Company is 31 December in each year. The current accounting reference period of the Company ends on 31 December 2025 and the deadline for filing such accounts is 30 June 2026.
- 22.9 Save as disclosed in this document, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Company's business or profitability.
- 22.10 Save as disclosed in this document, the Company has no employees other than the Directors but will engage temporary employees or consultants on fixed term arrangements or on a consultancy basis as required. On average during the most recent financial year, save as disclosed at paragraphs 14.1(w)-(z) above, the Company has engaged no temporary employees on a consultancy basis.
- 22.11 There have been no takeover bids by third parties in respect of the Company's equity which have occurred during the last financial year or the current financial year.

23 AVAILABILITY OF THIS DOCUMENT

Copies of this document will be available to the public free of charge at the registered office address of the Company during normal business hours on any day (except Saturdays, Sundays and public holidays) for a period of one month from the date of Admission. This document will also be available for download from the Company's website beyond such one-month period.

