THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document, you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor, or any other person authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This Document comprises a prospectus relating to Caerus Mineral Resources plc (the "Company") prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("FCA") made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. This Document has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 (the "Prospectus Regulation"). The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered an endorsement of the issuer that is the subject of this Document and should not be considered as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Application has been made to the FCA for all of the ordinary share capital of the Company, issued and to be issued pursuant to the Placing and the Subscription, to be admitted to the Official List of the FCA (by way of a standard listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time) and to the London Stock Exchange plc ("London Stock Exchange") for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities ("Admission"). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 19 March 2021. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a "when issued" basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 11 OF THIS DOCUMENT.

The Directors, whose names appear in on page 33, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

Caerus Mineral Resources

CAERUS MINERAL RESOURCES PLC

(Incorporated and registered in England and Wales with company number 11043077*)*

Placing of 21,000,000 Ordinary Shares, Subscription of 1,500,000 Ordinary Shares and Admission of the Enlarged Share Capital to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities

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Enlarged Share Capital immediately following the Placing, the Subscription and Admission

Issued and fully paid Ordinary Shares

Nominal Value	Number
£504,000	50,400,000

Novum Securities Limited ("Novum"), which is authorised and regulated by the FCA in the conduct of investment business, is acting exclusively for the Company and for no-one else in connection with the Placing, the Subscription and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Novum or for providing advice in relation to the contents of this Document or any matter referred to in it.

Novum is not making any representation, express or implied, as to the contents of this Document, for which the Company and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Document is issued, no liability whatsoever is accepted by Novum for the accuracy of any information or opinions contained in this Document or for any omission of information, for which the Company and the Directors are solely responsible. The information contained in this Document has been prepared solely for the purpose of the Placing, the Subscription and Admission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

This Document does not constitute an offer to sell, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, Australia, the Republic of South Africa, the Republic of Ireland, Canada, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940 ("US Investment Company Act") pursuant to the exemption provided by Section 3(c)(7) thereof, and investors will not be entitled to the benefits of the US Investment Company Act.

The distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore persons into whose possessions this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Application has been made for the Ordinary Shares, issued and to be issued pursuant to the Placing and the Subscription, to be admitted to the Official List by way of a Standard Listing. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

CONTENTS

SUMMARY

SECTION A – INTRODUCTION AND WARNINGS

This summary should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. An investor could lose all or part of their invested capital. Where a claim relating to the information contained in this Document is brought before a court the plaintiff investor might, under the national law, have to bear the costs of translating this Document before legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document or it does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.

The securities to which this Document relates are the Ordinary Shares of the issuer. The ISIN for the Ordinary Shares is GB00BMDQ4L78. The issuer of the Ordinary Shares is Caerus Mineral Resources plc. The issuer's contact details are: 0207 216 5532, Salisbury House, London Wall, London EC2M 5PS, United Kingdom. The LEI of the Company is 8945007F59CSJFZGR252. This prospectus has been approved by the Financial Conduct Authority (the "FCA") whose contact details are: +44 (0)20 7066 1000, 12 Endeavour Square, London E20 1JN, United Kingdom. The date of approval of this Document is 4 March 2021.

SECTION B – KEY INFORMATION OF THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

The legal and commercial name of the issuer is Caerus Mineral Resources plc (the "Company"). The Company was incorporated and registered in England and Wales on 1 November 2017 with company number 11043077 as a private limited company under the Companies Act 2006 with the name Leopard Investments Limited. The Company re-registered to a public limited company on 8 January 2018 and accordingly changed its name to Leopard Mineral Investments PLC. The Company changed its name to Caerus Mineral Resources plc on 18 September 2018.

Current operations / principal activities and markets

Caerus Mineral Resources plc was formed for the purpose of acquiring a company, business or asset that has operations in the mining and/or industrial sectors that it would then look to develop and expand. The Company focussed primarily on opportunities in the mining sector within the European geographic region. On 13 November 2020, the Company entered into the Acquisition Agreement under which the Company acquired the entire issued share capital of New Cyprus Copper P.A. Ltd ("NCC") for £1,000,000, satisfied by the payment of £150,000 in cash and the issue of the 8,500,000 new ordinary shares of 1p each. The principal activity of NCC is the exploration for and development of Mineral Resources in Cyprus.

The primary objective of the Company is to generate value for Shareholders, which the Company will seek initially to achieve through the definition of a Mineral Resource estimate from multiple prospects within the NCC Portfolio and, potentially, through further acquisitions.

The Group proposes an exploration work programme for the NCC Portfolio targeting brownfield sites within licences that included former producing mines and therefore host rocks and geological structures conducive to mineralisation together with exploration of recently acquired licences where no exploration has historically taken place. Brownfield and grassroots exploration require different skills sets and the Company will ensure that appropriate expertise is available. Due to the risky nature of brownfield exploration, the Company will ensure optionality by targeting a wide range of targets and target types with the aim of generating priority targets for more detailed evaluation. Whist the short-term objective is to consolidate the database and generate targets for further evaluation, the medium to long-term objective remains to define a Mineral Resource of between 20Mt and 30Mt at cut off grades of 1.5% Cu and 1g/t Au. Exploration will rely on standard methodologies with an emphasis on detailed geological mapping, geophysical surveys and the use of XRF hand-held systems to aid reconnaissance. The overall strategy to be adopted by the Company will be driven firstly by the budget. The Company is confident that the level of funds to be raised will be sufficient to complete the designed programme over an 18-month period. Ultimately, the strategy will evolve as exploration progresses and results are generated and targets prioritised.

The Company has four main projects based on its current licence portfolio, Kalavasos, Vrechia, Mathiatis and Black Pine, all located in Cyprus.

The Company has identified a number of different target types within the Project portfolio:

- **Remnant Resources**: A review of historic production data indicates that remnant resources may exist at a number of the former mine sites. The Company will undertake a detailed data review and digitisation programme culminating in the generation of a permit-wide 3D model of the deposits known to exist within the Kalavasos Project.
- **Oxide Mineralisation**: There is evidence of oxide mineralisation that was either ignored or stockpiled as waste by former operators on the basis that oxide ore was not conducive to good recoveries in the flotation plants that were operated for the high-grade underground ore. Oxide mineralisation will be assessed for its' suitability to heap, dump or tank leaching to extract copper.
- **Extensions to Mineralisation**: The Company will test for extensions to known mineralisation both along strike and down-dip. This process will be aided by airborne geophysical survey results and the 3D modelling which is expected to provide evidence or indications of strike and dip extensions to the known orebodies.

- **New Generated Targets**: Exploration techniques have improved since the last detailed exploration took place at Kalavasos over 40 years ago. The Company plans to use the large volume of historic data to generate a 3D model of mineralisation within the project to underpin airborne VTEM surveys. Detailed geological mapping and sampling will then be employed to identify new targets for follow-up.
- **Dump Assessment and Reclamation**: Mineral processing efficiencies and techniques, operating costs and metal prices are some of the inputs that have changed to influence the economics of reprocessing low-grade ore. Mineralisation that did not meet the required run of mine grade for flotation was either stockpiled or placed on waste dumps. The Company will re-evaluate this waste material to determine tonnage and grade and thereafter undertake economic assessment to determine the viability of reprocessing material.

Proposed exploration for the Vrechia Project includes:

- **Mine** - Airborne geophysics will underpin a sampling programme to test the strike extension defined by a geobotanical anomaly. Evidence of mineralisation will be tested by a drill programme with a view to establishing an expanded resource that will include the tonnage provisionally defined by a 2014 drill programme.
- **Dump** - A systematic sampling and short hole drill programme will test both pyrite and tailings dumps for residual copper and gold mineralisation. Metallurgical test work in conjunction with a preliminary resource estimate (based on the drill results) will determine whether a preliminary economic assessment is warranted.

Proposed exploration for the Mathiatis Project includes:

- A detailed review of historic data including the building of a 3D model to illustrate the location of the former high-grade massive pyrite lens relative to the recorded low-grade continuous copper intercepts noted in boreholes will be undertaken. If the copper can be proven to be associated with a halo then drilling will be recommended for the footwall and pit floor.
- In addition, there is scope for the recovery of copper from dumps resulting from previous mining activity which are all located around the eastern side of the open pit. The Company proposes to evaluate the dumps in detail specifically to determine the ages of dumps and the sequence of deposition of waste so that this can be linked back to production data and allow the Company to focus in on material that may host copper and or gold in economic quantities. Exploration will comprise detailed sampling and drilling of the dumps in parallel with metallurgical test work to generate an initial resource estimate prior to commencing a PEA.

No work is currently planned for the Black Pine Project.

Major Shareholders

Insofar as the Company is aware, as at 3 March 2021, being the latest practicable date prior to the publication of this Document, the Shareholders identified below will, on Admission, each have a direct or indirect interest in 3 per cent. or more of the Company's capital or voting rights:

	As at the date of this Document		On Admission	
Name	Number of Existing Ordinary Shares	Percentage of the Existing Ordinary Shares	Number of Ordinary Shares	Percentage of the Enlarged Share Capital
EV Metals Group PLC	10,000,000	35.84%	10,000,000	19.84%
O.V. & S. Secretarial Ltd as trustee for PM Ploutonic Metals Ltd[1]	4,490,550	16.09%	4,490,550	8.90%
Guricon Corporate and Trustee Services Ltd as trustee for Indo-European Mining PR Ltd[2]	3,689,000	13.22%	3,689,000	7.31%
Michael Johnson[3]	1,750,001	6.27%	1,750,001	3.47%
Wentworth Limited	1,333,332	4.77%	2,333,332	4.62%
Stephen Catterson	1,000,000	3.58%	1,000,000	1.98%
Martyn Churchouse	850,000	3.04%	850,000	1.68%
Bank of New York Nominees Ltd	-	-	7,470,000	14.82%
ISI Nominees Limited	-	-	5,500,000	10.91%
JIM Nominees Limited	-	-	2,800,000	5.55%

[1] The ultimate beneficial owner of the Ordinary Shares held by O.V. & S. Secretarial Ltd as trustee for PM Ploutonic Metals Ltd is Andrew Daniels, a Director.
[2] The ultimate beneficial owner of the Ordinary Shares held by Guricon Corporate and Trustee Services Ltd as trustee for Indo-European Mining PR Ltd is Pierre Jules Richard.
[3] 300,000 of the Ordinary Shares set out against Michael Johnson's name are held in the name of his wife, Helen Johnson.

On Admission, such Shareholders will not have special voting rights and the Ordinary Shares owned by them will rank *pari passu* in all respects with other Ordinary Shares.

The Company is not aware of any person who, either as at the date of this Document or immediately following Admission, exercises, or could exercise, directly or indirectly, jointly or severally, Control over the Company.

Key Managing Directors and Statutory Auditors

The key Managing Directors are Michael Johnson and Martyn Churchouse.

The statutory auditors are PKF Littlejohn LLP.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

Since 31 May 2020 (being the last financial period for which financial information has been published and for which financial information contained in Part IV (E) has been prepared), and the period covered by the historical key financial information, there has been no significant change in the issuers financial condition and operational results, save for the Acquisition and payment of expenses in connection with the Placing, the Subscription and Admission amounting to £327,000. The Company has agreed to issue the Placing Shares and the Subscription Shares on Admission, raising £1,923,000 (net of expenses).

Shareholders and prospective investors should review the following selected financial information together with the whole of this Document and any documents incorporated by reference and should not rely on the selected financial information below.

This selected financial information for the period from incorporation to 31 May 2020 set out below has been presented in accordance with IFRS and the Company's accounting policies.

Statement of financial position	**Unaudited As at 31 May 2020 £**	**Audited As at 30 November 2019 £**	**Audited As at 30 November 2018 £**
Total assets	45,618	46,110	170,539
Total liabilities	253,554	212,202	11,590
Equity	(207,936)	(166,092)	158,949

Statement of comprehensive income and cashflows	**Unaudited Period ended 31 May 2020 £**	**Audited Year ended 30 November 2019 £**	**Audited Period ended 30 November 2020 £**
Operating loss	(41,844)	(390,041)	(192,716)
Loss for the period	(41,844)	(390,041)	(192,716)
Earnings per share	(0.004)	(0.04)	(0.40)
Net cash used in operating activities	(2,809)	(177,836)	(116,330)
Net cash used in investing activities	-	-	(44,607)
Net cash from financing activities	-	65,000	277,265

New Cyprus Copper PA Limited ("NCC") and its subsidiary, Treasure Development Limited

This selected financial information relating to NCC and its subsidiary for the period from 1 January 2017 to 30 June 2020 set out below has been presented in accordance with IFRS and NCC's accounting policies.

Since 30 June 2020 (being the last financial period for which financial information has been published and for which financial information contained in Part IV (F) has been prepared), and the period covered by the historical key financial information, there has been no significant change in the financial condition and operational results of NCC.

Consolidated statement of financial position	**Unaudited As at 30 June 2020 EUR**	**Audited As at 31 December 2019 EUR**	**Audited As at 31 December 2018 EUR**	**Audited As at 31 December 2017 EUR**
Total assets	1,231,899	1,246,161	1,372,856	1,428,105
Total liabilities	462,886	338,954	170,926	152,900
Equity attributable to shareholders	467,042	594,729	835,215	903,501
Non-controlling interest	301,971	312,478	366,715	371,704

Consolidated statement of comprehensive income and cashflow	**Unaudited Period ended 30 June 2020 EUR**	**Audited Year ended 31 December 2019 EUR**	**Audited Year ended 31 December 2018 EUR**	**Audited Year ended 31 December 2018 EUR**
Operating loss	(136,699)	(289,018)	(76,662)	-

(Loss)/ profit for the period	(138,193)	(294,723)	(76,526)	133,361
Earnings per share (EUR)	(0.964)	(1.815)	(0.615)	1.392
Net cash from/ (used in) operating activities	(75,369)	41,776	(71,135)	133,418
Net cash from investing activities	(15,841)	9	4,639	75
Net cash (used in)/ from financing activities	(87,697)	(4,004)	20,571	(6,160)

Selected pro forma financial information

Set out below is an unaudited pro forma statement of net assets as at 31 May 2020, which has been prepared on the basis of the notes set out below, in accordance with Annex 20, Section 1 and 2 of the PR Regulation, and in accordance with the accounting policies applied by the Company in its financial statements for the period ending 31 May 2020, to illustrate the effect on the Company of the Placing, the Subscription and Acquisition of New Cyprus Copper P.A. Ltd as if it took place on 31 May 2020. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group's financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The Unaudited Pro Forma Financial Information is based on the unaudited net assets of the Company as at 31 May 2020 and unaudited interim financial information of NCC as at 30 June 2020 as shown in Part IV Section (E) and (F) (*Historical Financial Information*) respectively. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 May 2020, being the date of the last published balance sheet of the Company, and since 30 June 2020 for NCC.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part.

	The Company	**NCC**	**Issue of Placing shares and Subscription shares net of costs**	**Acquisition adjustments**	**Unaudited pro forma adjusted aggregated net assets of the Enlarged Group**
	Net assets as at 31 May 2020	**Net assets as at 30 June 2020**	**Shares**		
	(Note 1)	**(Note 2)**	**(Note 3)**	**(Note 4)**	
	£	**£**	**£**	**£**	**£**
Assets					
Non-current assets					
Intangible assets	-	1,095,971	-	-	1,095,971
	-	1,095,971	-	-	1,095,971
Current assets					
Cash and cash equivalents	683	17,258	1,923,000	-	1,940,941
Trade and other receivables	-	3,633	-	-	3,633
Financial assets at fair value through profit and loss	44,935	-	-	(44,935)	-
	45,618	20,891	1,923,000	(44,935)	1,944,574
Total assets	**45,618**	**1,116,862**	**1,923,000**	**(44,935)**	**3,040,545**
Liabilities					
Current liabilities					
Trade and other payables	(253,554)	(195,516)	-	-	(449,070)
Loans and borrowings	-	(95,000)	-	44,935	(50,065)
	(253,554)	(290,516)	-	44,935	(499,135)
Noncurrent liabilities					
Trade and other payables	-	(129,145)	-	-	(129,145)
	-	(129,145)	-	-	(129,145)
Total liabilities	**(253,554)**	**(419,661)**	**-**	**44,935**	**(628,280)**

Total assets less total liabilities	**(207,936)**	**697,201**	**1,923,000**	**-**	**2,412,265**

Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The net assets of the Company as at 31 May 2020 have been extracted without adjustment from the unaudited interim financial information referred to in Part IV Section (E) of this document.
2. The net assets of NCC as at 30 June 2020 have been extracted without adjustment from the unaudited interim financial information to which is set out in Part IV Section (F) of this document and converted to GBP at the closing rate on 30 June 2020 of €1.10 to £1.
3. An adjustment has been made to reflect the proceeds of a placing and subscription of 22,500,000 Ordinary Shares of the Company at an issue price of £0.1 per Ordinary Share net of an adjustment to reflect the payment in cash of total admission costs estimated at approximately £327,000
4. A proforma adjustment has been made to reflect the initial accounting for the Acquisition of NCC by the Company. The Company's loan note receivable £44,935 issued by NCC has been eliminated in conjunction with the corresponding liability shown within the liabilities in NCC totalling £44,935.
   The Company will need to determine the fair value of the net assets acquired pursuant to the proposed acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise may result in reduction of goodwill, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors of the Company is permissible and appropriate, as IFRS 3 allows a measurement period of 12 months for the finalisation of the PPA and calculation of goodwill.
5. No adjustments have been made to the historical results of any entities within the Enlarged Group to reflect the trading or other transactions other than described above of:
   i. The Company since 31 May 2020; and
   ii. NCC since 30 June 2020.
6. As at 3 March 2021 (the latest practical date prior to the publication of the Prospectus) the exchange rate between the EUR (€) and GBP (£) was €1.14 to £1.
7. The pro forma statement of net assets does not constitute financial statements.

WHAT ARE THE KEY RISKS SPECIFIC TO THE ISSUER?

- The Group's activities are currently geographically concentrated entirely in Cyprus. As a result of this, the Group is exposed to the impact of local delays or interruptions of development of, and future production from, these locations caused by significant governmental regulation, transportation capacity constraints, curtailment of future production, natural disasters, adverse weather conditions or interruption of transportation or other events that impact this area.
- TDL and NCC are each in the exploration and appraisal phase of their development. Their projects are regarded as predominantly "brownfield exploration projects" and whilst there are numerous historical production sites within the Company's licences and extensive literature and production records, the exploration work planned is all early stage and built around a strategy to better understand the vectors available towards improved targeting and are therefore speculative in nature. There is no guarantee further mineralisation will be found or indeed as to whether its exploitation would be economically viable, and it should be noted that brownfield exploration risk is typically most prevalent in the early-stage of any development programme. The Company, as the holding company for the Group, is entirely dependent on the success of TDL and NCC, its subsidiaries. No resource information has been estimated to date by the Company as no exploration required to define resources has as yet been undertaken. Brownfield exploration is uniquely exposed to modifying factors, such as technical, economic, financial and ESG parameters that must be met before a resource can be defined and, in turn, converted to a reserve.
- The Company is recently formed, having been incorporated on 1 November 2017. Its acquisition of NCC completed on 13 November 2020. The Company is the holding company of the Group and, will not itself, be operating or generate revenues. It is, therefore, entirely dependent on the success of TDL.
- In the event that any mineralisation is identified, the Group will have further funding requirements after 18 months from the date of this Document to define further such mineralisation with the aim of delineating an NI 43-101 compliant resource and completing feasibility studies. The ability to obtain additional financing will, at the time, be affected by matters such as the demand for securities and the condition of financial and commodity markets generally. If the Group cannot obtain the funding required on terms it considers reasonable, or in the then required timeframe, this will have a material adverse effect on the financial condition and/or prospects of the Company and its investors and could include the loss of the relevant licences.
- TDL currently holds 8 Prospecting Permits in its name all of which are each in good standing and NCC holds 4 Prospecting Permits in its name all of which are each in good standing. Prospecting Permits allow all typical exploration work, including surface sampling, geophysics and drilling, subject to approval of specific programmes. Prospecting Permits can be up to 5km^2 (500 ha) and are valid for 5 years (Term 1) with a further 5 years extension (Term 2) readily available. They must be renewed annually. Normal expenditure commitments start at €10,000 per square kilometre and rise €5,000 per year from the third year of tenure.
- The Group's operations and properties may be subject to extensive and changing European Union, national and local laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation and discharge of materials into the environment, and relating to safety and health. The trend in any country in environmental legislation and regulation generally is toward stricter standards.
- Historically, the prices of certain commodities have been volatile for many reasons, including levels of global and regional supply and demand (particularly from the US and China) and in response to the actions of commodity traders. Other factors affecting

commodity prices include but are not limited to geopolitical uncertainty; availability of processing equipment; availability of transportation; level and availability of government subsidies; price and availability of new technologies; political, economic and military developments; domestic and foreign governmental regulations and actions, including export restrictions, taxes, repatriations and nationalisations; global and regional economic conditions; and weather conditions and natural disasters. It is not possible to predict accurately future commodity price movements and commodity prices may not remain at their current levels. Any material decline in commodity prices in the medium to long term could have a material adverse impact on the results of operations, financial condition and prospects of the Company. As the global economic environment experiences a substantial downturn due to COVID 19 and continues to remain relatively weak for the medium to long term, the ability of the Company to realise the value in its portfolio (whether through a trade sale, joint venture, strategic partnership or otherwise) may be adversely affected, and may not be economically viable at certain long term price levels.

- Only limited reconnaissance has been undertaken by the Company on the licences held and as a result, the recommendations of the Competent Person within the CPR are based solely on historical evidence in the public domain which suggests exploration could be undertaken. No resource information has been estimated to date by the Company as no exploration required to define resources has as yet been undertaken.
- Exploration and development are costly, speculative and often unproductive, but may be necessary for the Group's business. For instance, factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the environmental and other conditions in the areas where the reserves are located or through which production is transported may increase costs and make it uneconomical to develop potential reserves. Failure to discover new reserves, to maintain existing mineral rights, to enhance existing reserves or to extract resources from such reserves in sufficient amounts and in a timely manner could materially and adversely affect the Group's results of operations, cash flows, financial condition and prospects.

SECTION C – KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

Description of the type and the class of the securities being offered

The securities subject to Admission are fully paid Ordinary Shares of 1p each which will be registered with ISIN GB00BMDQ4L78 and SEDOL BMDQ4L7.

Currency of the securities issue

The currency of the securities issued and to be issued is pounds sterling. The Placing price of 10p for the Ordinary Shares is paid in pounds sterling.

Issued share capital

The issued share capital of the Company on Admission will consist of 27,900,000 Ordinary Shares of 1p each, 21,000,000 Placing Shares and 1,500,000 Subscription Shares. All Ordinary Shares will be fully paid up on Admission.

Rights attaching to the securities

The rights attaching to the Ordinary Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

Each Ordinary Share grants a Shareholder who attends a general meeting (in person or by proxy) the right to one vote for or against or abstaining on Shareholder resolutions proposed by way of a show of hands, and one vote per Ordinary Share for or against or abstaining on Shareholder resolutions proposed by way of a poll vote.

Except as provided by the rights and restrictions attached to any class of shares, Shareholders will under general law be entitled to participate in any surplus assets in a winding up in proportion to their shareholdings.

Relative seniority of the securities in the event of insolvency

Not applicable. The Company does not have any other securities in issue or liens over its assets so the Ordinary Shares are not subordinated in the Company's capital structure as at the date of the prospectus and will not be immediately following Admission.

Restrictions on transferability

All Ordinary Shares are freely transferable subject to the following lock-in agreements. The Locked-In Shareholders have undertaken to the Company that they will not, and will use all reasonable endeavours to procure that any Connected Persons (as defined in section 252 of the Act, as amended) will not:

- dispose of any interest in any Ordinary Shares which they have at the date of Admission for a minimum period of twelve months following Admission except in very limited circumstances; and
- dispose of any interest in Ordinary Shares so as to ensure an orderly market for the issued share capital of the Company for a period of twelve months following the first anniversary of Admission.

These lock in provisions will not apply, *inter alia*, in the event of an intervening court order, a takeover becoming or being declared unconditional, or the death of the Locked-In Shareholder.

Dividend policy

The nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders. The Company may recommend distributions at some future date when it becomes commercially prudent to do so, having regard to the availability of the Company's distributable profits and the retention of funds required to finance future growth.

WHERE WILL THE SECURITIES BE TRADED?

Application for admission to trading on a regulated market

Application has been made for the Ordinary Shares to be admitted to the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time) and to the London Stock Exchange for such Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence on the London Stock Exchange at 8.00 a.m. on 19 March 2021.

WHAT ARE THE KEY RISKS SPECIFIC TO THE SECURITIES?

- Investors should recognise that the price of securities and the income from them can go down as well as up. The price at which the Ordinary Shares may trade and the price which the Shareholders may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and some which may affect quoted companies generally. These factors could include the performance of the Company's operations, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. The value of the Ordinary Shares will therefore fluctuate and may not reflect their underlying asset value.
- An active trading market in the Ordinary Shares may not develop on the standard segment of the Main Market during the trading period because the trading of the Ordinary Shares may be volatile and subject to the same risks.
- The Company's ability to pay dividends will depend on the level of profits and cash flows generated by the Company.

SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

UNDER WHICH CONDITIONS AND THE TIMETABLE CAN I INVEST IN THIS SECURITY?

Terms and conditions of the offer

The Company has, conditional, inter alia, on Admission raised £2,250,000 (before costs of approximately £327,000) by the issue of 21,000,000 Ordinary Shares which have been conditionally issued at 10p per Ordinary Share by the Company with investors through the Placing, and the issue of 1,500,000 Ordinary Shares which have been conditionally issued at 10p per Ordinary Share by the Company with investors through the Subscription.

The Placing and the Subscription are conditional on Admission occurring by 19 March 2021. If the Placing, the Subscription and Admission do not occur, all Placing funds and Subscription funds will be returned to investors. The rights attaching to the Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

Dilution

There is no Placing offer to existing equity holders. The Placing, the Subscription and Admission will result in existing shareholders being diluted from owning 100 per cent. of the Existing Ordinary Shares as at the date of this Document so as to constitute approximately 55.36 per cent. of the Enlarged Share Capital.

Total net proceeds / expenses

The Company has conditionally raised gross proceeds of £2,250,000 through the Placing and the Subscription and estimated Net Proceeds are approximately £1,923,000. The total expenses incurred (or to be incurred) by the Company in connection with the Placing, the Subscription and Admission are approximately £327,000.

WHY IS THIS PROSPECTUS BEING PRODUCED?

Reasons for the offer and use of proceeds

The Company was formed for the purpose of acquiring a company, business or asset that has operations in the mining sector that it would then look to develop and expand. The Company has entered into the Acquisition Agreement and the net proceeds of the Placing and the Subscription will be applied in the development of NCC, TDL and TDL's assets.

The Company's intention is to use the Net Proceeds to pay the Company's ongoing corporate costs and expenses (including directors' fees and other internal costs), which are estimated to amount to £350,000 per annum, with the balance being used to fund the Proposed Work Programme for the ongoing development of the licences. including (i) resource upgrades at Kalavasos and Mala; (ii) brownfield redevelopment; and (iii) further target generation operations.

RISK FACTORS

Investment in the Company and the Ordinary Shares carries a significant degree of risk, including risks in relation to the Company's business strategy and the sector in which it operates, risks relating to taxation and risks relating to the Ordinary Shares. Prospective investors should carefully consider risk factors associated with any investment in the Ordinary Shares, together with all other information contained in this Document including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Company, its sector of activity and the Ordinary Shares summarised in the section of this Document headed "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Company. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Company's business, financial condition, results of operations or prospects. Investors should review this Document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Document were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

RISKS RELATING TO THE BUSINESS OF THE GROUP

Currently the Prospecting Permits are located solely in Cyprus.

The Group's activities are currently geographically concentrated entirely in Cyprus. As a result of this, the Group is exposed to the impact of local delays or interruptions of development of, and future production from, these locations caused by significant governmental regulation, transportation capacity constraints, curtailment of future production, natural disasters, adverse weather conditions or interruption of transportation or other events that impact this area.

TDL and NCC are in the exploration and appraisal phase.

TDL and NCC are each in the exploration and appraisal phase of their development. Their projects are regarded as predominantly "brownfield exploration projects" and whilst there are numerous historical production sites within the Company's licences and extensive literature and production records, the exploration work planned is all early stage and built around a strategy to better understand the vectors available towards improved targeting and are therefore speculative in nature. There is no guarantee further mineralisation will be found or indeed as to whether its exploitation would be economically viable, and it should be noted that brownfield exploration risk is typically most prevalent in the early-stage of any development programme. The Company, as the holding company for the Group, is entirely dependent on the success of TDL and NCC, its subsidiaries. Only limited reconnaissance has been undertaken by the Company on the licences held and as a result, the recommendations of the Competent Person within the CPR are based solely on historical evidence in the public domain which suggests exploration (brownfield and greenfield) could be undertaken. No resource information has been estimated to date by the Company as no exploration required to define resources has as yet been undertaken. Brownfield exploration is uniquely exposed to modifying factors, such as technical, economic, financial and ESG parameters that must be met before a resource can be defined and, in turn, converted to a reserve.

Failure to conclude the proposed work programmes, a summary of which is set out in section 4 of Part I of this Document, within a reasonable time and within the planned budgets, or failure to identify mineralisation will have a material adverse effect on the Group's business, results of operations, financial condition and/or prospects. It is possible (but not guaranteed) that in that instance the Group could still operate as the Directors would use their experience to diversify areas being surveyed, with the acquisition of additional licences or by entering into Joint Venture Agreements, in order to find ways to enhance shareholder value.

The Company is a recently formed entity with no operating history and no historical revenues and is reliant on the success of TDL.

The Company is recently formed, having been incorporated on 1 November 2017. Its acquisition of NCC completed on 13 November 2020. The Company is the holding company of the Group and, will not itself, be operating or generate revenues. It is, therefore, entirely dependent on the success of TDL.

Should TDL not identify any mineral deposit or be unable to extract any assets identified, this will have a material adverse effect on the financial condition and/or prospects of the Company and its investors. It is possible (but not guaranteed) that in that instance the Group could still operate as the Directors would use their experience to diversify areas being surveyed, with the acquisition of additional licences or by entering into joint venture agreements, in order to find ways to enhance shareholder value.

TDL's capital requirements

In the event that any mineralisation is identified, the Group will have further funding requirements after 18 months from the date of this Document to define further such mineralisation with the aim of delineating an NI 43-101 compliant resource and completing feasibility studies. The ability to obtain additional financing will, at the time, be affected by matters such as the demand for securities and the condition of financial and commodity markets generally. If the Group cannot obtain the funding required on terms it considers reasonable, or in the then required timeframe, this will have a material adverse effect on the financial condition and/or prospects of the Company and its investors and could include the loss of the relevant licences.

TDL or NCC may not be able to renew its Prospecting Permits and/or obtain Mining Licences

TDL currently holds 8 Prospecting Permits in its name all of which are each in good standing and NCC holds 4 Prospecting Permits in its name all of which are each in good standing. Prospecting Permits allow all typical exploration work, including surface sampling, geophysics and drilling, subject to approval of specific programmes. Prospecting Permits can be up to 5km^2 (500 ha) and are valid for 5 years (Term 1) with a further 5 years extension (Term 2) readily available. They must be renewed annually. Normal expenditure commitments start at €10,000 per square kilometre and rise €5,000 per year from the third year of tenure. The Group is in compliance with the minimum work, minimum spend and rent requirements in relation to the licences. The tables below set out details of the Prospecting Permits, their renewal dates and financial and work expenditure commitments:

Prospecting Permits (Granted and Approved)

Licence	Name	Project	Area (km^2)	Status	Term	Year of Term	Expiry Date*
AE4607	Vasa	Kalavasos	3.85	Granted	1	5	19/05/26
AE4608	Asgata	Kalavasos	3.80	Granted	1	5	19/05/26
AE4745	Layia - Parsata	Kalavasos	4.55	Granted	1	1	09/08/31
AE4746	Ora - Layia	Kalavasos	3.47	Granted	1	1	09/08/31
AE4747	Vasa – Kellakiou	Kalavasos	2.28	Granted	1	1	09/08/31
AE4674	Milikouri	Vrechia	1.96	Granted	2	4	06/07/21
AE4748	Matiati	Mathiatis	0.36	Granted	1	1	09/08/31
AE4649	Matiati	Mathiatis	1.70	Granted	2	4	13/12/21
AE4610	Dhierona	Black Pine	3.89	Granted	1	5	19/05/26
AE4612	Prastio, Kellaki	Black Pine	1.36	Granted	1	5	19/05/26
AE4653	Prastio, Kelliakou	Black Pine	2.88	Granted	2	4	09/03/22
AE4654	Prastio, Kelliakou, Parekklisia	Black Pine	1.32	Granted	2	4	09/03/22

Licence	Name	Project	Area (km²)	Status	Term	Year of Term	Expiry Date*
		Total	31.42				

* Expiry date subject to the Company's desire to maintain the licence to the end of its maximum permitted duration, i.e. 5 + 5 = 10 years.

Prospecting Permit Application Fees and Annual Rent (Granted and Approved)

Licence	Owner	Name	Project	Application Fees (€)	Environment Bond (€)	Rent (€)
AE4607	TDL	Vasa	Kalavasos	€ 320	€ 2,000	€2,500
AE4608	TDL	Asgata	Kalavasos	€ 320	€ 2,000	€ 2,500
AE4745	NCC	Parsata	Kalavasos	€ 320	€ 2,000	€ 3,125
AE4746	NCC	Ora - Layia	Kalavasos	€ 320	€ 2,000	€ 2,500
AE4747	NCC	Vasa – Kellakiou	Kalavasos	€ 320	€ 2,000	€1,875
AE4674	TDL	Milikouri	Mala	€ 320	€ 2,000	€ 2,680
AE4748	NCC	Matiati	Mathiatis	€ 320	€ 2,000	€ 625
AE4649	TDL	Matiati	Mathiatis	€ 320	€ 2,000	€ 2,680
AE4610	TDL	Dhierona	Black Pine	€ 320	€ 2,000	€2,500
AE4612	TDL	Prastio, Kellaki	Black Pine	€ 320	€ 2,000	€ 1,250
AE4653	TDL	Prastio, Kelliakou	Black Pine	€ 320	€ 2,000	€ 4,020
AE4654	TDL	Prastio, Kelliakou, Parekklisia	Black Pine	€ 320	€ 2,000	€ 2,680
			Total	€ 3,840	€ 24,000	€ 28,935

The agreements for the licences held by the Company do not specify a minimum spend requirement. However, over the period of tenure of the licences, the Company has committed €933,070 to exploration as of Q1 2021 which has satisfied Mines Services who review work undertaken and expenditure annually and the Proposed Work Programme to March 2022 will ensure this continues to be the case. Further, letters were received from the Ministry of Agriculture, Rural Development and Environment, of which Mines Services is a department, dated 30 September 2020 (TDL) and 5 October 2020 (NCC) that confirm that the respective Companies own and have exclusive entitlements to the licences, also noting that the licences are in good standing with no contingencies.

NCC proposes to renew all Prospecting Permits at the appropriate time.

Applications for the renewal of Prospecting Permits (that can be renewed for a further term (or terms)) can be refused or rejected if the applicant has not carried out the work programmes and/or met the expenditure commitments agreed at the time the applicable prospecting licence was granted. The application could also be rejected if the proposed work programmes and/or expenditure commitments are considered by the Mines Service to be inadequate for the renewed term. However, before any such application is rejected, the Minister shall usually give notice of the intended rejection and allow the applicant the opportunity to rectify the default or amend the proposed programme.

An initial Prospecting Permit is valid for a maximum of five years. On expiry, an application for renewal is permitted for a maximum of a further five years. Thereafter, an application for renewal for a further 2 years is permitted. Licences should be renewed provided (at each time) the applicant is not in default (as described above), and the Mines Service considers that the proposed work programme and expenditure is adequate.

A mining lease may be granted to any person applying therefor in the prescribed manner if the mineral-bearing qualities and quantities of the land in the area applied for are such to justify the grant of a mining lease and the applicant possesses or commands sufficient working capital and technical knowledge or assistance to ensure the proper development and exploitation of the area applied for. A person who had carried out adequate prospecting operations on the area under a Prospecting Permit shall be preferred provided they command sufficient working capital and technical knowledge or assistance. A mining lease will give the holder the right to develop a mine and extract and beneficiate minerals (subject to specified conditions). It can be granted for a period up to 50 years. It is incumbent upon the holder to produce an Environmental Impact Assessment and Environmental Plan before permission will be granted for mining to commence. Other matters that will need to be resolved include ownership of the land, compensation, and royalties to be paid to the Government and local communities.

There is no guarantee that any of the granted Prospecting Permits, or any Prospecting Permits granted in the future, will be renewed. If these Prospecting Permits are not renewed or if new Prospecting Permits are applied for and not granted, this could have a material adverse effect on the Group's business, prospects, financial conditions and results of operations.

Availability of Required Resources.

TDL, as a natural resource company, is reliant on the availability of a number of resources at the required time. If the resources (examples of which are set out below) are not available when needed, this will impact the development of the Group and/or make operating uneconomic:

a) Shortage of Power

Power supply in Cyprus has, on occasions, been subject to interruption. Any interruption in power supply could have serious consequences on the future development of TDL (in the short term, the proposed exploration and assessment work will be satisfied by diesel generators).

b) Lack of water

Cyprus has limited sources of water and is reliant on rain for its water supply so its water supply suffers during periods of drought. Accordingly obtaining sufficient water for mineral processes may be difficult or uneconomic. Any water shortages will have serious consequences on the future development of TDL.

c) Skilled and other labour

TDL employs personnel on an *ad hoc* basis and relies heavily upon the technical expertise of a small group of experienced engineers at management level. The loss of any of the required officers, managers, engineers, geoscientists and other technical and professional personnel or on labour generally, upon which TDL relies or may rely, may harm its ability to execute its proposals. During periods of skilled labour shortages when commodity prices were high, labour costs increased which can have a negative effect on exploration budgets.

Further, the Group's ability to grow its businesses will depend on its ability to maintain the necessary management resources and on its ability to attract, train and retain personnel with skills that enable it to keep pace with growing demands and evolving industry standards.

The Group faces governmental regulation and regulatory risk.

The production and sale of metals are subject to various state and local governmental regulations, which may be changed from time to time in response to economic or political conditions and can have a significant impact upon overall operations.

Matters subject to regulation include the issue and payment for licences, royalties and taxes and environmental protection. These laws and regulations could be amended or expanded to the disadvantage of the Group. From time to time, regulatory agencies could impose price controls and limitations on production in order to conserve supplies. Changes in these regulations could require the Group to expend significant resources to comply with new laws or regulations or changes to current requirements and this could have a material adverse effect on the Company's future business operations.

Environmental Matters and Impact.

The Group's operations and properties may be subject to extensive and changing European Union, national and local laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation and discharge of materials into the environment, and relating to safety and health. The trend in any country in environmental legislation and regulation generally is toward stricter standards.

These laws and regulations (i) may require the acquisition of a permit or other authorisation before construction or mining commences and for certain other activities; (ii) may limit or prohibit construction, mining and other activities on certain lands lying within wilderness and other protected areas; and (iii) may impose substantial liabilities for pollution resulting from the operations. Governmental authorities have the power to enforce their regulations, and violations are subject to fines or injunctions, or both. Changes in existing environmental laws and regulations or in interpretations thereof could have a significant impact on the TDL's business operations.

There can be no assurance that the Prospecting Permit Applications will be granted or that, if granted, they will be granted in full or without conditions which may delay or hinder the Group's ability to access favourable areas and complete work programmes

In Cyprus, Prospecting Permit applications are not competitive but based on a first-come-first-served approach. Applications are reviewed with the Head of Mines Services consulting with other agencies to ensure there are no conflicts of interest related to the area under application. Every effort has been made to ensure that the areas under application do not coincide with any area likely to be rejected by the Mines Service, therefore, the Prospecting Permit Applications have priority. Prospecting Permit applications are reviewed by a number of government departments and local community councils, who may set certain conditions. For example, the Department of Antiquities requests that sites of historical significance are not disturbed. The Prospecting Permit approval process takes at least three months but make take longer if reviewers do not respond in a timely manner. The Head of the Mines Service can approve a Prospecting Permit application if all the reviews are not received within a reasonable time period. Accordingly, the Directors have no reason to believe that the Prospecting Permit Applications will not be approved in full and with conditions no more restrictive than those attaching to TDL's granted Prospecting Permits. Nevertheless, if any of the Prospecting Permit Applications are not granted or are granted subject to material amendment or special conditions, that may have a material adverse effect on the Group's business, prospects, financial conditions and results of operations.

Whilst the Republic of Cyprus is a member of the European Union, the northern part of the island of Cyprus is occupied by Turkey and there can be no certainty that relations between Turkey and the Republic of Cyprus will remain stable, which could lead to political instability or conflict

Since the Turkish invasion of Cyprus in 1974, approximately 40 per cent. of the island has been occupied by Turkey. The ceasefire line from August 1974 became the United Nations Buffer Zone in Cyprus, commonly referred to as the Green Line. In 1983, the Turkish Republic of Northern Cyprus declared independence, although Turkey is the only country to recognise it and the international community considers the territory to be Turkish occupied territory of the Republic of Cyprus. There can be no certainty that relations between Turkey and the Republic of Cyprus will not deteriorate, which could lead to political instability or conflict. Were such developments to occur, they would be likely to have a material adverse impact on the financial condition and prospects of the Group. The current atmosphere is relatively stable, with border gates open since 2003 and meetings between various stakeholders to resolve the 'Cyprus situation' ongoing.

The Company's business strategy depends on the effectiveness of the operating strategies devised by the Board and there is no assurance that these strategies will be successfully implemented or, if implemented, that they will be effective in increasing the valuation of any business acquired

There can be no assurance that the Company or the Board will be able to propose and/or implement effective operational improvements for TDL or any company, business or assets which the Company acquires or to effectively implement the other features of its value creation strategy. In addition, general economic and market conditions or other factors outside the Company's control could make the Group's operating strategies difficult to implement. The implementation of the Group's business strategy will also be dependent upon the ability of the Board and management to maintain, expand and upgrade effective operational, financial and management information systems in line with the Group's growth. Any failure to implement these strategies successfully and/or the failure of these strategies to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition. As a result, the Company may be unable to achieve attractive returns for its Shareholders.

Unfavourable general economic conditions may have a negative impact on the results of operations, financial condition and prospects of the Group

The Company cannot predict the severity or extent of periods of slow or negative economic growth and any resultant weakening of consumer and business confidence may lead to lower levels of demand for many products across a wide variety of industries, including those industries for which commodities in the natural resources sector are an important raw material. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of TDL, and of any future acquisition targets, will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

Further details of the effects of unfavourable global, regional or national macroeconomic conditions on the natural resources sector are set out in the risk factor headed "The natural resources sector is subject to commodity price fluctuations, which may adversely impact the results of operations, financial conditions and prospects of the Company".

Any due diligence by the Company in connection with the Acquisition, or any further acquisitions, may not reveal all relevant considerations or liabilities of a target, which could have a material adverse effect on the Company's financial condition or results of operations

In connection with the Acquisition, the Company conducted such due diligence investigations as it deemed reasonably practicable and appropriate based on the facts and circumstances applicable to the transaction. The objective of the due diligence process was to identify material issues which might have affected the decision to proceed with the Acquisition. The Company may also use information revealed during the due diligence process to formulate its business and operational planning for any target business.

While conducting due diligence and assessing a potential acquisition, the Company and its advisers will rely on available information provided by the relevant acquisition target where such target is willing or able to provide such information and, in some circumstances, third party investigations. There can be no assurance that the due diligence undertaken with respect to a potential acquisition will reveal all relevant facts that may be necessary to evaluate such acquisition or to formulate a business strategy. Furthermore, there can be no assurance that the information provided during due diligence will be adequate or accurate. As part of the due diligence process, the Company will also make subjective judgments regarding the results of operations, financial condition and prospects of the potential opportunity. If the due diligence investigation fails correctly to identify material information regarding the opportunity, or if the Company considers such material risks to be commercially acceptable relative to the opportunity, and the Company proceeds with such acquisition, the Company may subsequently incur substantial impairment charges or other losses. The Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during the due diligence process and which could have a material adverse effect on the Company's financial condition and results of operations.

RISKS RELATING TO THE NATURAL RESOURCES SECTOR

Political, legal and commercial instability, as well as political and fiscal pressure on governments, in the countries and territories in which the Company operates could affect the viability of the Company's operations

In 1974, the invasion of Cyprus by Turkey led to the annexure of approximately 40 per cent of the landmass and associated services. Turkey declared independence of Northern Cyprus in 1983. The international community does not recognise the Turkish Republic of Northern Cyprus and whilst relations between northern and southern Cyprus have been neutral, there is no certainty that the relationship will not deteriorate leading to friction, instability and possibly conflict. Recent tension has been evident regarding maritime economic zones and drilling rights. This type of dispute has the potential to escalate leading to conflict and a downgrading of the perceived stability of Cyprus and its status in terms of ease of doing business.

In addition, fiscal constraints or political pressure may also lead the Cypriot government to impose increased taxation on operations in the natural resources sector. If operations are delayed or shut down as a result of political, legal or commercial instability, or if the Company's operations are subjected to increased taxation or other expropriation, the ability of the Company to generate long term value for Shareholders could be adversely impacted.

The natural resources sector is subject to commodity price fluctuations, which may adversely impact the results of operations, financial conditions and prospects of the Company

Historically, the prices of certain commodities have been volatile for many reasons, including levels of global and regional supply and demand (particularly from the US and China) and in response to the actions of commodity traders. Other factors affecting commodity prices include but are not limited to geopolitical uncertainty; availability of processing equipment; availability of transportation; level and availability of government subsidies; price and availability of new technologies; political, economic and military developments; domestic and foreign governmental regulations and actions, including export restrictions, taxes, repatriations and nationalisations; global and regional economic conditions; and weather conditions and natural disasters. It is not possible to predict accurately future commodity price movements and commodity prices may not remain at their current levels. Any material decline in commodity prices in the medium to long term could have a material adverse impact on the results of operations, financial condition and prospects of the Company. As the global economic environment experiences a substantial downturn due to COVID 19 and continues to remain relatively weak for the medium to long term, the ability of the Company to realise the value in its portfolio (whether through a trade sale, joint venture, strategic partnership or otherwise) may be adversely affected, and may not be economically viable at certain long term price levels. However, despite falls in the copper and gold price during the peak of the COVID 19 pandemic, at present the demand for copper and gold is emerging strong from the pandemic particularly due to increased demand from China and COVID 19 related reductions in the mineral supply. The price of copper has also seen a particular appreciation in recent years since it is an important commodity in the electrification of energy and transport. Prices for these commodities are now currently exceeding their prevailing market prices prior to the COVID 19 pandemic.

Adverse and volatile economic conditions can also limit the Company’s ability to anticipate revenues and costs and can affect the Company’s ability to implement planned projects. In addition, industry analysts are likely to take such conditions into account when assessing the prospective business and creditworthiness of the Company and any adverse determinations may make it more difficult for the Company to raise capital in the future to finance the Company’s business.

The Company may be adversely affected by currency exchange rate fluctuations

Although the Placing and the Subscription will raise proceeds denominated in sterling, the Company’s portfolio is located in the Republic of Cyprus which is in the euro zone. In addition, the markets for the commodities produced within the resources sector are predominately priced in US dollars. The Company does not intend to hedge the Net Proceeds against risks for adverse exchange rate movements against the euro or the US dollar immediately. As such, the Company may be adversely affected by currency exchange rate fluctuations from Admission if it does not hedge the currency exchange rate.

The Company will be exposed to currency risk in relation to its operations in Cyprus. The Company’s functional and presentational currency is sterling, and this is the currency of the Company’s financial statements. However, the Company’s business is conducted in Cyprus in Euros, and certain other expenses may be denominated in US dollars, and therefore certain amounts will need to be translated into sterling. Due to changes in exchange rates between sterling and the Euro and US dollar this could lead to changes in the Company’s reported financial results from period to period. As a result, fluctuations in the exchange rates of these currencies may adversely affect the Company’s operating results, cash flows or financial condition to a material extent.

Inflation and other cost increases may have an adverse effect on the Company’s results of operations and cash flows

The Group will generally be unable to control the prevailing market prices of any commodities it produces. The Group may be unable to pass increased production costs to customers. As a result, significant inflation or other production cost increases in the countries in which the Group may operate could increase operational costs without a corresponding increase in the sales price of the commodities the Group may produce. Alternatively, a lag in the reduction of input costs relative to declining commodity prices will have a similar adverse effect on the Group’s operations. Any such increased costs or delays in cost reductions may adversely affect the Group’s results of operations and cash flows.

Environmental, Health and Safety Laws

The natural resources sector is a hazardous industry, which is highly regulated by health, safety and environmental laws, including general and specific regulations and restrictions governing drilling and production, land tenure and use, environmental requirements (including site specific environmental licences, permits and remediation requirements), workplace health and safety, social impacts and other laws.

Certain of the Company's operations may create environmental risk in the form of dust, noise or leakage of polluting substances from site operations. It is likely that the environmental laws and standards that regulate the Company's operations will become increasingly stringent in the future, particularly under air quality and water quality laws and regulations and standards related to climate change issues, such as the reporting of greenhouse gas emissions. Whilst the Company intends to operate in accordance with relevant safety, health and environmental regulations and requirements, the Company will remain susceptible to the risk that liabilities might arise as a result of accidents or other circumstances which may be beyond the control of the Company and/or be uninsurable.

Failure to provide a safe working environment or to manage environmental risks may result in harm to the Company's employees, the communities near the Company's operations and the local environment. Government authorities may also force closure of facilities or refuse future drilling applications in such circumstances. The Company could face fines and penalties, liability to employees and third parties for injury, statutory liability for environmental remediation and other financial consequences, which may be significant. The Company could also suffer impairment of its reputation, industrial action or difficulty in recruiting and retaining skilled employees. Any future changes in laws, regulations or community expectations governing the Company's operations could result in increased compliance and remediation costs. Any of the foregoing developments could have a materially adverse effect on the Company's results of operations, cash flows or financial condition.

In determining the allocation of its financial and other resources, the Group may estimate resources and reserves, which may be less than actually recovered

In the course of making its business planning decisions, including the allocation of financial and other resources, the Group may estimate or employ third party experts to estimate, Mineral Resources and ore reserves, which estimates will be subject to a number of assumptions, including the price of commodities, production costs and recovery rates. Fluctuations in the variables underlying the Group's or third party expert's estimates may result in material changes to such reserve estimates and such changes may have a materially adverse impact on the financial condition and prospects of the Group.

Failure to discover new reserves, enhance existing reserves or adequately develop new projects could adversely affect the Group's business

Only limited reconnaissance has been undertaken by the Company on the licences held and as a result, the recommendations of the Competent Person within the CPR are based solely on historical evidence in the public domain which suggests exploration could be undertaken. No resource information has been estimated to date by the Company as no exploration required to define resources has as yet been undertaken.

Exploration and development are costly, speculative and often unproductive, but may be necessary for the Group's business. For instance, factors such as adverse weather conditions, natural disasters, equipment or services shortages, procurement delays or difficulties arising from the environmental and other conditions in the areas where the ore reserves are located or through which production is transported may increase costs and make it uneconomical to develop potential reserves. Failure to discover new ore reserves, to maintain existing mineral rights, to enhance existing ore reserves or to extract Mineral Resources from such ore reserves in sufficient amounts and in a timely manner could materially and adversely affect the Group's results of operations, cash flows, financial condition and prospects. In addition, the Group may not be able to recover the funds used in any exploration programme to identify new opportunities. Whilst the brownfield sites are associated with former producing mines there is no guarantee that modifying factors such as technical, economic, financial and ESG parameters will lead to the delineation of a resource or in turn its conversion to a reserve.

Increasingly stringent requirements relating to regulatory, environmental and social approvals can result in significant delays in construction of additional facilities and may adversely affect new exploration or mining projects or the expansion of existing operations and, consequently, the Group's results of operations, cash flows and financial condition, and such effects could be material.

The Group may be unable to obtain or renew required exploration or mining rights and concessions, licences, permits and other authorisations and/or such concessions, rights, licences, permits and other authorisations may be suspended, terminated or revoked prior to their expiration

The Group will conduct its operations pursuant to exploration or mining rights and concessions, licences, permits and other authorisations in Cyprus, which may be valid only for a defined time and subject to certain requirements. Any delay in obtaining or renewing a licence, permit or other authorisation in Cyprus may result in a delay in investment or development of a resource and may have a material adverse effect on the Group's results of operations, cash flows and financial condition. In addition, any existing exploration or mining rights and concessions, licences, permits and other authorisations of the Group in Cyprus may be suspended, terminated or revoked if the Group fails to comply with the relevant requirements. If the Group fails to fulfil the specific terms of any of its rights, concessions, licences, permits and other authorisations in Cyprus or if it operates its business in a manner that violates applicable law in Cyprus, government regulators may impose fines or suspend or terminate the right, concession, licence, permit or other authorisation, any of which could have a material adverse effect on the Group's results of operations, cash flows and financial condition. In Cyprus, Prospecting Permits are valid for five years and can be renewed for a further five years thereafter. If a licence has reached the end of its second term of 5 years and the Company has not generated a Mineral Resource (in any category) that is of economic merit then the licence will expire. If the Company has generated a Mineral Resource (in any category) determined to be of economic merit then the Company has the option of converting the licence to a Mining Licence.

In the case of AE4674 Milikouri (Vrechia) the Company has a drilled Copper – Gold sulphide resource (non-JORC) already broadly defined. The Company is confident it can convert this to a JORC-compliant Inferred Resource before the expiry date and therefore begin the process to convert to a Mining Licence. There is no minimum tonnage or grade required by the Cyprus Mines Department for conversion to a Mineral Resource; however. Any Mineral Resource must be of economic merit.

In the case of AE4649 Matiati ((Mathiatis) the Company is confident it has sufficient time to complete a sampling programme of dumps and a volumetric estimation to permit the generation of an Inferred Resource. There is no minimum tonnage or grade required by the Cyprus Mines Department for conversion to a Mineral Resource; however. Any Mineral Resource must be of economic merit.

In the case of AE4653 Prastio, Kelliakou (Black Pine) and AE4654 Prastio, Kelliakou, Parekklisia (Black Pine) the Company will conduct exploration during the balance of the period under review. If no results of merit or no economic Mineral Resources are defined then the licences will expire and will be relinquished.

Mining leases may be granted for up to 50 years. Annual rents for Prospecting Permits are payable each year and failure to make these payments by the renewal date will result in automatic cancellation. There is no statutory requirement for annual reductions to the area covered by a Prospecting Permit. Statutory reporting of completed work is also required each year. Prospecting Permits may be subject to certain conditions, including those relating to access in sites of historic significance and *Natura 2000* areas.

In respect of the annual renewal of licences, the Company does not expect any issue with renewing such licences providing the Company completes annual exploration on each licence, as required. The Company has met all conditions to date necessary to ensure that the licences are in good standing.

In respect of those licences due to expire in 2020/2021, it is stated above that after 2 terms of 5 years either the holder of a licence must be converted to a Mining Licence or the licence must be relinquished. The Company envisages no issue with the conversion of licence AE4674 Milikouri to a Mining Licence as a Mineral Resource in all but name exists on the licence and can be converted to a JORC compliant MRE which therefore triggers the process of an application for a Mining Licence. In the case of licence AE4649 Matiati the Company likewise does not envisage any issue with conversion to a Mining Licence as there are sufficient mineralised dumps within the licence to provide the tonnage and grade required for conversion to a Mining Licence. The ability to convert the two licences AE4654 and AE4653 to Mining Licences depends entirely on the success of the exploration programme over the next 14 months.

The Company does not see any issue with conversion of the licences AE44674 and AE4649 to Mining Licences and thereby their effective renewal. In the case of licences AE AE4654 and AE4653 the ability to convert to a Mining Licence and therefore effective renewal is entirely dependent on the results of future exploration.

Title to Mineral Resource properties or interests may be disputed or subject to defects

Title to Mineral Resource properties or interests may be based upon the interpretation of a country's laws, which may be ambiguous, inconsistently applied and subject to reinterpretation or change, and may be disputed. The regulation of mining activities in Cyprus is well established and the rights under Prospecting Permits are clear. Under the mineral title system in other jurisdictions, the issuance of a permit or licence does not imply that other parties do not have any prior claims over the relevant area. In Cyprus, applications for Prospecting Permits have precedence and cannot be over-ridden by subsequent applications. Whilst the title to and rights and interests in permits or licences may be diligently investigated, permits or licences may still be subject to defects and, if a defect does exist, then it is possible that part or all of the interest in those permits or licences to which the defect relates may be lost, which could have a material adverse impact on the results of operations, financial condition and prospects of the Group. The Prospecting Permit Applications were checked by the Mines Service upon submission for overlaps with other Prospecting Permits and none were discovered.

The use of independent contractors in operations may expose those operations to delays or suspensions of activities

Independent contractors are typically used in operations in the natural resources sector to perform various operational tasks, including carrying out drilling and mining activities and delivering raw commodities to processing or beneficiation plants. In periods of high commodity prices, demand for such contractors may exceed supply, resulting in increased costs or lack of availability of key contractors. Disruptions of operations or increased costs can also occur as a result of disputes with contractors or a shortage of contractors with particular capabilities. Additionally, because the Group will not have the same control over independent contractors as it does over its employees, there is a risk that such contractors will not operate in accordance with the Group's safety standards or other policies. Any of the foregoing circumstances could have a material adverse effect on the Group's operating results and cash flows.

Exploration and mining operations are vulnerable to natural disasters, operating difficulties and damage to or breakdown of a physical asset, any of which could have a material impact on the productivity of the operations and not all of which may be covered by insurance

Exploration and mining operations are vulnerable to natural disasters, including earthquakes, drought, floods, fire, tropical storms and the physical effects of climate change, all of which are outside the Group's control. Operating difficulties, such as unexpected geological variations and rock and ground conditions that could result in significant failure, could affect the costs and viability of its operations for indeterminate periods. In addition, damage to or breakdown of a physical asset, including as a result of fire, explosion or natural catastrophe, can result in a loss of assets and subsequent financial losses. Insurance can provide protection from some, but not all, of the costs that may arise from unforeseen events. Although the Group intends to maintain suitable insurance, the Group's insurance may not cover every potential risk associated with its operations. Adequate coverage at reasonable rates is not always obtainable. In addition, the Group's insurance may not fully cover its liability or the consequences of any business interruptions such as equipment failure or labour dispute. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Labour disruptions could have an adverse effect on the Group's results of operations, cash flows and financial condition

There is a risk that strikes or other types of conflict with unions or employees may occur at anyone of the Group's operations in Cyprus where the Group operates. A significant proportion of the Group's workforce may be unionised. Labour disruptions may be used not only for reasons specific to the Group's business, but also to advocate labour, political or social goals. Any labour disruptions could increase operational costs and decrease revenues by delaying the business activities of the Group or increasing the cost of substitute labour, which may not be available. Furthermore, if such disruptions are material, they could adversely affect the Group's results of operations, cash flows and financial condition. Restrictions on the Group's ability to access necessary infrastructure services, including transportation and utilities, may adversely affect the Group's operations. Inadequate supply of the critical infrastructure elements for drilling or mining activity could result in reduced production or sales volumes, which could have a negative effect on the Group's financial performance. Disruptions in the supply of essential utility services, such as water and electricity, can halt the Group's production for the duration of the disruption and, when unexpected, may cause loss of life or damage to its drilling or mining equipment or facilities, which may in turn affect its ability to recommence operations on a timely basis. Adequate provision of transportation services, such as timely pipeline and port access and rail services, are critical to distributing products, and disruptions to such services may affect the Group's operations. The Group may be dependent on third party providers of utility and transportation services. As such, third party provision of services, maintenance of networks and expansion and contingency plans will be outside of the Group's control.

The Group's operations and development projects could be adversely affected by shortages of, as well as lead times to deliver, certain key inputs

The inability to obtain, in a timely manner, strategic consumables, raw materials, and exploration, mining and processing equipment could have an adverse impact on any results of operations and financial condition. Periods of high demand for such supplies can result in periods when availability of supplies are limited and cause costs to increase above normal inflation rates. Any interruption to supplies or increase in costs could adversely affect the operating results and cash flows of the Group.

Failure to manage relationships with local communities, government and non-government organisations could adversely affect future growth potential of the Group

As a consequence of public concern about the perceived ill-effects of economic globalisation, businesses often face increasing public scrutiny of their activities. The Company's current licences are based in Cyprus, and prospective targets may have operations located in or near communities that may regard such an operation as detrimental to their environmental, economic or social circumstances. Negative community reaction to such operations could have a material adverse impact on the cost, profitability, ability to operate, ability to finance or even the viability of an operation. Such events could also lead to disputes with national or local governments or with local communities and give rise to material reputational damage. In addition, any business that the Group may acquire outside Cyprus may be countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise. These disputes are not always predictable and may cause disruption to projects or operations. Natural resources operations can also have an impact on local communities, including the need, from time to time, to relocate communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, government and non-government organisations may adversely affect the Group's reputation, as well as its ability to commence production projects, which could in turn affect the Group's revenues, results of operations and cash flows.

Exploration, development and production activities are capital intensive and inherently uncertain in their outcome and the Group may not be able to generate cash flows or secure adequate financing for its discretionary capital expenditure plans

Exploration, development and production activities are capital intensive and inherently uncertain in their outcome and may not produce sufficient net revenues to return a profit after development, operating and other costs. In the event that cash flows are lower than expected, the Group may be forced to scale back or delay discretionary capital expenditure resulting in delays to, or the postponement of, the Group's planned exploration or mining activities, which could have a material adverse effect on its business, results of operations, financial condition or prospects. With particular regard to brownfield sites, ground conditions on former producing mines located on the Company's licences where remnant ore is reported to occur may be such that access cannot be gained and the resources cannot be mined because of poor ground conditions, geological structures or groundwater or prohibitive costs associated with rehabilitation. In addition, modifying factors once applied may result in an inability to generate resources or to convert resources to reserves.

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST

The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to achieve the Company's objectives

Unlike the Chief Executive Officer, neither the Chairman nor Mr Daniels is required to commit their full time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Chairman and Mr Daniels are engaged in other business endeavours and are not obligated to devote any significant number of hours to the Company's affairs. If the Chairman's and Mr Daniels's other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to achieve its objectives.

The Directors are currently affiliated and may in the future become affiliated with, or otherwise have financial interests in, entities engaged in business activities similar to those intended to be conducted by the Group and may have conflicts of interest in allocating their time and business opportunities

Each of the Directors is currently or may in the future become affiliated with or have financial interests in entities, including certain special purpose acquisition companies, engaged in business activities similar to those intended to be conducted by the Company.

In addition, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company. In such instances, they may decide to present these business opportunities to other entities with which they are or may be affiliated, in addition to, or instead of, presenting them to the Company. Due to these existing or future affiliations, the Directors may have fiduciary obligations to present potential acquisition opportunities to those entities prior to presenting them to the Company which could cause additional conflicts of interest.

The Company cannot provide any assurance that any of the Directors will not become involved in one or more other business opportunities that would present conflicts of interest in the time they allocate to the Company. In addition, the conflict-of-interest procedures described in paragraph 7 of Part II of this Document may require or allow the Directors and certain of their affiliates to present certain acquisition opportunities to other companies before they may present them to the Company.

The Directors may in the future enter into related party transactions with the Company, which may give rise to conflicts of interest between the Company and the Directors

The Directors and one or more of their affiliates may in the future enter into other agreements with the Company that are not currently under contemplation. It is possible that the entering into of such an agreement might raise conflicts of interest between the Company and the Directors. Although, in accordance with the Articles, a director of the Company may not vote on any proposals in which they have a material interest, a transaction with a related party might be effected on terms less favourable to the Group than would otherwise be the case, which could impact adversely the results of operations, financial condition and prospects of the Group.

Historical results of prior investments made by, or businesses associated with, the Directors and their affiliates may not be indicative of future performance of an investment in the Company

The descriptions of the Directors set out in paragraph 1 of Part II of this Document are presented for information purposes only and historical results of prior investments made by, or businesses or transactions associated with, the Directors and their affiliates may not be indicative of the future performance of an investment in the Company or the returns the Company will, or is likely to, generate going forward.

RISKS RELATING TO TAXATION

Taxation of returns from assets located outside of the UK may reduce any net return to Shareholders

To the extent that the assets, company or business is, or are, established outside the UK, it is possible that any return the Company receives from it may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by Shareholders from an investment in the Company.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of holders of securities issued by the Company, any special purpose vehicle which the Company may establish or any company which the Company may acquire are all subject to changes in tax laws or practices in the UK or any other relevant jurisdiction. Any change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the Group to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company will make certain assumptions regarding taxation. If those assumptions are not borne out in practice, however, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could adversely affect the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of in the foreseeable future). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

RISKS RELATING TO THE ORDINARY SHARES

The proposed Standard Listing of the Ordinary Shares will afford Shareholders a lower level of regulatory protection than a Premium Listing

Application will be made for the Ordinary Shares to be admitted to the Standard Listing segment of the Official List. A Standard Listing will afford Shareholders a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on pages 26 and 27 of this Document.

The Company may be unable or unwilling to transition to a Premium Listing in the future

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would include a period of time after the Acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on pages 26 and 27 of this Document.

Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

An investment in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Placing and the Subscription, may contribute to infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future

The Company does not intend to pay dividends on the Ordinary Shares in the foreseeable future. The Company will only pay dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and subject to its obligations under the Act, but will be principally reliant upon dividends received on shares held by it in order to do so. Payments of such dividends will be dependent on the availability of distributable reserves. The Company can therefore give no assurance that it will be able to pay dividends in the future or as to the amount of such dividends, if any.

The Company's ability to pay dividends will depend on the level of profits and cash flows generated by the Company

In accordance with the Act, the Company must not pay a dividend unless:

- the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; and
- the payment of the dividend is fair and reasonable to the Company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares which are set out in the Articles and are governed by the laws of England and Wales. These rights may differ from the rights of holders of shares in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors and executive officers within the Overseas Shareholder’s country of residence or to enforce against the Directors and Executive Officers judgments of courts of the Overseas Shareholder’s country of residence based on civil liabilities under that country’s securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or executive officers who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

There is a risk of share price volatility and limited liquidity associated with the Ordinary Shares

Investors should recognise that the price of securities and the income from them can go down as well as up. The price at which the Ordinary Shares may trade and the price which the Shareholders may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and some which may affect quoted companies generally. These factors could include the performance of the Company's operations, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. The value of the Ordinary Shares will therefore fluctuate and may not reflect their underlying asset value.

The nature of the Company may result in little or no trading in Ordinary Shares, which may result in Shareholders being unable to dispose of their shareholdings.

There is also no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

An active trading market in the Ordinary Shares may not develop

An active trading market in the Ordinary Shares may not develop on the Standard List during the trading period because the trading of the Ordinary Shares may be volatile and subject to the same risks as noted elsewhere herein.

Ordinary Shares available for future sale

The Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following Admission. Any sales of substantial amounts of Ordinary Shares on a stock exchange or the perception that such sales might occur could materially adversely affect the market price of the Ordinary Shares and the market capitalisation of the Company.

LEGAL AND REGULATORY RISKS

Risk of damage to reputation and negative publicity

The Company's ability to operate and grow is dependent, *inter alia*, on the Company maintaining a good reputation. Any perceived, actual or alleged mismanagement, fraud or failure to satisfy the Company's responsibilities, or the negative publicity resulting from such activities or the allegation by a third party of such activities (whether well founded or not) associated with the Company, could have a material adverse effect on the financial condition, results or operations of the Company.

Bribery

The Company may contract with entities in countries where bribery is more prevalent than in the UK. The Company has put in place operational procedures to manage the potential issues that could arise under the UK Bribery Act 2010 (or equivalent legislation) but there can be no guarantee that future employees of the Company or its other associates or investments will abide by these procedures and, as such, the Company, its Directors and employees of the Company could be exposed to criticism or prosecution under the UK Bribery Act 2010 or equivalent local legislation.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company will comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which applies to all companies with their securities admitted to the Official List, being Listing Principle 1 and Listing Principle 2. In addition, the Company will also comply with the Listing Principles Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. With regard to the Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the FCA.

In addition, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not appointed and does not intend to appoint such a sponsor in connection with the Placing, the Subscription and Admission;

- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing;

- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that an acquisition will not require Shareholder consent under the Listing Rules, even if Ordinary Shares are being issued as consideration for such an acquisition;

- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a “related party transaction” as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;

- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. Subject to the Act and the Articles, the Company will have unlimited authority to buy back and cancel Ordinary Shares; and

- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

Listing Rules and Disclosure Guidance and Transparency Rules with which the Company must comply under a Standard Listing

There are, however, a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company:

- compliance with the Listing Principles set out in Listing Rule 7.2.1;

- inclusion of a corporate governance statement in accordance with DTR 7.2 in its directors’ report;

- compliance with the reverse takeover rules set out in Listing Rule 5.6.1R;

- where shares of the same class of shares that are already listed are allotted, the Company must apply for such newly allotted shares to be admitted to listing. The application must be made as soon as possible and, in any event, within one year of the allotment;

- the forwarding of circulars and other documentation to the FCA for publication through the document viewing facility and related notification to a regulatory information service;

- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;

- the form and content of temporary and definitive documents of title;
- the appointment of a UK registrar;
- compliance with DTR 4, 5, 6 and 7.2;
- the making of regulatory information service notifications in relation to a range of debt and equity capital issues. This information includes proposed changes to the capital structure, any redemption of listed shares, any extension of time granted for the currency of temporary documents of title and the results of any new issue of equity securities or public offering of existing equity securities; and
- save where the FCA accepts a lower percentage than 25%, at least 25% of the Ordinary Shares need to be held by the public.

From Admission, the Company will be subject to the Market Abuse Regulation.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not intend to seek to transfer to either a Premium Listing or any other listing venue at this time. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would able to fulfil the relevant eligibility criteria.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.

IMPORTANT INFORMATION

In deciding whether or not to invest in 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 and the Directors. Without prejudice to the Company's obligations under the FSMA, the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery of this Document nor any Placing or Subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

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

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read the section headed Section D (Risks) of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 11 of this Document.

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The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period. Prospective investors are also notified that the Company may be classified as a passive foreign investment company for United States federal income tax purposes. If the Company is so classified, the Company may, but is not obliged to, provide to US holders of Ordinary Shares the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares for any year in which the Company is a passive foreign investment company.

Available information

The Company is not subject to the reporting requirements of section 13 or 15(d) of the Exchange Act**.** For so long as any Ordinary Shares are “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g 3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

(a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;

(b) carrying out the business of the Company and the administering of interests in the Company;

(c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and/or

(d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

(a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and/or

(b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any Third Party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Anti-money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents (and their agents) may require evidence in connection with any placing for Ordinary Shares, including further identification of the investor(s), before any Ordinary Shares are issued.

Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Admission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objective will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares, can go down as well as up.

This Document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles available on the Company's website, which investors should review.

Forward-looking statements

This Document includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should", "could" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to an investment. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the "Risk Factors" section of this Document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 13 of Part VI of this Document.

Forward-looking statements contained in this Document apply only as at the date of this Document. Subject to any obligations under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Prospectus Regulation Rules, the Company undertakes no obligation publicly to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

Third party data

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Currency presentation

Unless otherwise indicated, all references in this Document to "UK Sterling", "British pound sterling", "pound sterling", "Pound Sterling", "sterling", "Sterling", "£", or "pounds" are to the lawful currency of the UK.

International Financial Reporting Standards

As required by the Act and Article 4 of the European Union IAS Regulation, the financial statements of the Company are prepared in accordance with IFRS issued by International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Committee of the IASB as adopted by the European Union.

No incorporation of website

The contents of the Company's website, any website mentioned in this Document or any website directly or indirectly linked to these websites have not been verified and do not form part of this Document, and prospective investors should not rely on them other than in relation to the copy of the Articles.

Definitions

A list of defined terms used in this Document is set out in "Definitions" beginning at page 270.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	4 March 2021
Admission and commencement of dealings in Ordinary Shares	8.00 a.m. on 19 March 2021
CREST members' accounts credited in respect of Ordinary Shares	8.00 a.m. on 19 March 2021
Ordinary Share certificates dispatched	On or around 10 working days following Admission

Each of the above dates is subject to change at the absolute discretion of the Company

All references to time in this Document are to London time unless otherwise stated

PLACING, SUBSCRIPTION AND ADMISSION STATISTICS

Number of Existing Ordinary Shares	27,900,000
Number of Placing Shares being issued	21,000,000
Number of Subscription Shares being issued	1,500,000
Number of Ordinary Shares in issue on Admission	50,400,000
Approximate percentage of the Enlarged Share Capital on Admission represented by the Placing Shares and the Subscription Shares	44.64%
Placing Price	10p
Gross proceeds of the Placing and the Subscription	£2,250,000
Estimated expenses of the Placing, the Subscription and Admission (inclusive of VAT)	£327,000
Estimated net proceeds of the Placing and the Subscription	£1,923,000
Market capitalisation of the Company at the Placing Price on Admission	£5,040,000
Number of Warrants outstanding on Admission	8,760,000
Fully diluted number of Ordinary Shares immediately following Admission (assuming exercise in full of the Warrants)	59,160,000

DEALING CODES

ISIN	GB00BMDQ4L78
SEDOL	BMDQ4L7
TIDM	CMRS
LEI	8945007F59CSJFZGR252

DIRECTORS, SECRETARY AND ADVISERS

Directors	Michael Stephen Johnson, Non-Executive Chairman Martyn John Churchouse, Chief Executive Officer Harold Andrew Daniels, Non-Executive Director
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Company website	www.caerusmineralresources.com
Broker	Novum Securities Limited 8-10 Grosvenor Gardens Belgravia London SW1W 0DH
Solicitors to the Company as to English law	Druces LLP Salisbury House London Wall London EC2M 5PS
Auditors and Reporting Accountants	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Principal banker	Coutts & Co 440 Strand London WC2R 0QS

PART I

INVESTMENT OPPORTUNITY AND STRATEGY

1. Introduction and History

Caerus was incorporated on 1 November 2017 under the laws of England and Wales for the purpose of acquiring a company, business or asset that has operations in the mining or industrial sectors with the intention of developing and expanding the operations. On 13 November 2020, the Company agreed to acquire New Cyprus Copper P.A. Ltd ("NCC"). NCC is the parent company and 70% shareholder of Treasure Development Limited ("TDL"), which has the benefit of 12 exploration licences in 4 project areas in Cyprus. The balance 30% of the issued shares of TDL are held by BMG Resources Limited, an ASX company which was the original vendor of NCC. NCC's principal activity in the exploration for, and development of, Mineral Resources in Cyprus.

The Company has conditionally raised gross proceeds of £2,250,000 through the Placing and the Subscription.

2. NCC and the Exploration Licences

NCC was incorporated in the Republic of Cyprus under the Cyprus Companies Law Cap.113, as amended, on 7 August 2015 with company number HE 346027. Andrew Daniels, a Director, was the founder and one of the principal shareholders of NCC.

On 14 April 2016, NCC acquired an initial 70% shareholding interest in TDL from ASX-listed BMG Resources Limited. An additional 20% shareholding interest in TDL will be transferred to NCC upon completion of the Proposed Work Programme, for which no further consideration is payable. The balance 10% shareholding interest may be acquired within 12 months of the satisfactory completion of the Proposed Work Programme by NCC, or its nominee, making either (i) a payment of AUS$2,000,000 or (ii) paying a 1% net smelter royalty on the proceeds of production until BMG has received AUS$2,000,000. The Proposed Work Programme covers the period to March 2022 and includes the following anticipated work and expenditure:

		(£)
Kalavasos		
Regional Exploration		
Digitisation		15,000
Topographic & Geophysical Surveys		62,500
Analyses		40,000
	Sub-total	**117,500**
Dump Evaluation & Reclamation		
Sampling & Drilling		44,000
Modelling & Scoping Study		6,300
Metallurgical Test Work		31,000
	Sub-total	**81,300**
Remnant Resource Estimation		
Digitisation & Data Interpretation		22,000
3D Modelling & Targeting		2,700
Drilling & Analyses		135,000
	Sub-total	**159,700**
Vrechia		
Exploration		
Topographic & Geophysical Surveys		1,350
Drilling & Analyses		20,000
	Sub-total	**21,350**
Du**mp Evaluation & Reclamation**		
Drilling & Sampling		190,000
Modelling & Scoping		5,000
Metallurgical Test Work		10,000
	Sub-total	**205,000**
Kambia		

Exploration		
Digitisation, geophysics, sampling & analyses		13,000
	Sub-total	**13,000**
Dump Evaluation & Reclamation		
Drilling & Sampling		16,000
Modelling & Scoping		12,000
Metallurgical Test Work		60,000
	Sub-total	**88,000**
Cyprus Administrative & Corporate		
Admin & Corporate (Salaries, audit, legal, admin, licence renewals, capital items)		202,788
Cyprus Contingency (5%)		44,432
	Sub-total	247,220
	Total Cyprus-based costs	**933,070**
UK Administrative & Corporate		
Admin & Corporate (Salaries, audit, legal, admin, regulatory)		346,900
Capital Expenditure (Software)		20,000
UK Contingency (5%)		18,345
	Total UK-based costs	**385,24**5
	Total (Cyprus & UK)	**1,318,315**

It is, therefore, anticipated that the Company will hold a 90% shareholding interest in TDL by March 2022. It is intended that the AUS$2,000,000 payment for acquiring the balance 10% shareholding interest in TDL will be financed from the proceeds of production, if any (as referred to in the above paragraph). In the event the Company is not able to finance the AUS$2,000,000 payment from the proceeds of production, the Directors will consider alternative financing options.

3. Extracts from the CPR

The Company has commissioned an independent technical report from Rocklore Exploration Services Limited, produced in accordance with the accepted principles of the NI 43-101 code. Below are extracts of the Competent Person's Report, which is reproduced in full in Part III of this Document.

The portfolio of permits held breaks down into four project areas: Kalavasos, Vrechia, Mathiatis, and Black Pine. All project areas have evidence of historical exploration and mining. All permits have good access via surfaced and unsurfaced routes.

- The Kalavasos Project comprises five prospecting permits totalling 17.95 km^2.
- The Vrechia Project comprises one prospecting permits totalling 1.96 km^2.
- The Mathiatis Project comprises two prospecting permits totalling 2.06km^2.
- The Black Pine Project comprises four prospecting permits totalling 9.45 km^2.

The Kalavasos Project area includes several abandoned mines, associated waste dumps and exposed gossans. Widespread ancient mine workings and slag dumps remain from the pre-Roman era of exploitation. In many cases, strong gossanous alternation at surface was targeted for gold and silver.

The Vrechia Project area includes the historic Mala pyrite mine and several known prospects. The area is characterised by the contact between the volcanic and sedimentary units along the southern flank of the Troodos Ophiolite Complex. Volcanic vents have been mapped in the area and are considered to be prospective for VHMS systems. The area is cut by numerous northwest-southeast-trending faults, which may be important for hydrothermal fluid flow and resultant deposition of potentially metal-rich fluids.

The Mathiatis Prospect area is in the north eastern part of the Troodos Ophiolite. There has been extensive mining locally, with five abandoned mines within the general project area. Granted Licence EA4649 covers the North Mathiatas mine where 2.1 Mt of pyrite ore at 0.2 % Cu was reportedly mined. There are also reports that between 1936 and 1938, 26,691 oz of Au and 154,719 oz of Ag were recovered from near-surface mining at

North Mathiatas and nearby South Mathiatas mines. There are significant dumps at North Mathiatas and other sites of prospectivity.

The Black Pine Project comprises four Prospecting Permits across a geological setting that the Company considers prospective for massive sulphide and Cu+Ni+Co mineralisation. Evidence of ancient mining is present in the form of workings, dumps and slags. Slags have been dated to the Bronze Age (2400-1200 BC) and a number of archaeological sites around the island have been linked with the unique arsenic signature of the Black Pine ores present at Pevkos and Laxia tou Mavrou. Several phases of historical work have led to recent drilling at two sites.

The Company has identified a number of different target types within the Project portfolio:

- **Remnant Resources**: A review of historic production data indicates that remnant resources may exist at a number of the former mine sites. Grades mined historically are reported to have averaged between 1 – 3 % Cu and in addition to some premature mine closures linked to the Turkish Invasion of 1974, it is assumed that some closures related to the economics associated with tonnage and grade or the depletion of the delineated resource. The Company will undertake a detailed data review and digitisation programme culminating in the generation of a permit-wide 3D model of the deposits known to exist within the Kalavasos Project. Modelling will be based on a combination of historic resource estimates, production data and mine survey plans and sections with the aim of defining that portion of each historic resource that remains unexploited.

- **Oxide Mineralisation**: There is evidence of oxide mineralisation that was either ignored or stockpiled as waste by former operators on the basis that oxide ore was not conducive to good recoveries in the flotation plants that were operated for the high-grade underground ore. Oxide mineralisation will be assessed for its' suitability to heap, dump or tank leaching to extract copper.

- **Extensions to Mineralisation**: The Company will test for extensions to known mineralisation both along strike and down-dip. This process will be aided by airborne geophysical survey results and the 3D modelling which is expected to provide evidence or indications of strike and dip extensions to the known orebodies.

- **New Generated Targets**: Exploration techniques have improved since the last detailed exploration took place at Kalavasos over 40 years ago. The Company plans to use the large volume of historic data to generate a 3D model of mineralisation within the project to underpin airborne VTEM surveys. Detailed geological mapping and sampling will then be employed to identify new targets for follow-up.

- **Dump Assessment and Reclamation**: Mineral processing efficiencies and techniques, operating costs and metal prices are some of the inputs that have changed to influence the economics of reprocessing low-grade ore. Mineralisation that did not meet the required run of mine grade for flotation was either stockpiled or placed on waste dumps. The Company will re-evaluate this waste material to determine tonnage and grade and thereafter undertake economic assessment to determine the viability of reprocessing material.

Proposed exploration for the Vrechia Project includes:

- **Mine** - Airborne geophysics will underpin a sampling programme to test the strike extension defined by a geobotanical anomaly. Evidence of mineralisation will be tested by a drill programme with a view to establishing an expanded resource that will include the tonnage provisionally defined by a 2014 drill programme.
- **Dump** - A systematic sampling and short hole drill programme will test both pyrite and tailings dumps for residual copper and gold mineralisation. Metallurgical test work in conjunction with a preliminary resource estimate (based on the drill results) will determine whether a preliminary economic assessment is warranted.

Proposed exploration for the Mathiatis Project includes:

- **Mine** - A detailed review of historic data including the building of a 3D model to illustrate the location of the former high-grade massive pyrite lens relative to the recorded low-grade continuous copper intercepts noted in boreholes will be undertaken. If the copper can be proven to be associated with a halo then drilling will be recommended for the footwall and pit floor.

- **Dump** - In addition, there is scope for the recovery of copper from dumps resulting from previous mining activity which are all located around the eastern side of the open pit. The Company proposes to evaluate the dumps in detail specifically to determine the ages of dumps and the sequence of deposition of waste so that this can be linked back to production data and allow the Company to focus in on material that may host copper and or gold in economic quantities. Exploration will comprise detailed sampling and drilling of the dumps in parallel with metallurgical test work to generate an initial resource estimate prior to commencing a PEA.

Exploration Model

The massive sulphide deposits in Cyprus are hosted in the volcanic part of the Troodos Ophiolite and are classified as VHMS deposits. The majority of these VHMS deposits are hosted either at the base of or within the Upper Pillowed Lavas, a specific volcanic unit erupting towards the end of each volcanic cycle. The grade and size of the Cyprus deposits are variable, but in general, they have low to moderate abundances of copper (<2.5 % Cu). Nevertheless, some deposits report much higher grades, such as at Mavrovouni, where >16 Mt was mined at ca. 4.5 % Cu.

Caerus is targeting both the massive Cu-Au rich sulphide bodies that formed on the ancient sea-floor and the underlying stockwork systems that fed them. The Company selected areas in Cyprus based on two main criteria:

- Available ground, thus allowing the Company to have 100% control of the Prospecting Permits, and
- Obvious evidence of mineralisation, such as orphaned mines or known prospects within or nearby.

As such, there are numerous orphaned mines and known prospects within the Group’s Prospecting Permits and these will be the initial focus of exploration; extending from the known to the unknown as knowledge accumulates.

Caerus will focus on identifying the most favourable positions within the volcanic units to host VHMS deposits. In particular, the proximity to primary fault systems is considered important to form large VHMS systems. Another important consideration for targeting the mineralisation is unravelling the post-volcanic deformation (rotation and tilting).

Some basic exploration constraints for VHMS exploration in Cyprus can be highlighted:

- The largest and highest-grade deposits will be in volcanic rocks.
- The massive pyrite bodies are likely to be buried by later volcanic eruptions, so understanding the local eruption-hydrothermal cycle will constrain favourable stratigraphic intervals.
- Chemical sediments (umber, ochre) are direct proxies for hydrothermal eruption but are deposited distal to associated massive pyrite bodies. They also provide useful stratigraphic constraints.
- Ancient seafloor topography (e.g. Rift Valleys) would have greatly influenced the site of deposition and subsequent preservation of the massive pyrite bodies. It is critical to understand the rotation of fault blocks during sea-floor rifting.
- Alteration zones are expected in the footwall to massive pyrite bodies and may be prospective themselves.
- Larger alteration zones indicate larger, more persistent hydrothermal systems and should develop larger massive pyrite bodies.
- Identification of the primary rift faults is important given that Troodos was rotated ca. 90° counter-clockwise, such that the primary rift faults are now orientated north-south.
- Dolerite dyke intrusion should be broadly sub-parallel to the main rift faults.
- Later faulting has clearly shuffled the Troodos rocks such that deposits may have been translocated.

In short, the two critical factors to consider for successful VHMS exploration in Cyprus are:

- local stratigraphy, so that the most favourable stratigraphic time can be targeted; and
- fault relationships, so that primary rift faults can be identified, and later translocations can be reconstructed.

Whilst VHMS style mineralisation is clearly present within the Black Pine Project, the priority will be to better understand the magmatic Fe-Cu-Ni-Co mineralisation seen at Laxia and Pevkos. Drilling has enhanced this understanding but the projects are still at an early stage and less of a priority to the larger and more readily developable VHMS prospects. No expenditure is planned for Black Pine at present.

Exploration Work Completed

To date, the exploration work completed has been largely limited to the compilation and review of the archival material described in Section 5 of the CPR at Part III of this Document. Selected documents from the archive have been captured digitally and incorporated into a Geographical Information System (GIS) whereby geographical data are spatially referenced. Other datasets, either commercially or publicly available, have also been incorporated into the GIS. Numerous orientation field trips were completed to confirm the information obtained from the archive and build on the geological understanding. In addition to the compilation and review, 25 rock-chip samples were collected.

This is the end of the extracts from the CPR.

4. Exploration Work Programme

The Group proposes an exploration work programme for the NCC Portfolio targeting brownfield sites within licences that included former producing mines and therefore host rocks and geological structures conducive to mineralisation together with exploration of recently acquired licences where no exploration has historically taken place. Brownfield and grassroots exploration require different skills sets and the Company will ensure that appropriate expertise is available. A wealth of historic exploration and mine production data is available for the licences and the 13 former mines within the licences and emphasis will initially be placed on a detailed data review, modelling and prioritisation of brownfield targets for follow-up. Due to the risky nature of brownfield exploration, the Company will ensure optionality by targeting a wide range of targets and target types with the aim of generating priority targets for more detailed evaluation. Whist the short-term objective is to consolidate the database and generate targets for further evaluation, the medium to long-term objective remains to define a Mineral Resource of between 20Mt and 30Mt at cut off grades of 1.5% Cu and 1g/t Au. The more obvious targets include the re-evaluation of former mines hosting significant residual mineralisation prematurely shutdown, together with possible extensions to this mineralisation. Brownfield targets will be underpinned by dump assessment for reprocessing and reconnaissance on newly acquired licences targeting new discoveries.

Exploration will rely on standard methodologies with an emphasis on detailed geological mapping, geophysical surveys and the use of XRF hand-held systems to aid reconnaissance. Best Practice will be applied at all times and with specific regard to a comprehensive QAQC regime for all sampling. Only recognised contractors will be employed for geophysical and drilling programmes.

The overall strategy to be adopted by the Company will be driven firstly by the budget. The Company is confident that the level of funds to be raised will be sufficient to complete the designed programme over an 18-month period. Ultimately, the strategy will evolve as exploration progresses and results are generated and targets prioritised.

5. Cyprus

Cyprus is an island located in the eastern part of the Mediterranean Sea with closest neighbours Turkey, Lebanon, Syria, Israel and Egypt. Since the 1974 Turkish invasion, the Republic of Cyprus controls the southern 60 % of the island with the remaining part of the island under occupation by Turkey. Additionally, there are several large military base areas held under British sovereignty and the United Nations demilitarised buffer zone.

The exploration and mining friendly climate is one of the warmest climates in the Mediterranean area and is classified as sub-tropical with very mild winters on the coast and warm to hot summers.

Cyprus is a modern, first-world country with excellent infrastructure such as roads, ports and mobile phone coverage. There are international airports at Larnaca and Paphos with daily flights to many destinations throughout the year. There is a comprehensive, modern road network but no rail network. Power originates from heavy fuel oil power stations and local renewables.

In-country resources are limited for mining but have the potential for sustainable growth, both in the primary and secondary services sectors.

The island of Cyprus is dominated by two mountain ranges; the Troodos Mountains in the central part of the island, rising to 1,952 m (Mount Olympus) and the Pentadaktylos Mountains (Kyrenia Range) in the north of the island, rising to 1,085 m. Unglaciated through the last ice age, the Cyprus landscape and topography has been shaped by tectonic upheaval, erosion and mass transport, as well as deep incision by rivers.

Many of the exposed massive sulphide deposits around the Troodos Mountains in Cyprus have been mined for copper since the Bronze Age and copper production continues at the privately owned Skouriotissa Mine. Modern mining commenced in Cyprus in the 1920s with more than 74 Mt of massive ore extracted from about 30 deposits in the following 50 years. Production focussed on pyrite, copper, gold and silver, although some of the Cyprus deposits also contain appreciable amounts of zinc. The largest known deposit in Cyprus is Mavrovouni where 16.5 Mt at approximately 4.5% Cu was extracted between 1929 and 1974.

Copper mining in Cyprus was significantly disrupted and essentially curtailed in the 1970s after Cyprus was partitioned following the Turkish invasion. This was further compounded by adverse changes to global supply and demand in the copper market. However, for an area that has been so productive and that offers such prospectivity the paucity of modern exploration and investment is surprising given numerous mineral sector super-cycles between then and now.

In addition to copper, many of the deposits host appreciable primary gold. Indeed, the weathered zones above many deposits are enriched in gold and silver.

The primary pyrite ores now offer economic viability with the addition of widespread gold. Additionally, zinc, whilst not considered historically, may today make a reasonable addition to resources.

There has been no recent history of production of Cu+Ni+Co ore.

6. The Acquisition

On 13 November 2020, the Company entered into the Acquisition Agreement under which the Company acquired the entire issued share capital of NCC for £1,000,000, satisfied by the payment of £150,000 in cash and the issue of the Consideration Shares.

The Vendors gave warranties to the Company relating to NCC and its assets.

Further details of the Acquisition Agreement are set out in paragraph 10.10 of Part VI of this Document.

7. The Group's Competitive Strengths

The Directors believe that the Company should be well placed to compete against other market participants in the mining exploration, production and industrial sectors on the basis of the following competitive advantages:

a) the Directors have wide-ranging experience working for and/or advising businesses operating within the natural resources sector;

b) Cyprus is a politically stable and legally sophisticated member of the European Union with a well-established mining code and a very long history of mining copper;

c) a well-established infrastructure exists within the close proximity to the licence areas; and

d) the Directors have an extensive network of relationships to reach key decision-makers, through Professor Johnson's ties with Rio Tinto (he held the Rio Tinto Chair in Environmental Engineering at Liverpool University between 1995 and 2006, and then took on a consulting role with responsibility for the Corporate Emergency Response capability in 2005; he also initiated a joint venture between Rio Tinto and AIM-listed Savannah Resources plc) and Lundin Mining Corporation (for whom Professor Johnson assisted in arranging disposals of certain assets) and also through Mr Churchouse's ties with Camborne School of Mines (through his regular employment of graduates and placement of MSc and BSc students), the broking communities in London, Toronto, Vancouver and Johannesburg and consulting geologist firms including Wardell Armstrong, Micon and SRK (through his listing of a number of junior mining companies) and from his time as country manager and director administration for Gold Fields Namibia and senior adviser New Business Development for Lundin Mining Corporation.

8. Use of Proceeds

The Company's intention is to use the Net Proceeds to pay the Company's ongoing corporate costs and expenses (including Directors' fees and other internal costs), which are estimated to amount to £350,000 per annum, with the balance being used to fund the Proposed Work Programme for the ongoing development of the licences, including the following:

- Resource upgrades at Kalavasos and Mala
- Brownfield redevelopment
- Further target generation operations

Anticipated expenditure includes (but will not be limited to):

		(£)
Kalavasos		
Regional Exploration		
Digitisation		15,000
Topographic & Geophysical Surveys		62,500
Analyses		40,000
	Sub-total	**117,500**
Dump Evaluation & Reclamation		
Sampling & Drilling		44,000
Modelling & Scoping Study		6,300
Metallurgical Test Work		31,000
	Sub-total	**81,300**
Remnant Resource Estimation		
Digitisation & Data Interpretation		22,000
3D Modelling & Targeting		2,700
Drilling & Analyses		135,000
	Sub-total	**159,700**
Vrechia		
Exploration		
Topographic & Geophysical Surveys		1,350
Drilling & Analyses		20,000
	Sub-total	**21,350**
Du**mp Evaluation & Reclamation**		
Drilling & Sampling		190,000
Modelling & Scoping		5,000
Metallurgical Test Work		10,000
	Sub-total	**205,000**
Kambia		
Exploration		
Digitisation, geophysics, sampling & analyses		13,000
	Sub-total	**13,000**
Dump Evaluation & Reclamation		
Drilling & Sampling		16,000
Modelling & Scoping		12,000
Metallurgical Test Work		60,000
	Sub-total	**88,000**
Cyprus Administrative & Corporate		

Admin & Corporate (Salaries, audit, legal, admin, licence renewals, capital items)		202,788
Cyprus Contingency (5%)		44,432
	Sub-total	247,220
	Total Cyprus-based costs	**933,070**
UK Administrative & Corporate		
Admin & Corporate (Salaries, audit, legal, admin, regulatory)		346,900
Capital Expenditure (Software)		20,000
UK Contingency (5%)		18,345
	Total UK-based costs	**385,245**
	Total (Cyprus & UK)	**1,318,315**

Expected net proceeds	£1,923,000
Transaction costs	£327,000
Gross proceeds	£2,250,000

Until deployed in the Company's activities, the Company will invest or deposit the Net Proceeds in sterling denominated money market instruments, government securities, commercial paper, asset backed commercial paper, corporate bonds and/or deposits with commercial banks. Each of these instruments or commercial banks will be no less than AA-rated at the time of investment or deposit.

9. Capital and returns management

The Company has conditionally raised gross proceeds of £2,250,000 under the Placing and the Subscription, giving net proceeds to the Company of approximately £1,923,000, sufficient to meet the Group's working capital requirements through to at least 12 months from the date of this Document. Further equity capital fundraisings are expected to be undertaken by the Company following completion of the Proposed Work Programme in March 2022 as it pursues its objectives to move into larger scale production. The amount of any such additional equity to be raised, which could be substantial, will depend on the progress in, and success of the development work to be carried out on the licence areas and, accordingly, cannot be determined with any certainty at the date of this Document. The Company expects that returns for Shareholders will derive primarily from capital appreciation of the Ordinary Shares and, potentially, any dividends paid pursuant to the Company's dividend policy set out below.

The Articles include pre-emption rights in favour of existing Shareholders which have been disapplied in relation to the issuance of new Ordinary Shares for cash on the exercise of Placing rights attaching to the Warrants, to the holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings and otherwise with an aggregate nominal value of up to £1,000,000 (which amount shall include the Placing Shares and the Subscription Shares). Otherwise, Shareholders will have pre-emption rights which will generally apply in respect of future issues of new Ordinary Shares for cash. Further details are set out in paragraph 6 of Part VI of this Document.

10. Selected Financial Information

The following selected financial information has been extracted from the audited financial statements of the Company set out in Part IV (B) of this Document and of NCC set out in Part IV (D) of this Document.

The Company – selected financial information

Statement of financial position	Unaudited	Audited	Audited
	As at 31 May 2020	As at 30 November 2019	As at 30 November 2018
	£	£	£
Total assets	45,618	46,110	170,539
Total liabilities	253,554	212,202	11,590
Equity	(207,936)	(166,092)	158,949

Statement of comprehensive income and cashflows	Unaudited	Audited	Audited
	Period ended 31 May 2020	Year ended 30 November 2019	Period ended 30 November 2020
	£	£	£
Operating loss	(41,844)	(390,041)	(192,716)
Loss for the period	(41,844)	(390,041)	(192,716)
Earnings per share	(0.004)	(0.04)	(0.40)
Net cash used in operating activities	(2,809)	(177,836)	(116,330)
Net cash used in investing activities	-	-	(44,607)
Net cash from financing activities	-	65,000	277,265

NCC – selected financial information

Consolidated statement of financial position	Unaudited	Audited	Audited	Audited
	As at 30 June 2020	As at 31 December 2019	As at 31 December 2018	As at 31 December 2017
	EUR	EUR	EUR	EUR
Total assets	1,231,899	1,246,161	1,372,856	1,428,105
Total liabilities	462,886	338,954	170,926	152,900
Equity attributable to shareholders	467,042	594,729	835,215	903,501
Non-controlling interest	301,971	312,478	366,715	371,704

Consolidated statement of comprehensive income and cashflow	Unaudited	Audited	Audited	Audited
	Period ended 30 June 2020	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2018
	EUR	EUR	EUR	EUR
Operating loss	(136,699)	(289,018)	(76,662)	-
(Loss)/ profit for the period	(138,193)	(294,723)	(76,526)	133,361

Earnings per share (EUR)	(0.964)	(1.815)	(0.615)	1.392
Net cash from/ (used in) operating activities	(75,369)	41,776	(71,135)	133,418
Net cash from investing activities	(15,841)	9	4,639	75
Net cash (used in)/ from financing activities	(87,697)	(4,004)	20,571	(6,160)

11. Dividend Policy

The Board's current intention is to retain any earnings for use in the Company's operations and the Directors do not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and to the extent that to do so is in accordance with all applicable laws.

PART II

INFORMATION ON THE COMPANY, THE PLACING AND THE SUBSCRIPTION

1. The Directors

Brief biographies of the Directors are set out below. Paragraph 7 of Part VI of this Document contains further details of current and past directorships and certain other important information regarding the Directors.

Directors

The management of the Company is governed by the Board. The Directors in office at the date of this Document are as follows:

Professor Michael Stephen Johnson, *(date of birth: British, 15 December 1949 – aged 71), Non-executive Chairman*

(Emeritus Professor) Michael Johnson DSc., University of London (2010), PhD. University of Liverpool (1977), MTech., University of London (1972), BSc University of London (1971), held the Rio Tinto Chair of Environmental Engineering at the University of Liverpool (1994-2005). He remains External Adviser to Rio Tinto plc (2005-current), Lundin Mining Corporation (2015-current) and New Boliden AB (2002-current). He was Chairman of Glebe Mines Ltd (2001-2008), the principal fluorspar mining company in Western Europe, and variously held similar director roles with Savannah Resources plc and Alecto Minerals plc during the period 2009-2016. Professor Johnson also holds advisory positions with the World Bank (2010-current) and United Nations (Environment Programme) (1996-2001, 2003-2008 and 2016-current).

Martyn John Churchouse, *(British, date of birth 10 June 1959 – aged 61), Chief Executive Officer*

Martyn Churchouse BSc. Hons – Geology, University of London (1980), MSc – Mining Geology & Exploration, Camborne School of Mines (1981), MBA (distinction) – International Business, City University (1989) is a geologist with 38 years' experience in Europe and Africa in exploration, mine development, feasibility and as a mine manager. He worked for Anglo American (1986-1988) and Gold Fields (1990-1995) before joining the junior mining sector and has been involved in bringing a number of exploration companies to the AIM market. Martyn was a senior adviser to Lundin Mining Corporation's New Business Development Division (2013-2016) and was an executive director of AIM-listed Georgian Mining Corporation (2016-2018). He has been responsible for a number of discoveries and successful Bankable feasibility studies.

Harold Andrew Daniels, (*Canadian, date of birth: 18 September 1963 – aged 57), Non-executive Director*

Andrew Daniels BSc. Geology, Acadia University (1985), P Geo., Association of Professional Geoscientists of Ontario (2003) is a registered, professional geologist with more than 30 years' experience in capital markets and mining and exploration geology including senior supervisory roles in open pit and underground mining environments. Mining financing experience including as director, Global Mining Finance for Deutsche Bank AG and Head (2011-2014), Global Banking for Palisade Global Investments (2016) plus a wealth of practical management and consulting experience including long term roles with Western Mining Corp (1989-1992, 1993-1996), Kilborn SNC – Lavalin, Minorco Services BV, Anglo American PLC (1998-2001, 2002-2004), Mountain Lake Resources (2005-2006), Chariot Resources (2005), Riverside Resources (2009-2010), Century Mining (2010-2011) and European Nickel (2006-2012).

2. The Placing and the Subscription

2.1 Details of the Placing and the Subscription

The Company has, subject to, *inter alia*, Admission raised £2,250,000 (before Transaction Costs of approximately £327,000) by the issue of 21,000,000 Placing Shares and 1,500,000 Subscription Shares which have been conditionally placed or subscribed for at the Placing Price by Company with investors through the Placing and the Subscription.

The Placing and the Subscription are conditional on Admission occurring by 19 March 2021 (or such later date as the Company and Novum may agree, being no later than 31 March 2021). If the Placing, the Subscription and Admission do not occur, all placing funds will be returned to investors.

The Placing Shares and the Subscription Shares will represent approximately 44.64 per cent. of the Enlarged Share Capital.

The Placing Shares and the Subscription Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including all rights to dividends and other distributions declared, made or paid following Admission and will be issued fully paid. The Placing has not been, and will not be, underwritten.

In the case of Placees requesting Placing Shares and Subscribers requesting Subscription Shares in uncertificated form, it is expected that the appropriate CREST accounts of Placees and Subscribers will be credited on or around the date of Admission.

In the case of Placees requesting Placing Shares and Subscribers requesting Subscription Shares in certificated form, it is expected that certificates in respect of the Placing Shares and the Subscription Shares will be dispatched by post within seven days of the date of Admission.

Further details of the Placing Agreement are set out in paragraph 10.5 of Part VI of this Document.

All Ordinary Shares issued pursuant to the Placing and the Subscription will be issued at the Placing Price, which has been determined by the Directors. The Company and the Directors have ensured that the Company shall have sufficient Ordinary Shares in public hands, as defined in the Listing Rules. The Board has ensured that a minimum of 9,746,667 Ordinary Shares have been allocated to investors whose individual and unconnected shareholdings will each equate to less than 3 per cent. of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2 (4).

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 19 March 2021 (or such later date as the Company and Novum may agree, but in any event not later than 31 March 2021) each of the Placees and Subscribers agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares set out in their respective Placing Letter or Subscription Letter. To the fullest extent permitted by law, investors will not be entitled to rescind their agreement at any time. In the event that Admission does not become effective by 8.00 a.m. London time on or prior to 19 March 2021 (or such later date as the Company and Novum may agree, but in any event not later than 31 March 2021), the Placees and the Subscribers will receive a full refund of monies subscribed.

2.2 Payment

Each Placee and Subscriber has signed and returned a Placing Letter or Subscription Letter (as applicable) for the amounts payable under the Placing or Subscription, as applicable, for their respective Placing Shares or Subscription Shares and settlement will be on a delivery versus payment basis within CREST. Liability (if any) for stamp duty and stamp duty reserve tax is as described in paragraph 1.3 of Part V of this Document.

2.3 Use of proceeds

The Net Proceeds of £1,923,000, being the gross proceeds of £2,250,000 raised through the Placing and the Subscription less Transaction Costs (£327,000), will be used to pay the Company's ongoing corporate costs and expenses and in the development of the Group's assets as described in the section 'Use of Proceeds' on pages 40 and 41 of this Document.

None of the Transaction Costs will be charged to the Placees or the Subscribers.

2.4 Selling restrictions

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within into or in the US.

The Placing is being made by means of a placing of Ordinary Shares to certain investors in the UK. The Company has not been and will not be registered under the US Investment Company Act, and investors will not be entitled to the benefits of the US Investment Company Act.

Certain restrictions that apply to the distribution of this Document and the Ordinary Shares being issued pursuant to the Placing in certain jurisdictions are described in Part VI of this Document.

2.5 Transferability

The Company's Ordinary Shares are freely transferable, free from all liens and are tradable and there are no restrictions on transfer subject to the lock-in agreements referred to in paragraph 6 below.

3. Working Capital and Reasons for Admission

The Company is of the opinion that, taking into account the Net Proceeds, the working capital available to the Group is sufficient for its present requirements, that is for 18 months from the date of this Document.

At Admission, the Company will have estimated cash resources of approximately £400,000 (this is exclusive of receipt of the Net Proceeds).

The Company is seeking Admission to take advantage of:

- a listed company's public profile thereby promoting the Company and its strategy;
- the possibility to create a broad investor base;
- the potential liquidity offered by a Standard Listing;
- access to institutional and other investors not only on Admission but in the secondary market; and
- the listed company status enhancing the Company's perception with franchise owners.

4. Capital Resources and Capitalisation and Indebtedness

The Directors' 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. As at 3 March 2021 (the latest practicable date before the date of this Document), the Company had been financed solely by the issue of share capital. In the future, the capital structure of the Company is expected to consist of borrowings and equity attributable to equity holders, comprising issued share capital and reserves. The short to medium term funding, including the 18 months exploration budget will be from the Net Proceeds from the Listing.

Whilst the Company envisages that any capital raised will be from new equity, the Company may also choose to finance all or a portion of future costs with debt financing. Any debt financing used by the Company is expected to take the form of bank financing, although no financing arrangements will be in place at Admission.

There have been no restrictions on the use of the capital resources of the Company that have materially affected the operations.

The cashflows of the Company can be seen in Part IV Section (B).

In the period to 31 May 2020 and 30 November 2019, there was cash outflows of £2,809 and £112,836 respectively. The outflow in the year ended 30 November 2019 was a result of legal and professional costs incurred in relation to the Company's transaction activity. This reduced in the six months to 31 May 2020 as the Directors looked to preserve cash ahead of the planned IPO.

The positive cashflow in the period to 30 November 2018 was generated from the proceeds of the issue of ordinary shares totalling £277,625. This cash was used to fund the working capital requirements of the Company. The cash used in operations was £116,330 and largely related to professional fees in connection with funding an appropriate investment and listing expenses. The cash used in operations is expected to increase following

Admission as a result of the acquisition and increased professional fees. The use of the Net Proceeds is outlined in further detail in Part I Section 8.

The treasury function and financial risk management of the Company is carried out by the Directors and reviewed by the Board regularly. The Company has little committed expenditure and other costs can be staggered based on available funding. The Directors will regularly review working capital to assess the requirement of further funding. Due to the low level of activity at Admission, the Company does not currently use any hedging or other financial instruments. Expenditure will be incurred in both Pounds Sterling and Euro but no foreign exchange hedging has been considered necessary.

The cash generated by the Company will be used to finance the exploration activities of NCC and the Enlarged Group.

See further detail on the financial risk management included in the Historical Financial Information of the Company in Part IV Section (B).

The following table shows the Company's capitalisation and indebtedness as at 31 December 2020, extracted without material adjustment from the Company's unaudited management accounts.

	31 December 2020
	£
Total Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Total Non-Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	100,000
Total debt	100,000
Shareholder Equity	*31 December 2020*
	£
Share Capital	239,000
Share Premium	1,627,665
Total	**1,866,665**

The following table shows the Company's net indebtedness as at 31 December 2020 extracted without material adjustments from the unaudited management accounts:

	£
A. Cash	115,513
B. Cash equivalent	-
C. Trading securities	-
D. **Liquidity (A) + (B) + (C)**	**115,513**
E. Current financial receivable	-
F. Current bank debt	-
G. Current portion of non current debt	-
H. Other current financial debt	-
I. **Current Financial Debt (F) + (G) + (H)**	-
J. **Net Current Financial Indebtedness (I) - (E) - (D)**	**115,513**
K. Non current Bank loans	-
L. Bonds Issued	-
M. Other non current loans	(100,000)
N. **Non current Financial Indebtedness (K) + (L) + (M)**	**(100,000)**
O. **Net Financial Indebtedness (J) + (N)**	**15,513**

(1) Total shareholder equity does not include the accumulated losses of the Company, as these are not considered to be part of the invested capital of the Company.

As at 3 March 2021, being the latest practicable date prior to the publication of this Document, there has been no material change in the capitalisation of the Company since 31 December 2020.

The following table shows NCC's capitalisation and indebtedness as at 31 December 2020, extracted without material adjustment from the unaudited management accounts as at 31 December 2020.

	31 December 2020 EUR
Total Current Debt	
Guaranteed	-
Secured	5,000
Unguaranteed/Unsecured	-
Total Non-Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	600
Total debt	5,600
Shareholder Equity	*31 December 2020* *EUR*
Share Capital	13,250
Share Premium	-
Total	**13,250**

The following table shows the net indebtedness of NCC as at 31 December 2020 extracted without material adjustment from the unaudited management accounts as at 31 December 2020:

	EUR
A. Cash	24,907
B. Cash equivalent	-
C. Trading securities	-
D. **Liquidity (A) + (B) + (C)**	**24,907**
E. Current financial receivable	-
F. Current debt	(5,000)
G. Current portion of non current debt	-
H. Other current financial debt	-
I. **Current Financial Debt (F) + (G) + (H)**	(5,000)
J. **Net Current Financial Indebtedness (I) - (E) - (D)**	**19,907**
K. Non current Bank loans	-
L. Bonds Issued	-
M. Other non current loans	(600)
N. **Non current Financial Indebtedness (K) + (L) + (M)**	**(600)**
O. **Net Financial Indebtedness (J) + (N)**	**19,307**

(1) Total shareholder equity does not include the accumulated losses of NCC, as these are not considered to be part of the invested capital of NCC.

As at 3 March 2021, being the latest practicable date prior to the publication of this Document, there has been no material change in the capitalisation of NCC since 31 December 2020.

5. Dividend policy

The nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the early years following Admission. The Directors believe the Company should seek to generate capital growth for its Shareholders. The Company may recommend distributions at some future date when it becomes commercially prudent to do so, having regard to the availability of the Company's distributable profits and the retention of funds required to finance future growth.

6. Lock-in and orderly market arrangements

The Directors are committed to the long-term future of the Company. The aggregate direct and indirect interests of the Directors and their related parties/connected persons in the issued ordinary share capital of the Company immediately following Admission will amount to 8,540,551 Ordinary Shares, equivalent to approximately 16.95 per cent. of the issued ordinary share capital of the Company at that time.

The Locked-in Shareholders (which include the Directors) have each undertaken not to dispose of any interest in Ordinary Shares held by them at Admission for a minimum period of 12 months following Admission without the prior written consent of the Company. Thereafter, the Locked-in Shareholders have each agreed not to make any such disposal for a further 12 months other than through the Broker and in accordance with the reasonable requirements of the Broker (or if applicable any new broker appointed by the Company) so as to ensure an orderly market for the issued share capital of the Company, provided that the Broker offers competitive terms in the event of any disposal.

The 'lock-in' obligations described above do not apply in certain limited circumstances being:

a) to transfers in relation to an acceptance of an offer for the entire issued share capital of the Company (excluding any shares already held by the offeror) by a person who is not acting in concert with any Locked-in Shareholder; the giving of an irrevocable commitment to accept such an offer; or selling any shares to a person making such an offer or a person who has announced an intention to make such an offer;

b) any disposal upon an intervening court order;

c) the transfer or disposal of shares pursuant to a compromise or arrangement between the Company and its members and sanctioned by the court;

d) any disposal required by any statutory or regulatory requirement;

e) to transfers to the personal representatives or beneficiaries of a Locked-in Shareholder who has died provided always that the proposed transferee agrees with the reasonable requirements of the Company so as to ensure an orderly market in the Ordinary Shares.

These 'lock-in' provisions will not apply in the event of an intervening court order becoming or being declared unconditional, or the death of the Locked-In Shareholder. Further details of the lock-in and orderly market arrangements are set out in paragraph 10.1 of Part VI of this Document.

7. Conflicts of interest

As at the date of this Document, save to the extent that the Chairman and Mr Daniels are not required to commit their full time to the Company's affairs leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties save in respect of their interests and duties as Directors of the Company.

8. Corporate governance

The Chief Executive Officer ("CEO") is responsible for the day-to-day management of the Company, subject to the directions of the Board.

The CEO is supported by the non-Executive Directors, a contracted Financial Controller who is responsible for the financial control, management, accounting and reporting functions of the Company and an in-country manager to assist with operations.

As a Company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code, which forms a key part of the corporate governance regime for England and Wales, the Company's country of incorporation and registration.

In the interests of observing best practice on corporate governance, however, the Company will observe the requirements of the QCA Code, insofar as is appropriate having regard to the size and nature of the Company and the composition of the Board. As at the date of this Document, the Company is, and at the date of Admission will be, in compliance with the QCA Code.

The Company has adopted a share dealing code that complies with the requirements of the Market Abuse Regulation. All persons discharging managerial responsibilities (comprising only the Directors as at the date of this Document) shall comply with the share dealing code with effect from Admission and the Board will be responsible for taking reasonable steps to ensure such compliance.

The Company has established an Audit Committee (the "Audit Committee") and a Remuneration Committee (the "Remuneration Committee") with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee will have primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will be responsible for keeping under review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors. It will also have responsibility for public reporting and internal controls and arrangements whereby employees may raise matters of concern in confidence. From Admission, the Audit Committee will be chaired by Michael Johnson and its other member will be Andrew Daniels.

Remuneration Committee

The Remuneration Committee will review the performance of the Executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. Under its terms of reference, it will be required to meet at least once a year and will be responsible for ensuring that the Executive Directors, officers and other key employees are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Group. From Admission, the Remuneration Committee will be chaired by Michael Johnson and its other member will be Andrew Daniels.

The Company is applying for a Standard Listing of the Ordinary Shares on the Official List and a Standard Listing offers less protection to Shareholders than would otherwise be the case with a Premium Listing on the Official List. Further details on the consequences of a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on pages 27 and 28 of this Document.

9. Operating and Financial Review

On 1 November 2017 the Company was incorporated, under the name Leopard Mineral Investments Limited, for the purpose of acquiring a company, business or asset with operations in Europe in the exchange-traded non-ferrous metals mining sector that it would look to develop and expand.

On 8 January 2018 the Company was re-registered as a plc.

On 18 September 2018 the Company changed its name to Caerus Mineral Resources plc.

The Company has been funded to date through the issue of share capital. During the period from incorporation to 30 November 2018 the Company successfully completed four funding rounds; the initial £77,900 of funds from founder shares and £273,765 from three successive rounds of seed capital.

On 30 November 2018, the Company issued and allotted 73,199,997 bonus shares of £0.001 each, and all of the ordinary shares were subsequently consolidated on the basis of 10 for 1 new Ordinary Share of £0.01.

On 30 November 2018 there were 8,250,000 Ordinary Shares in issue.

The Company generated no revenue during the period from incorporation to 30 November 2018. The Company is focused on ultimately generating revenue from acquisitions and the development and exploitation of Mineral Resources.

The Company incurred expenditure during the period from incorporation to 30 November 2018 totalling £192,716 which includes all expenditure in connection with the formation and development of the Company, the review of multiple acquisition opportunities, the remuneration of the Directors and initial expenses in connection with the proposed acquisition of NCC. This expenditure is broken down in the Historical Financial information included in Section IV Part (B).

On 8 June 2020, following agreement between the parties, the Company cancelled 2,333,332 warrants issued to Wentworth Limited.

On 13 November 2020, the Company entered into the Acquisition Agreement and acquired the entire issued share capital of New Cyprus Copper P.A. Ltd ("NCC") for £1,000,000, satisfied by the payment of £150,000 in cash and the issue of 8.5 million Consideration Shares for the balance. Two (2) million £0.01 ordinary shares will be issued as 'Deferred Consideration Shares' upon publication of a JORC compliant resource of not less than 2Mt at a minimum grade of 1% Cu equivalent. The principal activity of NCC is the exploration for, and development of, Mineral Resources in the Republic of Cyprus.

Also on 13 November 2020, the Company issued 6,000,000 Ordinary Shares to EV Metals at a price of £0.10 per share. On or around 4 March 2021, the Company issued another 4,000,000 Ordinary Shares to EV Metals at a price of £0.10 per share.

The relationship between EV Metals and the Company is a shared common interest in the '*Clean and Green Energy Revolution'* that the Directors consider is upon us globally. EV Metals has nickel and cobalt assets in Australia and the Company has copper assets in Europe. This triad of metals is at the core of the Electric Vehicle and Stationary Energy Storage markets.

The companies gain mutual benefits through the strategic investment by EV Metals in the Company because the Company is based in Europe – the main vehicle market for the high purity chemicals for rechargeable batteries to be produced by EV Metals in Saudi Arabia, and the Company gains from its indirect exposure to the nickel-cobalt resources of a Cornerstone Investor. The Directors consider that investors are increasingly aware of the importance of a Cornerstone Investor in small companies as a basis for sustainability and success. EV Metals' interest in the Company is underpinned by the positive long-term forecasts for the demand for, and price of, copper as a commodity.

Professor Johnson was introduced to EV Metals Group in 2016 by Dominic Traynor, Legal Counsel to both EV Metals Group and the Company. Professor Johnson and his wife, Helen Johnson, hold, in aggregate, 3,513,698 shares in EV Metals Group (ca. 2 %) and Mr. Traynor owns 350,000 (ca 0.2 %). Professor Johnson is a passive investor in EV Metals Group. Mr. Traynor is an Alternate Director of EV Metals Group though not a Director of the Company. There are no other common shareholders or employees. There are no known conflicts of interest. There has been no introduction fee payable in cash or shares or warrants in EV Metals Group to any of Professor Johnson, Helen Johnson or Mr. Traynor.

EV Metals Group made a group consolidated loss of £2,670,683 in the 12 months ended 30 June 2019. The operating loss largely arose from interest and fees on financing instruments. In the 12 months ended 30 June 2020, EV Metals Group completed its first major capital raising from subscriptions for and the placing of shares which realised US$19.8 million. This included a placing of sale shares owned by a major shareholder for US$1.5 million leaving EV Metals Group with US$18.3 million. The capital raising was completed with strategic investors in the Kingdom of Saudi Arabia. Those investors recognised the latent value of EV Metals Group and the potential for value creation from its global battery chemicals and technology business based on the quality of its assets, innovation and the technical capabilities, experience and know-how of its key personnel. EV Metals Group sees strategic opportunities for the development of the Battery Chemicals Complex in the Kingdom of Saudi Arabia incorporating a Saudi supply chain with the framework of the Kingdom of Saudi Arabia Vision 2030.

As far as the Directors are aware, taking into account neither of them are group companies of the Group, in respect of Wentworth Limited and EV Metals Group, there is no overlap between shareholders, directors or employees of Wentworth Limited and EV Metals Group, and there has been no fee awarded to individuals in the form of cash, shares or warrants in EV Metals Group.

At 30 November 2018, the Company had cash at bank of £116,328.

New Cyprus Copper P.A. Ltd – Operating and Financial Review

NCC was incorporated in Cyprus on 7 August 2015, under the name Saxeed Services Limited, which was subsequently changed to NCC on 29 February 2016. The principal activity of NCC is in the investing in and developing mineral exploration projects. The trading of the company to date has been in identifying, acquiring and developing its portfolio of development assets.

In this regard, on 14 April 2016, NCC signed a sale and purchase agreement with BMG Resources Limited ("BMG") to acquire 70% of the share capital of Treasure Development Limited for a total consideration of EUR 89,700. The sale and purchase agreement included an option to purchase the remaining 30% shareholding by completing an agreed exploration plan and paying a final consideration balance. NCC are yet to complete this exploration plan but have agreed to extend the timetable in line with the exploration plan for the listing.

Treasure Development Limited ("TDL") was acquired for the exploration and prospecting licences held for various projects in Cyprus. The detail of the projects and licences in outlined in detail in the Competent Persons Report in Part III of this Document. Since acquisition, NCC has been maintaining the good standing of the licences and developing the various projects.

An overview of the historic performance of NCC and TDL is included below. The financial information is included in a consolidated basis from the date of acquisition, together referred to as the Group.

Revenue and other operating income

Throughout the period under review, no revenue has been earnt which is in line with the business plan and exploration activity of the Group.

During the year ended 31 December 2017, NCC recognised other operating income of EUR250,000 and a further EUR 30,000 in the year to 31 December 2018, in respect of call option fees. The call option fees recognised were in relation to a sale and purchase agreement between the Company's shareholders and Janus Pacific Gold Pty Limited ("Janus") signed on 2 August 2017. According to the terms of which, the share capital of the Company would be sold to Janus. In this context, the Company realised Call Option Purchase Fees of a total value of EUR 280,000, being, the non-refundable sum payable by the successive shareholders, to the Company, to secure the exclusivity and the ability to make a Call Option during the relevant Call Option Term for which payments have been made.

Janus subsequently exercised their option to purchase the Company, however Janus defaulted on the payment of the final Call Option Purchase Fee before the expiry date and was dealt a notice of termination and default of the agreement on 31 May 2018. Consequently, the agreement has been terminated and there is no further option to buy or liability on the Company.

During the year ended 31 December 2019 and the interim period to 30 June 2020, no other operating income was recognised.

Administration expenses and exploration and evaluation expenditure write-off

A breakdown of the Group's administrative expenditure incurred in the period is included in the table below.

	Audited Year ended 31 December 2017 €	Audited Year ended 31 December 2018 €	Audited Year ended 31 December 2019 €	Unaudited 6 months Ended 30 June 2020 €
Depreciation	3,837	-	-	-
Auditors' remuneration	3,047	4,366	4,500	2,400
Management fees	74,907	84,524	11,550	-
Consultancy fees	6,500	6,500	91,119	102,887
Annual levy	770	980	980	-
Other professional fees	18,990	9,299	14,928	3,706
Exploration and evaluation expenditure write-off	-	-	165,941	27,706
Non-charitable donations	300	300	-	-

Other expenses	546	693	-	-
Total	**108,897**	**106,662**	**289,018**	**136,699**

The administrative expenditure incurred by the Group has been in relation to corporate and compliance costs in Cyprus. All Cypriot companies are mandated to have audits for tax-filing purposes, which explains the consultancy fees (accounting costs) and auditors' remuneration. Management fees are amounts paid to the local executive director under a consultancy agreement for his time spent on the projects.

During the year ended 31 December 2019, EUR 165,941 was written-off in respect of previously capitalised exploration expenditure and a further total of EUR 27,706 in the six months to 30 June 2020. This expenditure was on licences that the Group relinquished as it rationalised its exploration portfolio. The Directors conduct an impairment review of the projects at each reporting period, which is discussed in more detail in the Statement of Financial Position review below.

Statement of Financial Position

A summary of the Statement of Financial Position at each period end is shown below and material figures discussed.

	As at 31/12/17	**As at 31/12/18**	**As at 31/12/19**	**As at 30/06/20**
	EUR	**EUR**	**EUR**	**EUR**
Non-current assets	1,313,492	1,346,248	1,219,604	1,208,856
Current assets	114,613	26,608	26,557	23,043
Total assets	1,428,105	1,372,856	1,246,161	1,231,899
Non-current liabilities	600	50,600	54,128	142,447
Current liabilities	152,300	120,326	284,826	320,439
Total liabilities	152,900	170,926	338,954	462,886
Net assets	1,275,205	1,201,930	907,207	769,013

Assets

Non-current assets mainly consist of exploration expenditure capitalised under IFRS 6. This is all expenditure that is directly attributable to the exploration of the various projects held. The majority of the expenditure capitalised was before the period under review and relates to work done by BMG before the acquisition. All additions in the period under review relate to renewals of the licences and other costs incurred to keep these licences in good standing.

Management review the exploration asset for impairment at each reporting date. This review takes in to account the exploration budget, the good standing of the licence and the ability of the Group to generate economic return from each project. Good standing of the licences on the current projects has been confirmed by the local government as at 30 June 2020.

Current assets consist largely of cash at bank.

Liabilities

Liabilities consist of borrowings and trade and other payables. These are discussed and outlined in more detail in the Historical Financial Information in Part IV of this Document.

Cash flows

The working capital requirements of the Group have to date been funded by equity investment, borrowings and also the other operating income as discussed above. These sources of finance have been sufficient for the low level of expenditure and exploration work completed to date. Going forward, the Group will be reliant on the funds transferred from Caerus Mineral Resources plc from the issue of their equity.

Principal risks and uncertainties

The principal risks and uncertainties for NCC and TDL are as for the Enlarged Group and discussed in Part IV of this Document.

Commitments

The agreements for the licences held by NCC do not specify a minimum spend requirement. According to the Second Schedule of The Mines and Quarries Regulations (Regulations 4, 6, 7, 8, 9, 27, 33, 34 and 35), of the Republic of Cyprus, the Group may be obliged for committing itself into minimum, annual expenditure for Prospecting Class A Permits and Reconnaissance Licenses. The possibility of occurrence of the financial outcome of this obligation is not sufficiently certain. However, in case the need for such regulatory conformity is realised, given the current state of affairs of the Group, it may be supposed to incur minimum, yearly expenditure of circa € 472,130 (2018: € 475,075, 2017: € 526,325).

10. Bribery Act 2010

The Bribery Act 2010 ("Bribery Act") which came into force in the UK on 1 July 2011 prescribes criminal offences for individuals and businesses relating to the payment of bribes and, in certain cases, a failure to prevent the payment of bribes. The Company has therefore established procedures and adopted an anti-bribery and corruption policy designed to ensure that no member of the Group engages in conduct for which a prosecution under the Bribery Act may result.

11. Taxation

Your attention is drawn to the Taxation section contained in Part V of this Document. These details are however, only intended as a guide to the current taxation law position in the UK. **A Shareholder who is in any doubt as to his or her tax position, or is subject to tax in a jurisdiction other than the UK, should consult his or her professional advisers immediately.**

12. Admission to trading, settlement and dealing arrangements

Application has been made for the Ordinary Shares to be admitted to the Official List, by way of a Standard Listing, and to trading on the Main Market. Dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 19 March 2021. 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 temporary documents of title will be issued. All documents sent by or to a subscriber will be sent through the post at the subscriber's own risk. Pending the dispatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

13. Disclosure Guidance and Transparency Rules

The Disclosure Guidance and Transparency Rules will apply to the Company. This includes the requirement for a Shareholder to notify the Company of the percentage of its voting rights he/she holds as a Shareholder or through his/her direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights reaches, exceeds or falls below:

(i) 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent., 10 per cent. and each 1 per cent. Thresholds up to 100 per cent. as a result of an acquisition or disposal of shares or such financial instruments; or

(ii) an applicable threshold in (i) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure Guidance and Transparency Rules.

14. Risk Factors

The Company's business is dependent on many factors and prospective investors should read the whole of this Document. In particular, your attention is drawn to the "Risk factors" set out on pages 11 to 25 of this Document.

15. Additional Information

Potential investors should read the whole of this Document and not just rely on the information contained in this Part II. Your attention is drawn to the information set out in Parts I to VI of this Document, which contain further information on the Company.

PART III

COMPETENT PERSON'S REPORT

INDEPENDENT TECHNICAL REPORT

CAERUS MINERAL RESOURCES PLC

CYPRUS EXPLORATION PORTFOLIO

Report Prepared for:

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London Wall
London
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Project Number: RK102

Report Author: Andrew Craig, Principal Geologist,
Dated: 18 December 2020

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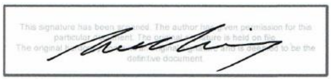
Consent of Qualified Person

I, Andrew Craig, consent to the public filing of the technical report titled 'Independent Technical Report – Caerus Mineral Resources plc Cyprus Exploration Portfolio' and dated 18 December 2020 (the "Technical Report") by Caerus Mineral Resources plc.

I also consent to any extracts from or a summary of the Technical Report in the Prospectus dated 4 March 2021 issued by Caerus Mineral Resources plc.

I certify that I have read the Prospectus dated 4 March 2021 issued by Caerus Mineral Resources plc and that it fairly and accurately represents the information in the sections of the technical report for which I am responsible.

4 March 2021



________________________ [Seal or Stamp]
Signature of Qualified Person

Andrew Craig
MSc, DIC, BSc (Hons), MIMMM, CEng, FGS

Disclaimer

The opinions expressed in this Report have been based on the information supplied to Rocklore Exploration Services Limited (Rocklore) by Caerus Mineral Resources plc (Caerus), New Cyprus Copper P.A. Ltd (NCC), and Treasure Development Ltd (TDL) The opinions in this Report are provided in response to a specific request from Caerus to do so. Rocklore has exercised all due care in reviewing the supplied information. Whilst Rocklore has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. Rocklore does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of Rocklore's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which Rocklore had no prior knowledge nor had the opportunity to evaluate.

EXECUTIVE SUMMARY

Introduction, Property Description, and Ownership

Cyprus is an island located in the eastern part of the Mediterranean Sea with closest neighbours Turkey, Lebanon, Syria, Israel and Egypt. Since the 1974 Turkish invasion, the Republic of Cyprus controls the southern 60 % of the island with the remaining part of the island under occupation by Turkey. Additionally, there are several large military base areas held under British sovereignty and the United Nations demilitarised buffer zone.

The exploration and mining friendly climate is one of the warmest climates in the Mediterranean area and is classified as sub-tropical with very mild winters on the coast and warm to hot summers.

Cyprus is a modern, first-world country with excellent infrastructure such as roads, ports and mobile phone coverage. There are international airports at Larnaca and Paphos with daily flights to many destinations throughout the year. There is a comprehensive, modern road network but no rail network. Power originates from heavy fuel oil power stations and local renewables.

Rainfall is unevenly distributed with the highest mountains and the south-western coastal region having the highest rainfall. Climate change and increased consumption of both surface and groundwater storage in Cyprus has necessitated water saving measures and future natural resource development and any future production will have to diligently address supply, consumption and recycling.

In-country resources supporting mining are limited but have the potential for sustainable growth, both in the primary and secondary services sectors.

The island of Cyprus is dominated by two mountain ranges; the Troodos Mountains in the central part of the island, rising to 1,952 m (Mount Olympus) and the Pentadaktylos Mountains (Kyrenia Range) in the north of the island, rising to 1,085 m. Unglaciated through the last ice age, the Cyprus landscape and topography has been shaped by tectonic upheaval, erosion and mass transport, as well as deep incision by rivers.

Tectonically active, the seismic risk whilst high, is well known, and modern engineering and construction methods can successfully mitigate the risk from routine seismic activity.

The portfolio of permits held breaks down into four project areas: Kalavasos, Vrechia, Mathiatis, and Black Pine. All Projects have evidence of historical exploration and mining. All permits have good access via surfaced and unsurfaced routes.

- The Kalavasos project comprises five granted prospecting permits totalling 17.95 km^2.
- The Vrechia Project comprises one prospecting permits totalling 1.96 km^2.
- The Mathiatis Project comprises two granted prospecting permits totalling 2.06 km^2.
- The Black Pine Project comprises four prospecting permits totalling 9.45 km^2.

The total portfolio area totals 31.42 km^2.

The current government royalty, calculated on the Free-On-Board (FOB) price, is 1% for metals and alloys; 2.5% for enriched minerals, cemented metals, salts or compounds of metals; and 5.0% for raw minerals. Cyprus has a corporate tax rate of 12.5%.

Permit considerations include matters of antiquity, the environment and those areas under military control.

History

Many of the exposed massive sulphide deposits around the Troodos Mountains in Cyprus have been mined for copper since the Bronze Age and copper production continues at the privately owned Skouriotissa Mine. Modern mining commenced in Cyprus in the 1920s with more than 74 Mt of massive ore extracted from about 30 deposits in the following 50 years. Production focussed on pyrite, copper, gold and silver, although some of the Cyprus deposits also contain appreciable amounts of zinc. The largest known deposit in Cyprus is Mavrovouni where 16.5 Mt at approximately 4.5% Cu was extracted between 1929 and 1974.

Copper mining in Cyprus was significantly disrupted and essentially curtailed in the 1970s after Cyprus was partitioned following the Turkish invasion. This was further compounded by adverse changes to global supply and demand in the copper market. However, for an area that has been so productive and that offers such prospectivity the paucity of modern exploration and investment is surprising given numerous mineral sector super-cycles between then and now.

In addition to copper, many of the deposits host appreciable primary gold. Indeed, the weathered zones above many deposits are enriched in gold and silver.

The primary pyrite ores now offer economic viability with the addition of widespread gold. Additionally, zinc, whilst not considered historically, may today make a reasonable addition to resources.

There has been no recent history production of Cu+Ni+Co ore.

The Kalavasos Project

The Kalavasos Project area includes several abandoned mines, associated waste dumps and exposed gossans. Widespread ancient mine workings and slag dumps remain from pre-Roman era exploitation. In many case, strong gossanous alternation at surface was also targeted for gold and silver.

The Kalavasos prospect sits within the easternmost part of the volcanic units of the Southern Troodos Domain. The Kalavasos area also has significant structural complexity with faults mapped in various geometries. The project area includes gabbro, sheeted dykes and minor ultramafic units which are considered prospective for disseminated sulphide systems.

Extensive literature and mine reports are available from within the Mines Services Division archives, albeit in places there is some ambiguity over mine locations. Ore mined in the Kalavasos region was from massive pyrite dominated bodies which were located in the Upper Pillow Lava ("UPL"), generally close to its contacts with the Lower Pillow Lava ("LPL") or gabbro. Sulphide orebodies as being typical of the Cyprus type, comprising massive and/or stockwork-type cupriferous pyrite deposits occasionally capped by ochre and post-mineralisation lavas or, more frequently, intersected by post-mineralisation dykes. The Kalavasos district of orebodies has a pronounced NE-SW pattern reflected in both in the orientation of the Axis Sequence dykes and the trend of the faults and major mineralised zones.

The Vrechia Project

The Vrechia Project area includes the historic Mala pyrite mine and several known prospects. The area is characterised by the contact between the volcanic and sedimentary units along the southern flank of the Troodos Ophiolite Complex. Volcanic vents have been mapped in the area and are considered to be prospective for VHMS systems. The area is cut by numerous northwest-southeast-trending faults, which may be important for hydrothermal fluid flow and resultant deposition of potentially metal-rich fluids.

The Mathiatis Project

The Mathiatis Prospect area is in the north eastern part of the Troodos Ophiolite. There has been extensive mining locally, with five abandoned mines within the general project area. Granted Licence EA4649 covers the North Mathiatas mine where 2.1 Mt of pyrite ore at 0.2 % Cu was reportedly mined. There are also reports that between 1936 and 1938, 26,691 oz of Au and 154,719 oz of Ag were recovered from near-surface mining at North Mathiatas and nearby South Mathiatas mines. There are significant dumps at North Mathiatas and other sites of prospectivity.

The Black Pine Project

The Black Pine Project comprises four Prospecting Permits across a geological setting that Caerus considers prospective for massive sulphide and Cu+Ni+Co mineralisation. Evidence of ancient mining is present in the form of workings, dumps and slags. Slags have been dated to the Bronze Age (2400-1200 BC) and a number of archaeological sites around the island have been linked with the unique arsenic signature of the Black Pine ores present at Pevkos and Laxia tou Mavrou. Several phases of historical work have led to recent drilling at two sites.

Geology and Mineralisation

The island of Cyprus is in the eastern part of the Mediterranean Sea along the southern margin of the Anatolian Tectonic Plate. The area of interest for mineral exploration is a geological feature known as the Troodos Ophiolite, a fragment of seafloor which erupted in a marginal intra-arc basin above a north-dipping subduction zone in the Tethys Ocean about 92 Ma. Volcanism stopped as the Troodos seafloor collided with the Anatolian Plate and the entire Troodos domain was rotated about 90° counter-clockwise before these rocks were subsequently overlain by various calcareous marine sediments. During the Middle Miocene (ca. 14 Ma) the Troodos Mountains started to rise due to serpentinite diapirism, with uplift accelerating over the last million years.

Definitive lithostratigraphic zones within the overall ophiolite sequence are identified for each volcanic cycle, in order from youngest to oldest, as:

- **Cover Sequence Sedimentary Rocks**: Two discrete sedimentary sequences:
    - Recent (<3 Ma) coarse-grained alluvial sediments; and
    - Cretaceous to Miocene (<100 Ma) sedimentary sequence (<2 km thick) composed mainly of limestone, chalk and marl. This sequence conformably overlies the volcanic-intrusive ophiolite sequence.
- **Extrusive Sequence Rocks (Volcanic)**: Two discrete sequences of basaltic pillow lavas are identified, which comprise an Upper Pillow Lava (UPL) and Lower Pillow Lava (LPL) as follows:
    - UPL (200-400 m thick) contains abundant olivine crystals and rare dykes. The top of the sequence is marked by a thin (<20 m thick), Mn-rich chemical sediment known locally as "umber"; and
    - LPL (ca. 500 m thick) lacks olivine and contains abundant dykes.

The UPL and LPL are also differentiated by their very distinct geochemical compositions, and both units contain thin, discontinuous sedimentary units within and between the volcanic units.

VHMS mineralisation is commonly found in the transition zone between the LPL and the UPL.

- **The Sheeted Dyke Complex (Intrusive)**: ca. 2 km thick, and chiefly composed (50 - 100%) of steeply dipping mafic dykes (each dyke ca. 0.5 to 1.0 m thick) which intrude either gabbro (lower part of unit) or basalt lava flows (upper part); and
- **The Plutonic Complex**: Comprising a lower, ultramafic (Harzburgite) unit, and an upper mafic (Gabbro) unit, separated by an interlayered mafic/ultramafic unit. The lower unit represents the uppermost mantle, and middle and upper units lower oceanic crust components. Thickness of the overall unit is estimated to be at least 5 km. Minor, more evolved (e.g. granite, plagiogranite) intrusive rocks are also recognised as part of this sequence.

Cyprus VHMS deposits are composed of pyrite and, locally, marcasite, with varying contents of chalcopyrite and sphalerite, with rare galena. Also present are pyrrhotite, rutile, gold and silver, with silver showing an association with chalcopyrite. The main secondary minerals observed are copper oxides, chalcocite, covellite, bornite, digenite, vallerite, tenorite, as well as magnetite and hematite.

Defined according to the style of pyrite mineralisation and amount of contained sulphur there are three different types of sulphide ore defined within Cypriot VHMS orebodies. Most orebodies comprise Zone A mineralisation with either associated Zone B, or Zone C making up the remainder of the orebody. Rarely are all three present.

- **Zone A** is the upper part of the VHMS and is massive with >40% S. It is commonly comprised of a further two ore types: conglomeratic ore and underlying compact ore. The conglomeratic ore is in a fragmented zone often with pillow shaped or spheroidal blocks of sulphides in a sugary, friable Fe-disulphide matrix dominated by pyrite. The size and proportion of sulphide blocks increases downward, and the underlying compact ore is much less porous than the overlying conglomeratic ore, containing large blocks of pyrite often coated with chalcopyrite, with covellite being observed along fractures.
- **Zone B** underlies Zone A and is a pyrite-quartz zone grading from 40% S at the top, to 30% at the base. Cu values are typically 1-2%.
- **Zone C** is the stockwork zone, and underlies Zones A, and B if present. The stockwork zone contains <30% S, and contains vein hosted as well as disseminated pyrite.

The mineralogy and chemistry of the massive sulphide bodies varies between localities. Some possess up to 2.5% Cu and were previously mined for copper. Others were mined historically for sulphur and iron, or occasionally their gossans for precious metals.

VHMS deposits and occurrences in Cyprus are likely to be associated with gossans and other useful exploration vectors such as umbers, exhalates, limonite and ochres. The presence and concentration of secondary copper sulphides are also indicative of the proximity of primary VHMS mineralisation.

A number of prospects sitting within the Southern Troodos Transform Fault Zone (STTFZ) are prospective for Fe-Cu-Ni-Co sulphides. These sit within the highly serpentinised zones of the Mantle Sequence and typically take the form of small lenticular or irregular bodies, veins and disseminations of sulphides and minor arsenides, either in serpentinite shear or sheared and serpentinized hazburgite with minor dunite bodies. Such mineralisation has been interpreted to be emplaced by metal-rich hydrothermal fluid mobilised during post-magmatic tectonic activity, such as uplift of the ophiolite.

Fe-Cu-Ni-Co deposits and occurrences in Cyprus are likely to be associated with gossans and other useful exploration vectors such as umbers, exhalites, limonite and ochre.

Exploration

Caerus has not completed any detailed exploration at this time, save for some reconnaissance rock chip sampling. Assays from those samples show anomalous gold and copper mineralisation in line with historical exploration and production. Data collection and collation is on-going.

The Prospecting Permit portfolio in the Republic of Cyprus is focused on highly prospective geology with a well-documented history of base and precious metal production and the opportunity to leverage modern exploration and development strategies, knowledge and technology in an under-explored and low risk jurisdiction. The prospectivity of Cyprus is demonstrated in its base metal production history.

Proposed exploration for each site is outlined in detail but may be summarised under the following targeting criteria and methodologies:

- **Remnant Resources**: A review of historic production data indicates that remnant resources may exist at a number of the former mine sites. Grades mined historically are reported to have averaged between 1 – 3 % Cu and in addition to some premature mine closures linked to the Turkish Invasion of 1974, it is assumed that some closures related to the economics associated with tonnage and grade or the depletion of the delineated resource. Caerus will undertake a detailed data review and digitisation programme culminating in the generation of a permit-wide 3D model of the deposits known to exist within the Project areas. Modelling will be based on a combination of historic resource estimates, production data and mine survey plans and sections with the aim of defining that portion of each historic resource that remains unexploited.

- **Oxide Mineralisation**: There is evidence of oxide mineralisation that was either ignored or stockpiled as waste by former operators on the basis that oxide ore was not conducive to good recoveries in the flotation plants that were operated for the high-grade underground ore. Oxide mineralisation will be assessed for its' suitability to heap, dump or tank leaching to extract copper.

- **Extensions to Mineralisation**: The Company will test for extensions to known mineralisation both along strike and down-dip. This process will be aided by airborne geophysical survey results and the 3D modelling which is expected to provide evidence or indications of strike and dip extensions to the known orebodies.

- **New Generated Targets**: Exploration techniques have improved since the last detailed exploration took place at a number of sites, in some cases more than 40 years ago. Caerus plans to use the large volume of historic data to generate a 3D model of mineralisation within the project areas to underpin airborne VTEM surveys. Detailed geological mapping and sampling will then be employed to identify new targets for follow-up.

- **Dump Assessment and Reclamation**: Mineral processing efficiencies and techniques, operating costs and metal prices are some of the inputs that have changed to influence the economics of reprocessing low-grade ore. Mineralisation that did not meet the required run of mine grade for flotation was either stockpiled or placed on waste dumps. Caerus will re-evaluate this waste material to determine tonnage and grade and thereafter undertake economic assessment to determine the viability of reprocessing material.

Recommendations

The prospectivity indicated through the author's observations on the ground and through desk top research is sufficient to warrant exploration across the portfolio of permits.

Noting that there are numerous historical production sites and extensive literature and production records, the exploration work planned is all early stage and built around a strategy to better understand the vectors available towards improved targeting.

The exploration programme described above is both incremental and logical and offers Caerus the opportunity to diligently apply funding to exploration on a prioritised basis. Optionality is built in to allow higher priority prospects to evolve more rapidly in the event of better than expected results.

The Mediterranean climate affords year-round working and so Caerus has the opportunity to dynamically manage its exploration programme according to the results and the geological interpretations made.

An eighteen-month budget from Q1 2021 to end Q2 2022 is ca. €933,070 and would take Caerus from exploration to drilling and preliminary resource modelling. The quantum and composition of this budget is deemed to be appropriate for such a portfolio of Projects.

Conclusions

- The portfolio of permits is undoubtedly prospective.
- Caerus comprises a competent and well-respected team.
- Caerus must seek to exploit an 'early-mover' advantage in what is perceived to be a recovering market.
- VHMS mineralisation is well documented and understood in Cyprus; a great deal of data and knowledge exists already, and its collation, synthesis and analysis are critical to successful exploration and the development of drilling targets.
- Fe-Cu-Ni-Co prospects offer energy mineral market interest but are a low priority at this time.
- Near-term cash flow generating opportunities might be present in the form of extensive dumps and tailings.

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GLOSSARY OF ABBREVIATIONS AND TERMINOLOGY

°	Degree(s)
°C	Degree(s) Celsius
µm	Micrometre(s)
AAS	Atomic absorption spectroscopy
AD	Anno Domini
Adjacent Property	Property in which: (a) the issuer does not have an interest; (b) that has a boundary reasonably proximate to the property being reported on; and (c) that has geological characteristics similar to those of the property being reported on
Ag	Silver; element
ASTER	Advanced Spaceborne Thermal Emission and Reflection Radiometer; satellite remote sensing platform
Au	Gold; element
Ba	Barium; element
BC	Before Christ
ca.	Circa; approximately
CGS	Cyprus Geological Survey
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
CIM Standards	CIM Definition Standards for Mineral Resources and Mineral Reserves; prepared by the CIM Standing Committee on Reserve Definitions, adopted by CIM Council on 10 May 2014
Cm	Centimetre(s)
Caerus	Caerus Mineral Resources plc
CRM	Certified Reference Material
CSCC	Cyprus Sulphur and Copper Corporation
CSR	Corporate social responsibility
Cu	Copper; element
DEM	Digital elevation model
EM	Electro-magnetic; category of geophysical techniques
Exploration Information	Means geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical, and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define, or delineate a mineral prospect or mineral deposit
Fe	Iron; element
Ga	Billion years
Historical Estimate	Means an estimate of the quantity, grade, or metal or mineral content of a deposit that an issuer has not verified as a current mineral resource or mineral reserve, and which was prepared before the issuer acquiring, or entering into an agreement to acquire, an interest in the property that contains the deposit
HSE	Health, safety and environment
Feasibility Study	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study
g	Gram(s)
g/t	Gram(s) per tonne
GDP (PPP)	Gross domestic product based on purchasing power parity
GIS	Geographic Information System
ha	Hectare(s)
ICP	Inductively coupled plasma
ICP-AES	Inductively coupled plasma atomic emission spectroscopy
ICP-MS	Inductively coupled plasma mass spectrometry
Indicted Mineral Resource	An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of

	observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve
Inferred Mineral Resource	An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
IP	Induced polarization; geophysical technique
ITR	An independent technical report; produced independently of the company owning a particular prospect, project, or deposit
km	Kilometre(s)
km^2	Square kilometre(s)
kt	Thousand tonne(s)
kV	Kilo-volt(s)
LIDAR	Light Detection and Ranging
LNG	Liquified natural gas
m	Metre(s)
m^2	Square metre(s)
m^3	Cubic metre(s)
Ma	Million years
masl	Metres above sea level
Measured Mineral Resource	A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve
Mineral Reserve	A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study
Mineral Resource	A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects 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
mm	Millimetre(s)
Modifying Factors	Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors
ms^{-2}	Metres per second, per second; unit of acceleration
MSTF	Mining Standards Task Force
Mt	Million tonne(s)
NI 43-101	National Instrument 43-101 Standards of Disclosure for Mineral Projects
Outcrop	The part of the rock formations exposed to the surface
oz	Troy ounce(s); 31.1034768 g
Pb	Lead; element
PEA	Preliminary Economic Assessment
PGA	Peak ground acceleration
ppb	Part(s) per billion

ppm	Part(s) per million
Pre-Feasibility Study	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study
Preliminary Economic Assessment	A study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resource
PFS	Pre-Feasibility Study (may also be known as a Preliminary Feasibility Study)
Probable Mineral Reserve	A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve
Proven Mineral Reserve	A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors
QAQC	Quality assurance and quality control
QP	Qualified Person
Qualified Person	An individual who (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that (i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment; and (ii) requires A. a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or B. a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining
Rocklore	Rocklore Exploration Services Limited; a UK domiciled independent consultancy
S	Sulphur; element
SAC	Special Areas of Conservation
SPA	Special Protection Area
SOW	Scope of Work
STRM	Shuttle Radar Topography Mission
t	Tonne(s)
Tonne	Metric ton equal to 1,000 kilogrammes
TSX	Toronto Stock Exchange
Technical Report	A report prepared and filed in accordance with this Instrument and Form 43-101F1 Technical Report that includes, in summary form, all material scientific and technical information in respect of the subject property as of the effective date of the technical report
UAS	Unmanned aerial system; drone
UNRFNRE	United Nations Revolving Fund for Natural Resources Exploration
VHMS	Volcanic-hosted massive sulphide; also known as VMS
VMS	Volcanic massive sulphide; also known as VHMS
VTEM	Versatile time-domain electromagnetic system; patented and trademarked geophysical technique from Geotech, Canada
WHO	World Health Organisation
Written Disclosure	Includes any writing, picture, map, or other printed representation whether produced, stored or disseminated on paper or electronically, including websites
XRF	X-ray fluorescence
Zn	Zinc; element

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INDEPENDENT TECHNICAL REPORT
CAERUS MINERAL RESOURCES PLC
CYPRUS EXPLORATION PORTFOLIO

1. INTRODUCTION

Caerus Mineral Resources plc (Caerus) commissioned Rocklore Exploration Services Limited (Rocklore) to prepare an Independent Technical Report (ITR) on the mineral exploration assets located in the Republic of Cyprus controlled by New Cyprus Copper P.A. Ltd (NCC). NCC is a Cyprus-registered limited liability company with granted Prospecting Permits in the Republic of Cyprus.

Caerus has agreed to acquire the whole of the issued share capital of NCC subject, inter alia, to admission. NCC, in turn, holds 70% of the shares of Treasure Development Ltd (TDL) with the balance held by BMG Resources Limited (ASX: BMG). TDL holds eight granted Prospecting Permits. NCC holds a further four granted Prospecting Permits.

The target mineralisation is base and precious metals associated with the Troodos Ophiolite. Caerus is targeting two styles of mineralisation. The first is copper-gold ± zinc ± silver (Cu-Au (± Zn ± Ag)) in volcanic-hosted massive sulphides (VHMS[4]) deposits. This mineralisation style is the basis of Caerus's ground acquisition strategy and current portfolio at three Projects. Additionally, Caerus's fourth Project is targeting a second style of nickel-copper-cobalt-gold (Ni-Cu-Co-Au) mineralisation. Such mineralisation has been interpreted to be emplaced by metal-rich hydrothermal fluid mobilised during post-magmatic tectonic activity.

These mineralisation styles are the basis of Caerus's ground acquisition strategy and current portfolio of Projects.

The current tenure status of the granted Prospecting Permits is illustrated in Table 1. The 12 granted Prospecting Permits cover a combined area of ca 31.42 km^2, spread across four discrete Project areas.

1.1 Purpose and Reporting Standard

This ITR focuses on the portfolio of Prospecting Permits currently held, or under application, by TDL in the Republic of Cyprus for inclusion in a prospectus to be published by Caerus.

Rocklore's Scope of Work (SOW) for the ITR was to:

- Undertake a desktop review of available geological data;
- Review documentation of exploration history and comment on the prospectivity of the TDL portfolio;
- Complete site inspections of all project areas, both granted and under application;
- Evaluate the proposed exploration programme and budget of Caerus; and
- Report the findings of the review.

This Report has been prepared to the standard of, and is considered by Rocklore to be, an ITR as per the standards of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). This Report presents the findings and recommendations of Rocklore's review, which focussed on the aforementioned SOW.

Whilst Caerus is not seeking a listing on the TSX at this time, it has opted to adopt the CIM Standards and Canadian National Instrument 43-101 (NI 43-101) as the most appropriate format for this Report.

NI 43-101 came into force in early 2001, and established standards for all public disclosure an Issuer makes of scientific and technical information concerning mineral properties/projects (CIM, 2018). The CIM Definition Standards on Mineral Resources and Mineral Reserves were adopted by CIM Council in 2000. The Definition Standards were amended in 2005, 2010 and 2014.

[4] Also known as volcanogenic massive sulphides (VMS); this report will use the VHMS nomenclature.

This Report is not a Valuation Report and does not express an opinion as to the value of mineral assets. This Report is dated 18 December 2020.

1.2 Work Programme and Project Team

Andrew Craig (Rocklore's Principal Consultant) visited Cyprus between 30 October to 4 November 2018 to review the portfolio of permits (granted and then under application) held by Caerus.

Mr Craig was accompanied on the site visit by Martyn Churchouse, a director of Caerus, and Andrew Daniels, a proposed director of Caerus.

An initial report was produced in December 2019.

This report has been updated to reflect the change in status with licence applications and the adjustment to some licence boundaries. No follow-up site visit was deemed necessary in light of the absence of exploration or development work during the interim period and the global impact of COVID19 health and travel considerations.

1.3 Statement of Rocklore's Independence

Rocklore does not have any present or contingent material interest in the outcome of this Report, nor does it have any pecuniary or other interest that could be reasonably regarded as being capable of affecting its independence.

Rocklore has no previous association with NCC or TDL. Rocklore has no prior association with Caerus in regard to the mineral assets that are the subject of this Report. Rocklore has no beneficial interest in the outcome of the technical assessment.

Rocklore's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of the Report.

1.4 Representation

Caerus, NCC and TDL have represented in writing to Rocklore that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

Rocklore is not aware of any material changes since the effective date of this Report.

1.5 Consents

Rocklore consents to this Report being included, in full, in a prospectus to be published by Caerus in the form and context in which the technical assessment is provided, and not for any other purpose.

Rocklore provides this consent on the basis that the technical assessments expressed in the Summary and in the individual sections of this Report are considered with, and not independently of, the information set out in the complete Report.

2. RELIANCE ON OTHER EXPERTS

The author of this report has assumed, and relied on the fact, that all the information and existing technical documentation provided and referenced in Section 26 of this Report are accurate and complete in all material aspects. While the author has carefully reviewed, within the scope of his technical expertise, all the available information presented to him, he cannot guarantee its accuracy and completeness. The author reserves the right, but will not be obligated, to revise the ITR and its conclusions if additional information becomes known to him subsequent to the effective date of this report.

The author is not expert with respect to environmental, legal, socio-economic, land title, or political issues, and therefore is not qualified to comment on issues related to permitting, legal agreements, royalties, and environmental matters. Information relating to these matters has been provided by NCC/TDL and contained in this Report, including without limitation, validity of mineral tenure, status of environmental and other liabilities, and permitting to allow completion of annual assessment work. These matters were not independently verified by Rocklore but appear to be reasonable representations that are suitable for inclusion in Section 3 of this report.

The author has seen correspondence from the Director of the Cyprus Mines Service that verifies the status of TDL and NCC granted Prospecting Permits. The correspondence is dated 30 September and 5 October 2020 and confirms that these are active and in good standing at that date.

Technical data used for this Report and relating to specific TDL projects were supplied and compiled by H. Andrew Daniels, P. Geo but validated for inclusion in the ITR by Rocklore. Mr Daniels is a Qualified Person as defined under NI 43-101 (CIM, 2018).

Field observations and sampling was conducted by Andrew Daniels and Martyn Churchouse but validated for inclusion in the ITR by Rocklore. Mr Churchouse is a Qualified Person, as defined under NI 43-101 (CIM, 2018).

The site visit findings and geology review are the exclusive work of Mr Craig.

3. PROPERTY DESCRIPTION AND LOCATION

3.1 Project Portfolio

Caerus will acquire, through NCC and TDL, 12 granted Prospecting Permits in the Republic of Cyprus. (Figure 1). Caerus's granted Prospecting Permits cover an area of approximately 31.42 km^2 and have differing tenure ages (Figure 2 and Table 1).

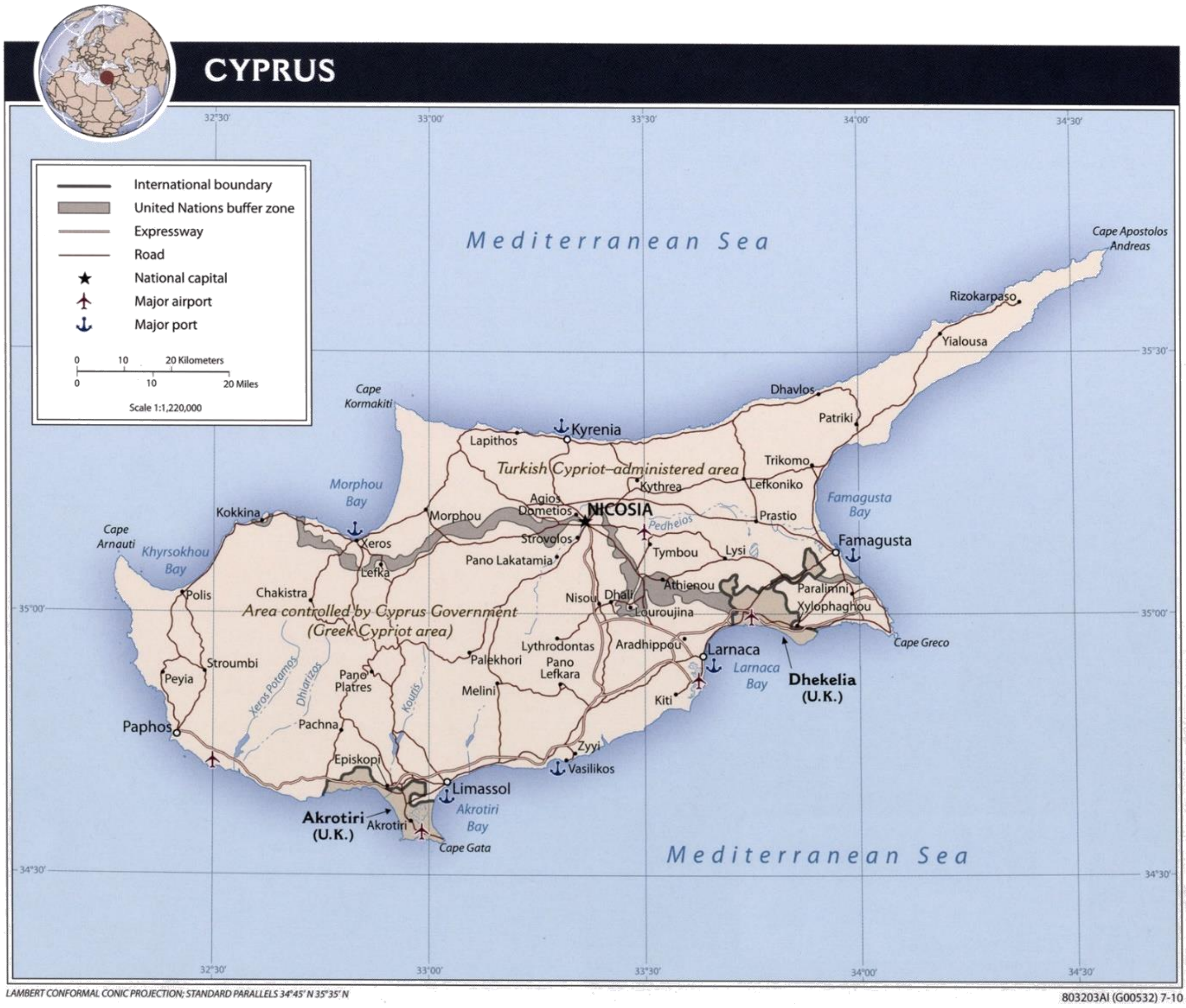

Figure 1 – *Cyprus in general detail (CIA, 2010).*

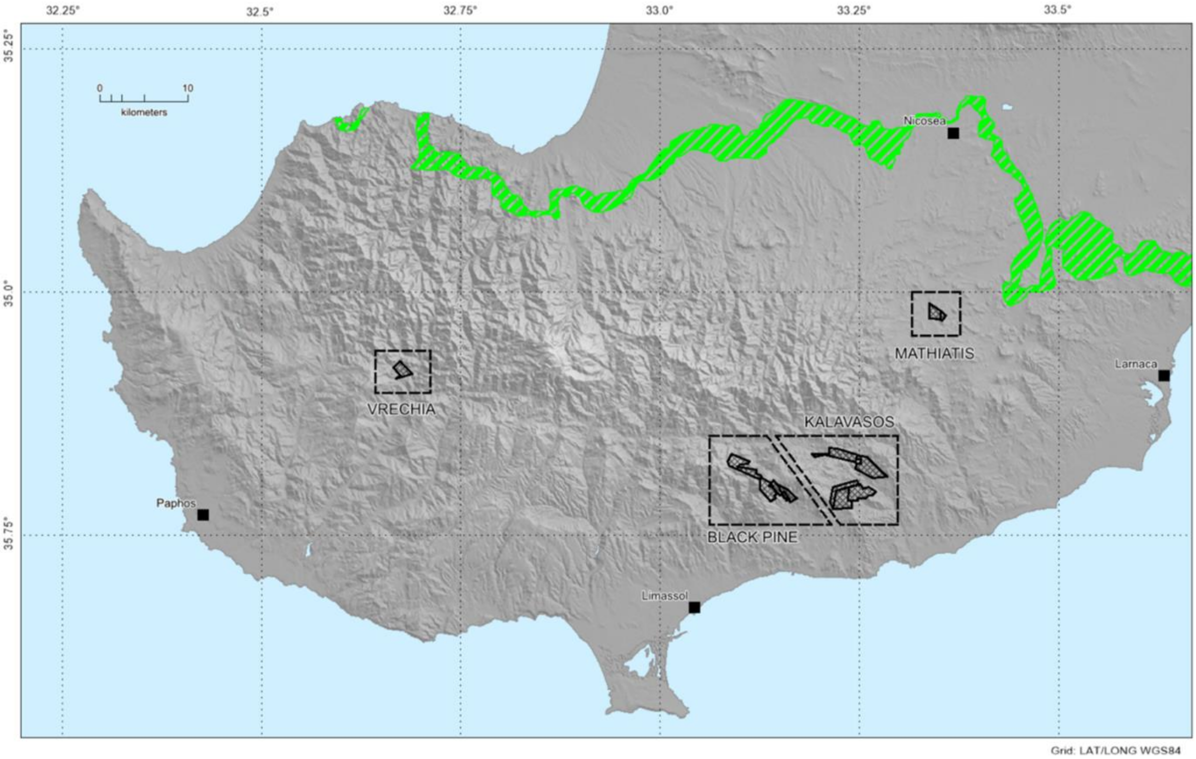

Figure 2 – *Permit map showing Project areas. The UN Buffer zone is shown in green as well as major urban centres.*

Table 1 – *Prospecting Permits (Granted and Approved)*

Licence	Name	Project	Area (km^2)	Status	Term	Year of Term	Expiry Date*
AE4607	Vasa	Kalavasos	3.85	Granted	1	5	19/05/26
AE4608	Asgata	Kalavasos	3.80	Granted	1	5	19/05/26
AE4745	Layia - Parsata	Kalavasos	4.55	Granted	1	1	09/08/31
AE4746	Ora - Layia	Kalavasos	3.47	Granted	1	1	09/08/31
AE4747	Vasa – Kellakiou	Kalavasos	2.28	Granted	1	1	09/08/31
AE4674	Milikouri	Vrechia	1.96	Granted	2	4	06/07/21
AE4748	Matiati	Mathiatis	0.36	Granted	1	1	09/08/31
AE4649	Matiati	Mathiatis	1.70	Granted	2	4	13/12/21
AE4610	Dhierona	Black Pine	3.89	Granted	1	5	19/05/26
AE4612	Prastio, Kellaki	Black Pine	1.36	Granted	1	5	19/05/26
AE4653	Prastio, Kelliakou	Black Pine	2.88	Granted	2	4	09/03/22
AE4654	Prastio, Kelliakou, Parekklisia	Black Pine	1.32	Granted	2	4	09/03/22
		Total	31.42				

* Expiry date subject to the Company's desire to maintain the licence to the end of its maximum permitted duration, i.e. 5 + 5 = 10 years.

3.2 Tenure Types in the Republic of Cyprus

The Cyprus Geological Survey (CGS) is highly active in promoting the country for mining and exploration, and provides island-wide publicly available datasets, such as the digital geology, at various scales. TDL used these publicly available datasets to select the project areas and support reconnaissance exploration on the Prospecting Permits. CGS also has an extensive archive of open-file data covering historic exploration and mining in Cyprus that was used by TDL to identify specific prospects and target areas within the Prospecting Permits and build local exploration datasets. Reconnaissance field mapping validation and surface sampling were then completed to validate the archival data.

There are two types of mineral exploration tenure in Cyprus:

- **Reconnaissance Permits**: Allow reconnaissance work only, including basic surface sampling and geophysics. Reconnaissance licences have less strict conditions upon grant and are reviewed more quickly. Caerus has no Reconnaissance Permits; and,
- **Prospecting Permits**: Allow all typical exploration work, including surface sampling, geophysics and drilling, subject to approval of specific programmes. Prospecting Permits can be up to 5 km^2 (500 ha) and are valid for 5 years (Term 1) with a further 5-year extension (Term 2) readily available.

Prospecting Permits are approved after the application has been reviewed by numerous government departments, including Defence, Antiquities, Forestry, Water Development, Fauna and Wildlife, Environment, and the relevant local community councils. This may lead to exclusion of specific areas from the licence or special conditions when working in specific areas.

Cyprus Mining Law is derived from the English Law used when Cyprus was a British colony (Cyprus Mines Services, 2018a). Prospecting Permits must be renewed annually with statutory reporting of expenditure and technical work. Annual expenditure commitments start at €10,000 per square kilometre and rise €50,000 per year from the third year of tenure. There are no statutory requirements to reduce the size of Prospecting Permits, though voluntary reductions can be made. Table 2 summarises the Caerus licence financials.

Table 2 – *Caerus Prospecting Permit Application Fees, Rent and Minimum Spend (Granted and Approved)*

Licence	Owner	Name	Project	Application Fees (€)	Environment Bond (€)	Rent (€)
AE4607	TDL	Vasa	Kalavasos	€ 320	€ 2,000	€2,500
AE4608	TDL	Asgata	Kalavasos	€ 320	€ 2,000	€ 2,500
AE4745	NCC	Parsata	Kalavasos	€ 320	€ 2,000	€ 3,125
AE4746	NCC	Ora - Layia	Kalavasos	€ 320	€ 2,000	€ 2,500
AE4747	NCC	Vasa – Kellakiou	Kalavasos	€ 320	€ 2,000	€1,875
AE4674	TDL	Milikouri	Mala	€ 320	€ 2,000	€ 2,680
AE4748	NCC	Matiati	Mathiatis	€ 320	€ 2,000	€ 625
AE4649	TDL	Matiati	Mathiatis	€ 320	€ 2,000	€ 2,680
AE4610	TDL	Dhierona	Black Pine	€ 320	€ 2,000	€2,500
AE4612	TDL	Prastio, Kellaki	Black Pine	€ 320	€ 2,000	€ 1,250
AE4653	TDL	Prastio, Kelliakou	Black Pine	€ 320	€ 2,000	€ 4,020
AE4654	TDL	Prastio, Kelliakou, Parekklisia	Black Pine	€ 320	€ 2,000	€ 2,680
			Total	€ 3,840	€ 24,000	€ 28,935

The agreements for the licences held by the Company do not specify a minimum spend requirement. However, over the period of tenure of the licences, the Company has committed €933,070 to exploration as of Q1 2021 which has satisfied Mines Services who review work undertaken and expenditure annually and the Proposed Work Programme to March 2022 will ensure this continues to be the case. Further, letters were received from the Ministry of Agriculture, Rural Development and Environment of which Mines Services is a department, dated 30 September 2020 (TDL) and 5 October 2020 (NCC) that confirm that the respective Companies own and has exclusive entitlements to the licences, also noting that the licences are in good standing with no contingencies.

3.3 Ownership Royalties, Agreements and Encumbrances

The current government royalty, calculated on the Free-On-Board (FOB) price, is 1% for metals and alloys; 2.5% for enriched minerals, cemented metals, salts or compounds of metals; and 5.0% for raw minerals (Eighth schedule, Regulation 36; Cyprus Mines Services, 2018a). Cyprus has a corporate tax rate of 12.5%.

Caerus has agreed to acquire the whole of the issued share capital of NCC subject, inter alia, to admission.

NCC, a privately owned, limited liability company registered in Cyprus, in turn, holds 70% of the shares of Treasure Development Ltd (TDL) which owns 100% of 8 granted Prospecting Permits described in this report. The other four Prospecting Permits being owned 100% by NCC directly.

The balance 30% of TDL is held by BMG Resources Limited and NCC will acquire a further 20% interest in TDL on completion of its planned work programme, for which no further consideration is payable, and the final 10% interest in TDL during the 12 months following completion of the work programme on payment of A$2 million or, if it elects not to exercise that right, through a 1% net smelter royalty until A$2 million has been paid.

Save for the arrangements with BMG, there are no ownership royalty agreements, external encumbrances or other agreements between Caerus, NCC or TDL and other parties relating to the Prospecting Permits. Caerus is purchasing all NCC's shares and will thus control all of hold a 70% beneficial interest in TDL's Prospecting Permits.

3.4 Antiquities

Cyprus has a continuous history of human occupation stretching back to the Neolithic Period with two significant sites (Khirokitia and Kalavasos) dating from circa 7000 BC. The Department of Antiquities reviews Prospecting Permit applications to ensure that sites of historical significance are not disturbed and provides details of any known sites in the Prospecting Permit grant documents. For important known sites part of the Prospecting Permit may be excised. If an undocumented site is discovered during the course of mineral exploration, then the Department of Antiquities must be informed and the site evaluated before further exploration can continue.

Currently, Caerus has no knowledge of any historically significant sites within its portfolio of projects.

3.5 Environment

3.5.1 Forestry

Forestry areas cover large parts of Cyprus, especially in the Troodos Mountains (Figure 3). These areas are managed by the Department of Forestry who review any Prospecting Permit applications that overlap with the Forestry area. All but the Mathiatis project area include areas of Forestry land.

The presence of forestry land is not likely to be detrimental to exploration. For example, recent drilling has been feasible at a number of the Permits that contain Forestry Land (BMG, 2013; 2014a, 2017).

3.5.2 Natura 2000

Natura 2000 is the centrepiece of the European Union's nature and biodiversity policy (EC, 2017) and was established under the 1992 Habitats Directive. It is a network of core breeding and resting sites for rare and threatened species and includes additional rare natural habitat types. It stretches across all 28 EU countries, both on land and at sea. The aim of the network is to ensure the long-term survival of Europe's most valuable and threatened species and habitats.

The network comprises Special Areas of Conservation (SACs) designated by Member States under the Habitats Directive and also incorporates Special Protection Areas (SPAs) which were designated under the 1979 Birds Directive.

Natura 2000 does not exclude human activities and much of the land is privately owned. The emphasis of Natura 2000 is to ensure that future land management is both ecologically and economically sustainable. Exploration is not prohibited; exemplified by TSX-listed Northern Lion Gold Corporation drilling their Mavroyi Prospect in 2013 (Northern Lion, 2014).

Rocklore notes that a number of Prospecting Permits and Application areas are wholly covered by or include areas of Natura 2000 Habitat and Birds Directives (Figure 4) but has been informed that no SAC or SPA areas are currently within the TDL's portfolio (either granted or under application).

3.6 Military Areas

There are small military bases and installations throughout Cyprus. Several sites are noted within the Kalavasos project area and are described in greater detail in Section 4.2.1.

None of the granted Prospecting Permits or Application areas intersect with the United Nations administered Green Line, demilitarised buffer zone (Figures 3 or 4).

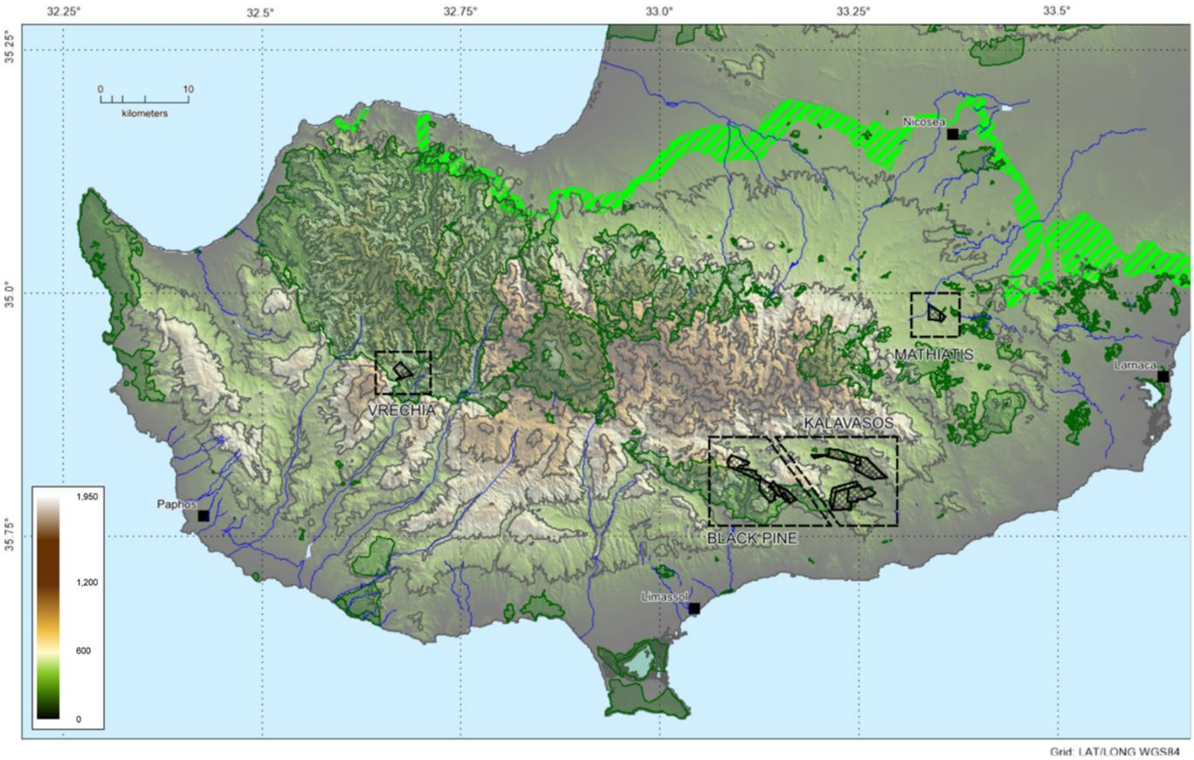

Figure 3 – *Distribution of Cyprus Forestry Land in green (data provided by Cyprus Mines Services, 2017). The UN Buffer zone is shown in green as well as major urban centres. Main water courses shown in blue (data pertains to Republic of Cyprus only).*

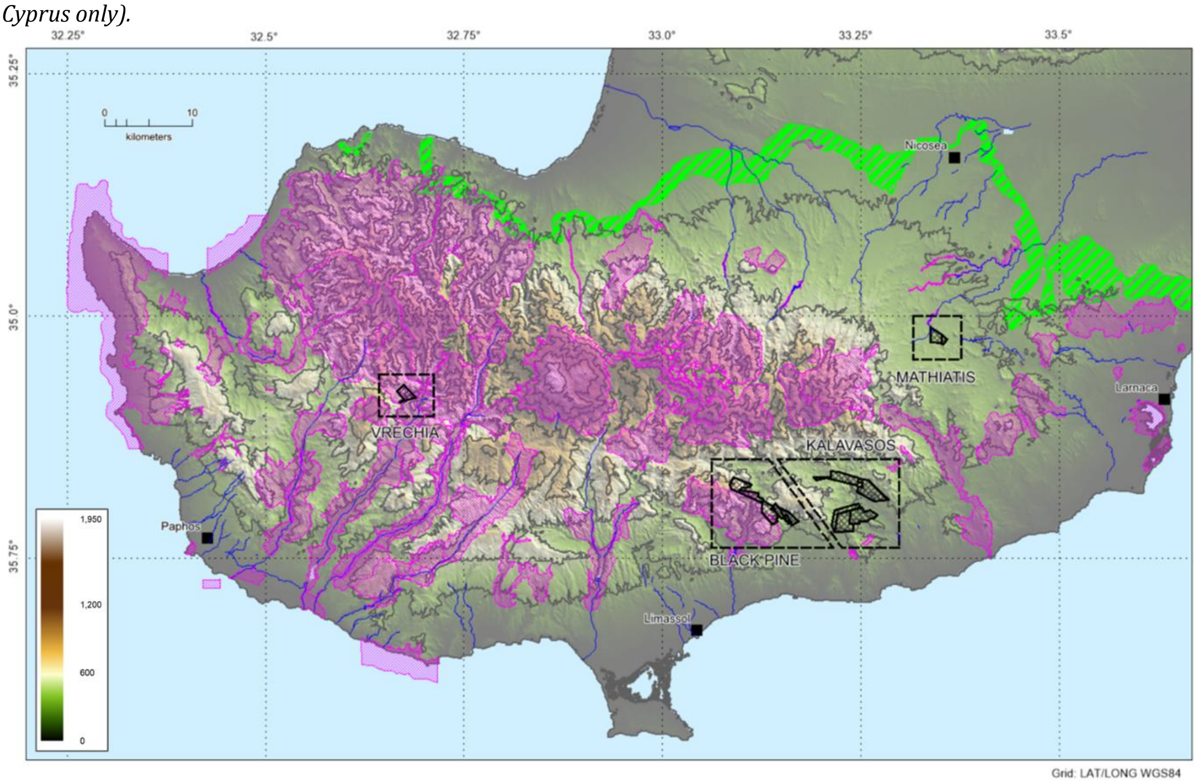

Figure 4 – *Distribution of Natura 2000 areas over Cyprus shown in pink (EC, 2017). The UN Buffer zone is shown in green as well as major urban centres. Main water courses shown in blue (data pertains to Republic of Cyprus only).*

4. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

4.1 General

Cyprus is an island located in the eastern Mediterranean Sea with closest neighbours Turkey, Lebanon, Syria, Israel and Egypt. Since the 1974 Turkish invasion, the Republic of Cyprus controls the southern 60% of the island with the northern part of the island occupied by Turkey. There are also several large military base areas held under British sovereignty and the United Nations demilitarised buffer zone within Cyprus. The Republic of Cyprus joined the European Union in 2004 and the Euro currency zone in 2008. Cyprus has a population of ca. 840,000 (2011 census) but has a sizable tourist influx during the warmer months.

4.1.1 Accessibility

A dual carriageway highway connects the major cities of Nicosia, Larnaca, Ayia Napa, Limassol and Paphos allowing fast easy travel around most of the country (Figure 5). A network of sealed roads joins all of the villages across the country. Numerous unsealed roads facilitate access into all but the remotest of areas. Access to each of Caerus's Project Areas is excellent and is described in more detail below.

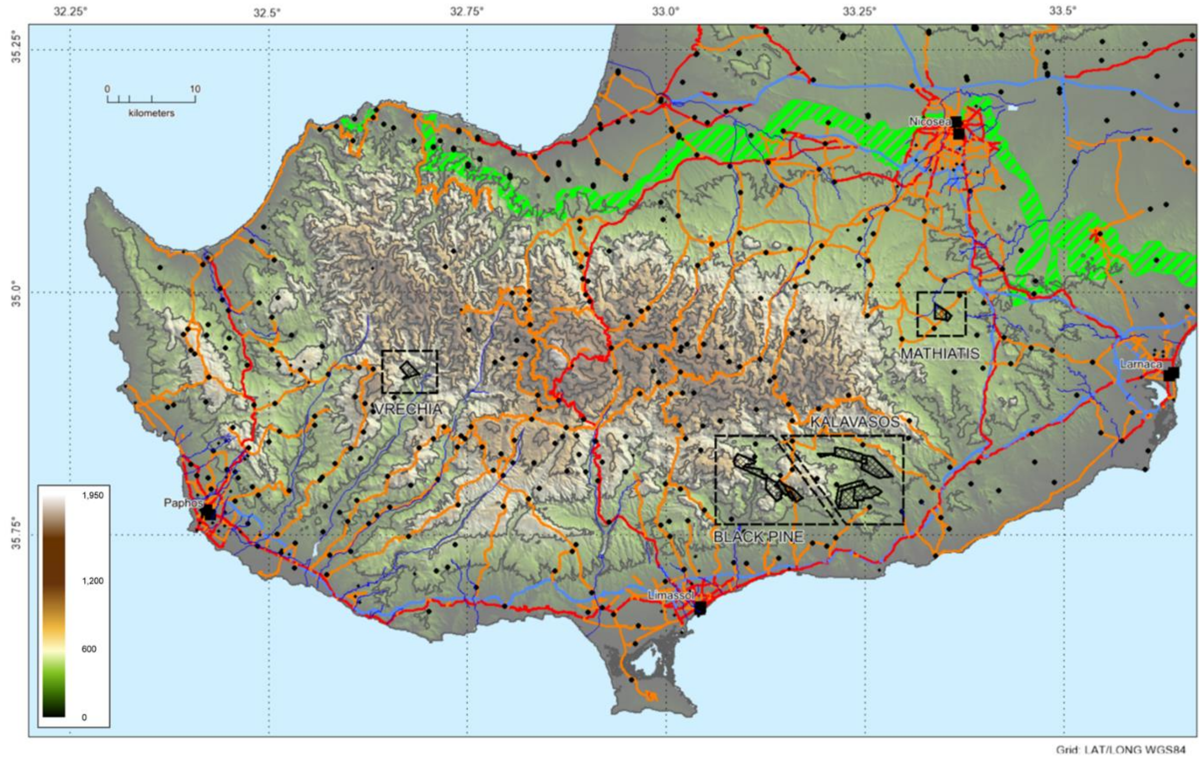

Figure 5 – *Main road network in Cyprus. Highway/motorway – blue; main roads – red; secondary roads – orange; settlements in black (data from Cyprus Mines Services, 2017). The UN Buffer zone is shown in green as well as major urban centres. Main water courses shown in blue (data pertains to Republic of Cyprus only).*

4.1.2 Climate

Cyprus has one of the warmest climates in the Mediterranean area and is classified as sub-tropical with very mild winters on the coast and warm to hot summers.

In general, the island experiences mild wet winters and dry hot summers. Variations in temperature and rainfall are governed by altitude and, to a lesser extent, distance from the coast. Average annual temperatures range from a minimum of 13.9°C to a maximum of 23.6°C, averaging 18.7°C. Mean annual rainfall is 386.7 mm (Cyprus Meteorological Service, 2018). There is typically enough snow in winter at the top of Mount Olympus that a number of short ski runs are maintained.

The climate does not limit the operating season and Caerus is able to conduct exploration all year round. Project specific climate is covered in more detail in the sections below.

4.1.3 Infrastructure

Cyprus is a modern, first-world country with excellent infrastructure such as roads, ports and mobile phone coverage. There are international airports at Larnaca and Paphos with daily flights to many destinations throughout the year. There is a comprehensive, modern road network (see Section 4.1.1). There is no rail network in Cyprus.

Since Cyprus has no primary energy sources, the Electricity Authority of Cyprus (EAC) depends entirely on imported fuel (mainly heavy fuel oil) for electricity generation. At present the EAC owns and operates three Power Stations with a total installed capacity of 1478 MW: Vasilikos, Dhekelia and Moni (EAC, 2018). The Vasilikos site is suitable for partial conversion to liquified natural gas (LNG), potentially benefiting from the sizable Leviathan gas field discoveries in the eastern Mediterranean (Delek, 2018).

Local renewable generation is provided by wind turbines and solar panels. There are also a number of biofuel installations. Power is distributed via medium voltage lines.

According to the Transmission and Distribution Rules (EAC, 2018), transmission starts from the busbars of the transmission substations that are housed in the power stations and via 132 kV or 66 kV overhead power lines or underground cables reaches the 11 kV or 22 kV Medium Voltage switchgear in all the other transmission substations that are usually located within the load centres.

Water use in Cyprus is administered by the Water Development Department. Rainfall is unevenly distributed with the highest mountains and the south-western coastal region having the highest rainfall. Approximately 90% of rainfall returns to the atmosphere as direct evaporation or transpiration. The remainder is distributed between surface and groundwater storage with a ratio of 1:3, respectively. It is estimated that about a third of the groundwater flows to the sea.

Climate change and increased consumption of both surface and groundwater storage in Cyprus has necessitated water saving measures and future natural resource development and production will have to diligently address supply, consumption and recycling.

4.1.4 Local Resources

Although Cyprus has a long history of copper mining, there is currently only limited mining or mineral exploration. Therefore, there are few local service providers with mineral exploration experience. However, Cyprus does have a large quarrying industry for non-metallic material with ca. 16.4 Mt (mainly aggregate) mined annually (Cyprus Mines Services, 2018b). There are some resources that could be adapted from the quarrying industry for TDL's exploration.

There are no geophysical contracting companies based in Cyprus, so any such work would require contractors coming from abroad. There are local drilling companies, but most of these are not experienced with mineral exploration. Discussions will be held with local drilling contractors to gauge their abilities, but it is expected that a drilling contractor would be brought from abroad to complete Caerus's anticipated drilling programmes. There are no assay laboratory facilities in Cyprus experienced in processing mineral exploration samples to the required standard to publicly report the results. However, there is a laboratory operating under guidance from ALS that has the capacity to undertake sample preparation. Caerus is currently working with ALS and the laboratory based in Larnaca to prepare samples in Cyprus such that the Company will be able to ship 200g pulps to the ALS laboratory at Rosia Montana, Romania for assay.

Mr Andrew Daniels has held residency in Cyprus for 3 years and has been active in the Cyprus mining industry for over 5 years. Mr Daniels is well known in the mining sector and respected by local authorities and the Cyprus Mines Department. Much of the increased exploration and development interest in Cyprus is due to the active promotion of the sector by Mr Daniels and his business partner over recent years. Mr. Daniels has been a full-time resident of Cyprus for 5 years. When he first arrived in the country there was no exploration of any note taking place. After reviewing historic data he established close ties with the Geological survey of Cyprus and the Mines Department. At the same time he secured exploration licences and started to promote his licence portfolio as well as Cyprus as a future exploration destination primarily in order to raise finance. Since that time he has been made a Qualified Person in Cyprus. Up to this point in time there had been no non-Cypriot Greek- speaking Qualified Person's appointed. His appointment is therefore unique and reflects his relationship with the Mines Department. His partner in promoting the sector in Cyprus was Mr. Pierre Richard.

Preliminary enquiries indicate that there are numerous local geologists who will be available to work for Caerus. It is expected that a field office, workshop and core facility will be maintained near the Kalavasos project area. Caerus has a proactive strategy to attract, recruit and retain skilled labour associated with, and committed to, the Cyprus exploration industry. This has been achieved firstly with the engagement of Mr George Nikitas, a geologist and Greek Cypriot resident of Cyprus with 25 years of local experience. Mr Nikitas will be involved with day to day exploration and will assist an external consultant with the development of a project database and GIS. Dr Kiriakis Louka has also been recruited on a consulting basis. Dr Louka has over 50 years of exploration and mining experience in Cyprus.

The Company has also continued the employment of Mr Pambos Thrasou. Mr Thrasou is a mining engineer with over 40 years' experience and was a part-time employee of NCC. He is also the ex-Head of the Cyprus Mines Department. The team will be overseen by Mr Andrews.

The Company recently entered into an agreement in December 2020 with OREX, an international geological consultancy offering expertise in the construction of databases, GIS (QGIS), and 3D resource modelling (Leapfrog) software. The principal of OREX is resident in Cyprus.

The Company will rent a suitable field office close to Kalavasos. Caerus already has a core store that it uses for Ni-Co diamond drill core and RC samples from Vrechia.

4.1.5 Physiography

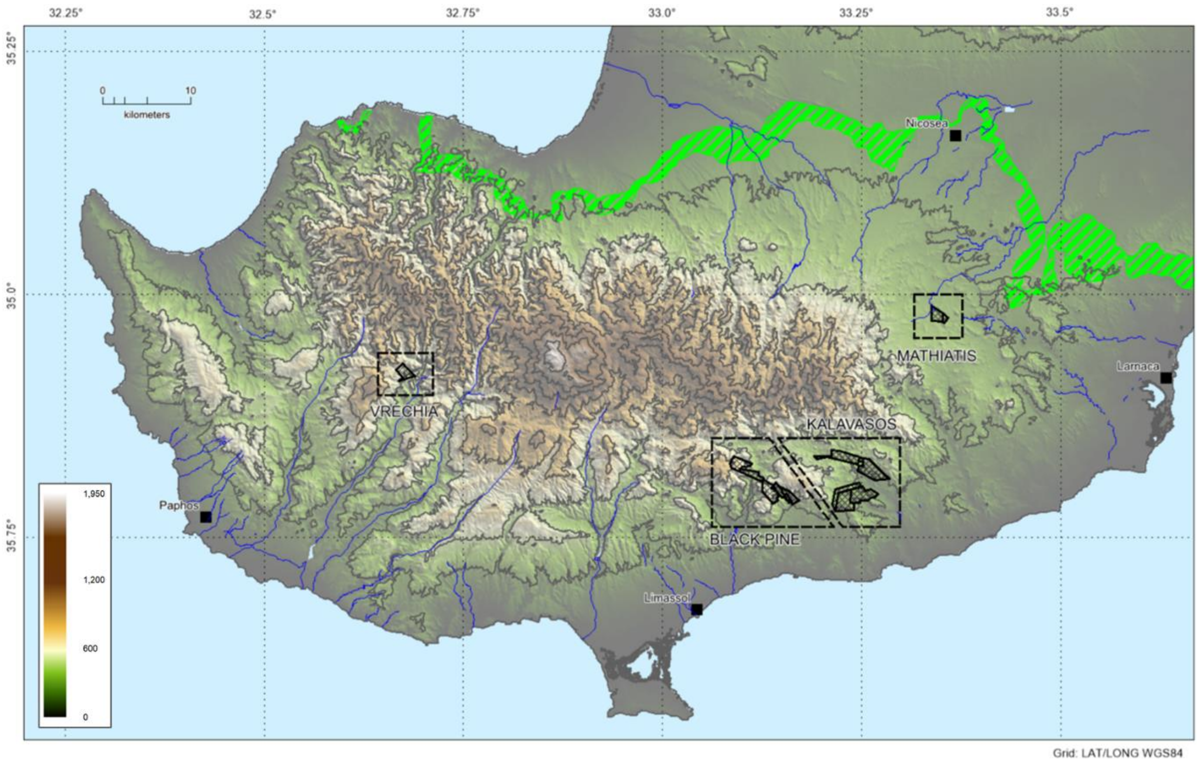

Figure 6 – *Topography from SRTM (2018; 250 m contours) data and location of Caerus's Prospecting Permits. Main water courses shown in blue (data pertains to Republic of Cyprus only).*

The island of Cyprus has a total area of 9,251 km^2 and is dominated by two mountain ranges; the Troodos Mountains in the central part of the island, rising to 1,952 m (Mount Olympus; Figure 6) and the Pentadaktylos Mountains (Kyrenia Range) in the north of the island, rising to 1,085 m.

Between the two ranges lies the Mesaoria plain, which together with the narrow alluvial plains along the coast make up the majority of the productive agricultural land on the island. Most of the rivers only flow in winter and have their sources in the Troodos Mountains. There is only one substantial river with its source in the Pentadaktylos Mountains.

Cyprus remained unglaciated through the last ice age. Its landscape and topography has therefore been shaped by tectonic upheaval, erosion and mass transport, as well as deep incision by rivers.

Cyprus lies in a seismically active zone and both historical and contemporary data clearly show the area's most prone to risk. The National Oceanic and Atmospheric Administration seismic risk across the Caerus's Projects portfolio is defined as MEDIUM (0.8 – 2.4 PGA) to HIGH (2.4 – 4 PGA ground acceleration, ms^{-2}), noting one significant, historical recorded earthquake of between 6 – 6.9 magnitude (WHO, 2010). There is also archaeological evidence of significant earthquakes destroying ancient cities, such as Kurion in ca. 365 AD (Wikipedia, 2018). Figure 7 shows the distribution and magnitude of recorded seismic events from 1896 to 2017 throughout the eastern Mediterranean. In context, the activity in Cyprus is comparatively low when compared to that seen in Turkey and Greece. In summary, the seismic risk whilst high, is well known, and modern engineering and construction methods can successfully mitigate the risk from routine seismic activity.

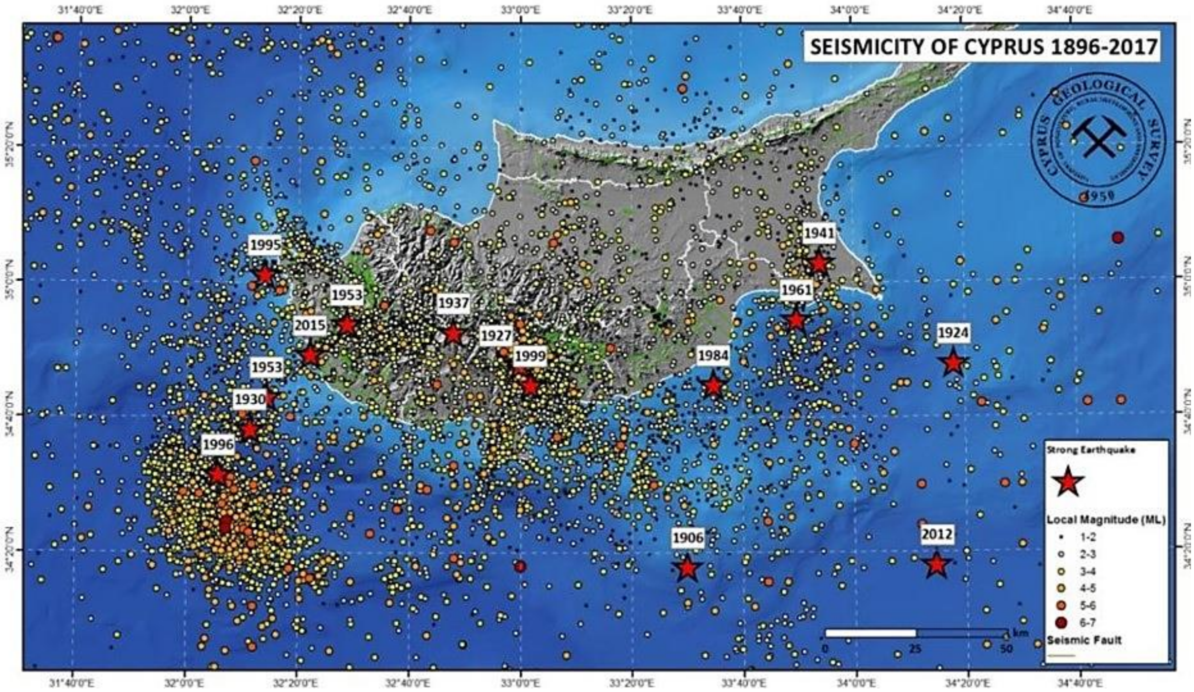

Figure 7 – Earthquake *epicentral distribution (colour scale denotes the magnitude scale) of earthquakes recorded during 1896 – 2017 (Geological Survey Department, 2017)*

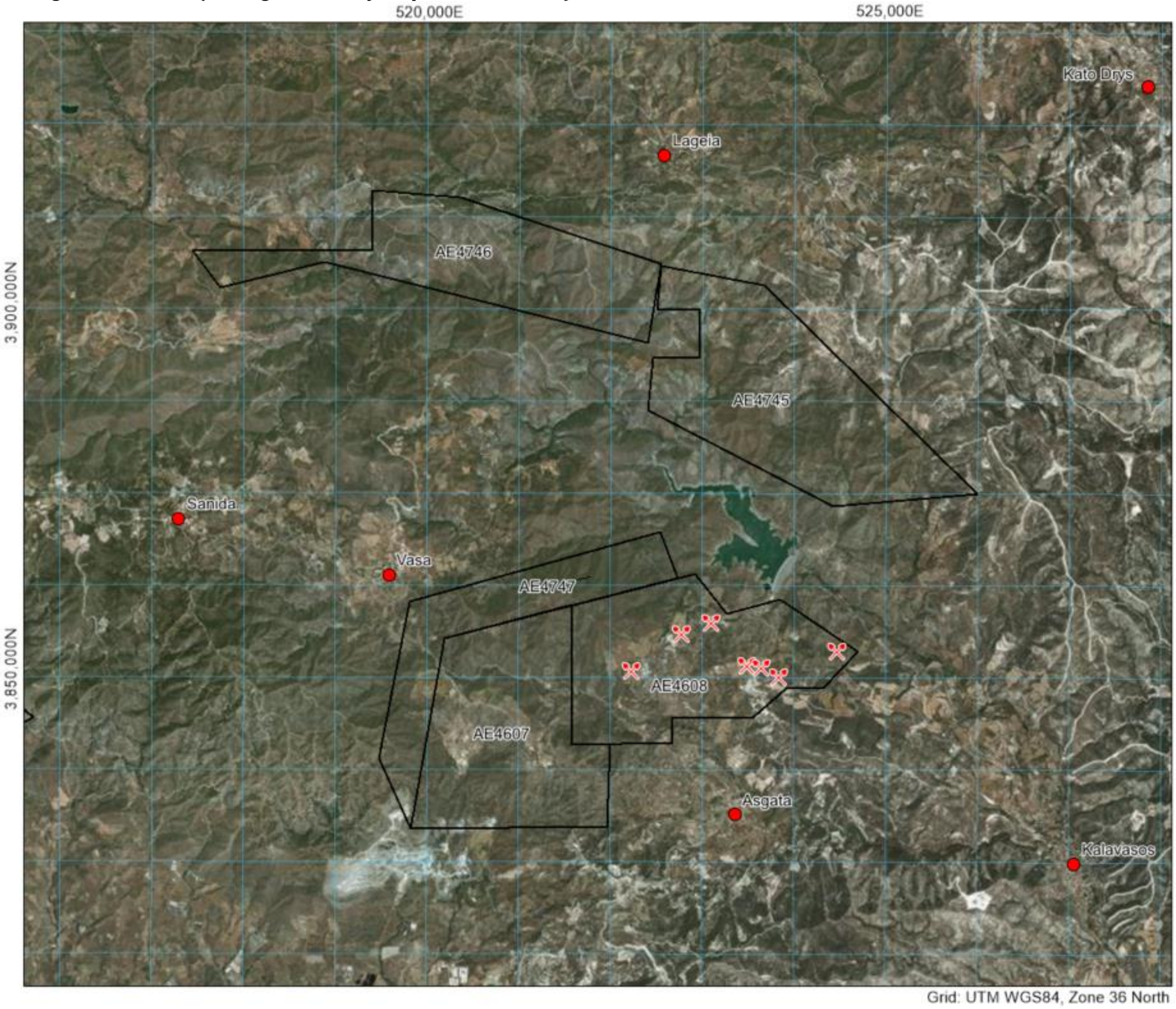

Figure 8 – *General map of the Kalavasos Project.*

4.2 Kalavasos Project area

The Kalavasos Project comprises five prospecting permits (AE4607, AE4608, AE4745, AE4746, AE4747) on the southern margin of the Troodos Mountains. The total licenced area is 17.95 km². The project is ca. 22 km northeast from the Limassol city centre and ca. 8 km north-northwest from the Vasilikos power plant and port complex.

4.2.1 Accessibility

Access to the Kalavasos project area is good with numerous surfaced and unsurfaced roads servicing local communities and farmland. Primary access to the greater area is via the east to west A1 highway which links Limassol to Larnaca. Sealed roads run north from the A1 highway to larger villages, notably Kalavasos and Asgata. Minor surfaced roads and tracks traverse the project area and are largely for agriculture and forestry. Several wide sections of unsurfaced track serve also for military use and as a firebreak (Figure 8).

There are several areas of Forestry land within the Kalavasos project but no Natura 2000 land (Figure 9). It is unlikely that the Forestry land classification will be significantly detrimental to exploration scheduling.

As outlined in Section 5, the area has been a focus for mining for millennia and numerous ancient and recent history extraction sites are found within the permits.

Access is restricted around two military installations to the north of Asgata. One is adjacent to the Platies open pit (see Section 5.2.9). A second occupies the historical Mavri Sykia open pit and may exploit underground workings, (see Section 5.2.6).

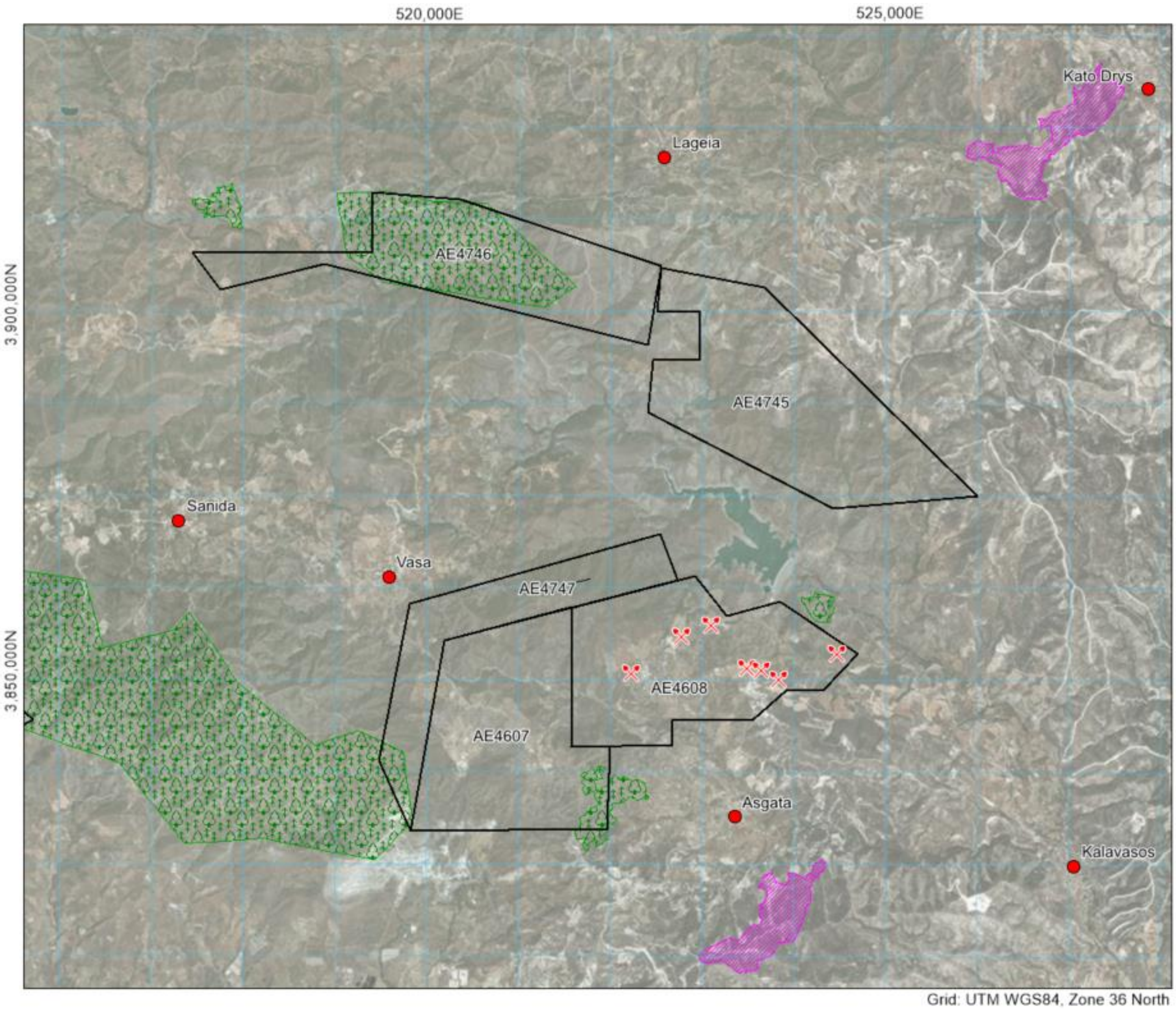

Figure 9 – *Forestry land (green) and Natura 2000 areas (pink) relative to the Kalavasos Project.*

4.2.2 Climate

The Kalavasos Project area is situated in the south-eastern foothills of the Troodos Mountain and is close to the coast. The nearest weather station is the Kalavasos station, #572 at 185 masl (Figure 10). Apart from immediately after heavy rainfall the annual climate pattern does not pose any serious impediment to Caerus's exploration.

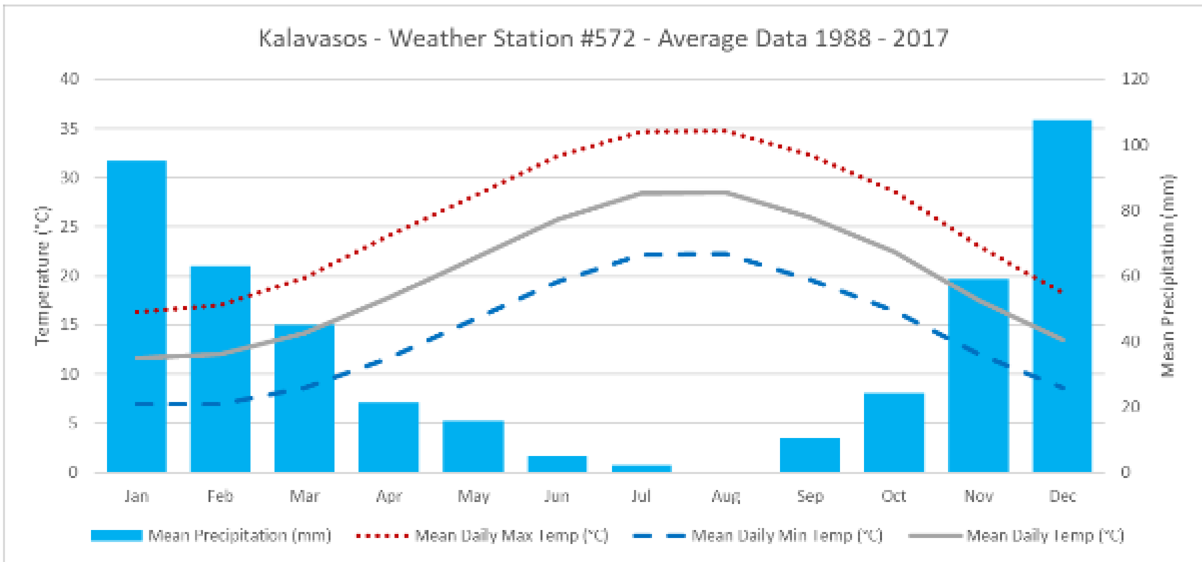

Figure 10 – Average climate data from 1988 to 2017 for Kalavasos Weather Station #572 (Cyprus Meteorological Service, 2018).

4.2.3 Infrastructure

As noted in Section 4.2.1, access to the Kalavasos Project area is good, via numerous surfaced and unsurfaced roads and tracks. The nearest international airport is at Larnaca and provides regular services to a number of major European, Russian and Middle Eastern airports.

Rivers tend to be winter ephemeral. The Kalavasos reservoir is the largest standing body of water in the area and is adjacent to the north-eastern boundary of the project. The Kalavasos dam (62 m high, rockfill design, with 500 m curved crest consisting of main embankment and coffer dam, concrete spillway, tunnel and valve shafts and geotechnical works; completed 1985 (Joannou and Paraskevaides Engineering, 2018)) is fed by the Vasiliko river and holds 17.1 million m^3. Smaller dams and ponds are maintained locally for agriculture.

Power supply is provided by the local power network and appears to be adequate for supporting exploration and preliminary development. The Vasilikos power plant is ca. 8 km to the south.

Rocklore cannot comment on the long-term water and power supply considerations that would need to be assessed as part of any advanced studies on any particular site of interest. However, the presence of a number of large historical operation in the project area implies that neither power nor water limited production in the past.

Climate change and stressed ground water conditions do however pose a longer-term risk to water supply. It was observed that the Kalavasos reservoir, the major sources of water for the Limassol region, was very low. Records show that it was at 10.1% of capacity on 12 Nov 2018, and that maximum storage during 2018 was only 18.2% (WDD, 2018).

4.2.4 Local Resources

The villages of Kalavasos (4 km south) and Asgata (adjacent) provide basic local amenities and are the only settlements of note in the project area. Numerous smaller villages generally have small cafes and grocery stores. The nearest hospital is in Limassol (22 km).

As discussed in Section 4.1.4 specialised exploration equipment and resources (e.g. drill rigs, geophysical contractors) will need to be sourced from abroad. The presence of historical mining and present-day quarrying for road and building materials nearby implies that there are contractors and suppliers in the local community that can provide general services for exploration. The local area is generally utilised for agriculture and there are numerous villages and small towns where those resources required for such a programme can be drawn (man-power, fuel, water, subsistence and building materials).

4.2.5 Physiography

The Kalavasos Project is situated on the western flanks of the Kalavasos river valley, reaching west across a parallel valley. The land rises in a northern direction into the south-eastern flanks of the Troodos Mountains. The terrain varies from low rolling hills in the south and west (sediments), to more steep sided hillsides with incised valleys in the east and south (volcanics). The lower relief ground is almost entirely utilised for agriculture (livestock, fruit, grain, olives) whilst the steeper ground is predominantly coarse scrub.

The maximum elevation is near the northern boundary of the permits where the hills reach just over 460 m. The lowest point of the project is at 149 m in the Vasilikos river valley (Figure 11).

The Cyprus Geological Survey Department classify the Kalavasos Project as being in Seismic Zone 2 (Geological Survey Department, 2004) which dictates the earthquake-resistant engineering compliance required for construction. There is a seismic monitoring station in Asgata.

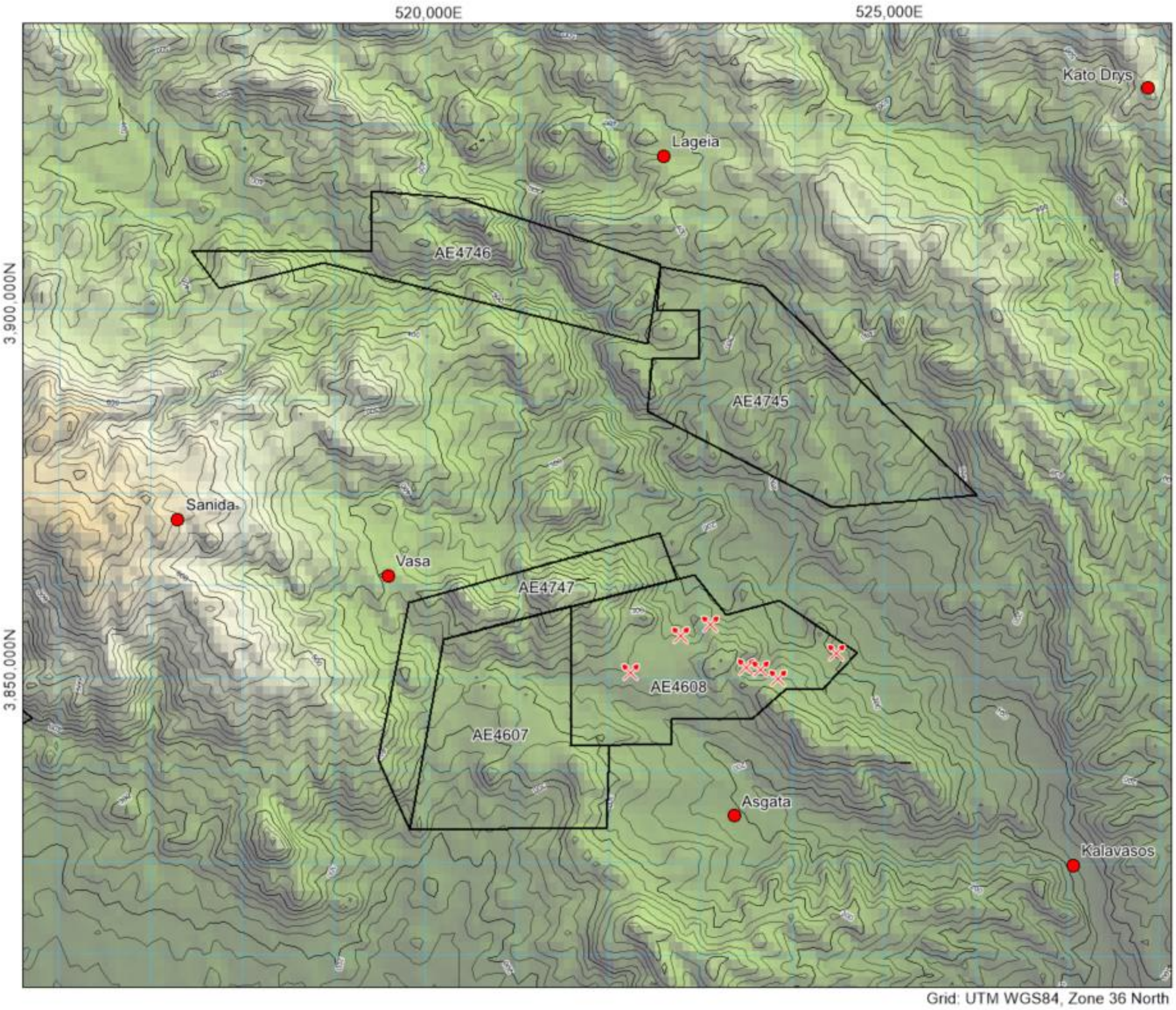

Figure 11 – *STRM topography with contours for the Kalavasos Project. (20/**100m** intervals)*

4.3 Vrechia Project area

The Vrechia project comprises a single prospecting permit (AE4674) on the western margin of the Troodos Mountains. The total licenced area is 1.96 km^2. The project is ca. 28 km northeast from the Paphos city centre.

4.3.1 Accessibility

Access to the Vrechia project area is restricted to minor surfaced roads and forestry tracks. Access to the area is via the E703 surfaced road which links to the forested mountains to the Paphos coastal region. From the village of Pano Panayia, a secondary road climbs steeply for 2 km into the mountains and the turn off for the Mala project site is next to a public picnic area. Here, the forest tracks run all the way to the project from the road-head. Unproven access is also reported to be possible from the south (Figure 12).

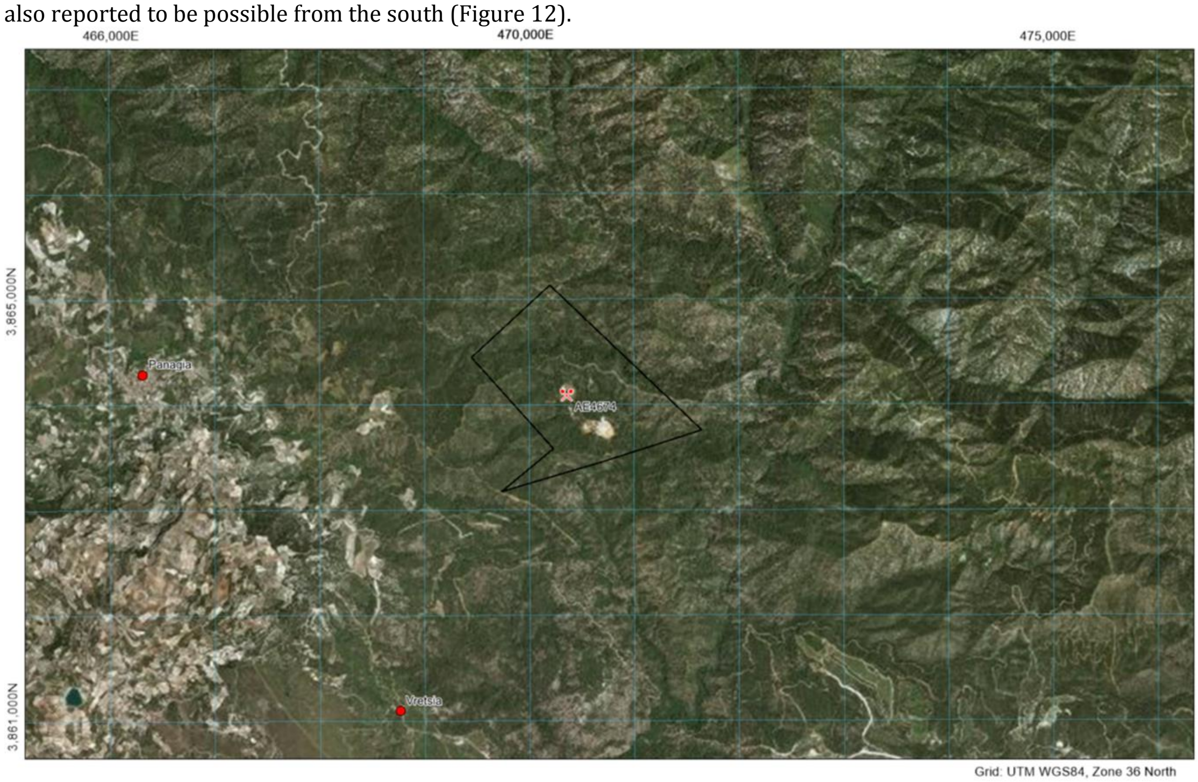

Figure 12 – *General map of the Vrechia Project.*

The entire permit is covered by Forestry and Natura 2000 classified land (Fig 13). Prospecting Permit conditions request that all mechanical work, including drilling, be avoided within Natura 2000 areas during the raptor breeding period (March-July). Careful scheduling of work across the whole permit portfolio should limit the impact of work constraints during breeding periods.

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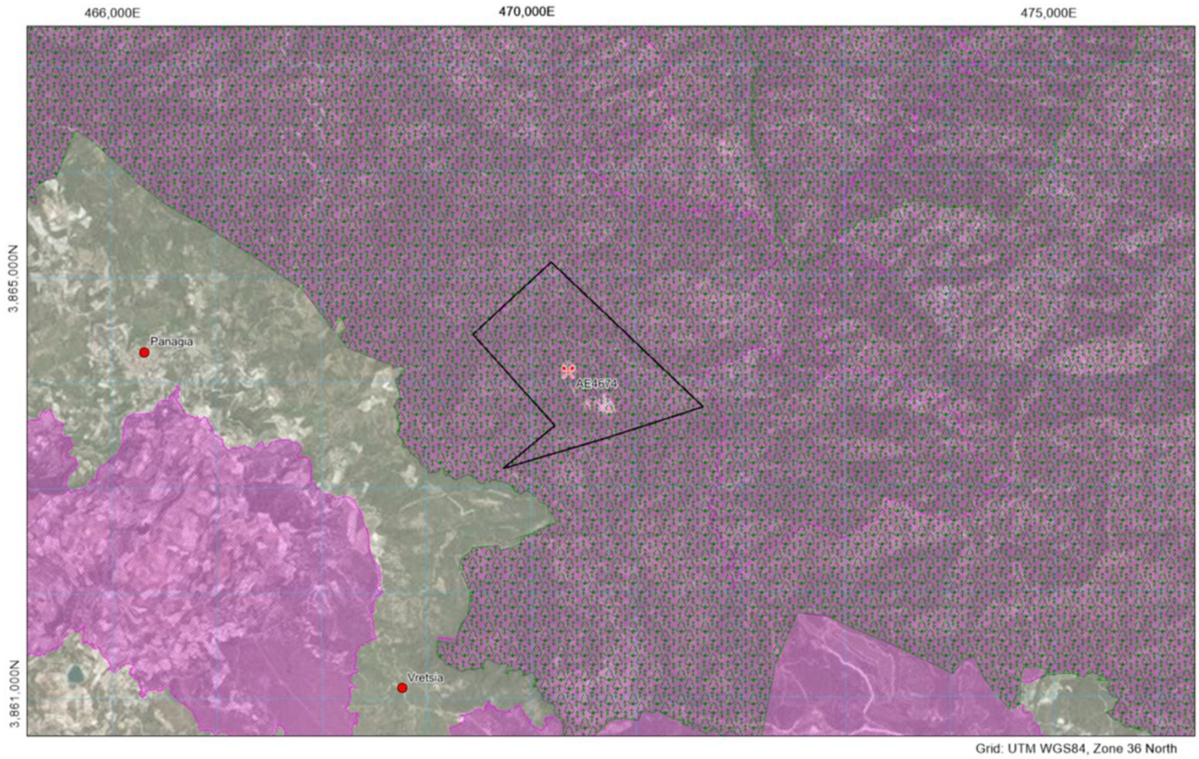

Figure 13 – *Forestry land (green) and Natura 2000 (pink) areas relative to the Vrechia Project.*

As outlined in Section 5, the area has been a focus for mining for millennia. The Project area includes the abandoned Mala mine. There is surface evidence (notably slag) to suggest other areas of older exploitation.

There are no military installations within the project.

4.3.2 Climate

The Vrechia Project area is situated in the south-western foothills of the Troodos Mountains and is some distance from the coast and at an altitude of 490 to 670 masl. The nearest weather station is the Pano Panagia station, #120 at 820 masl (Figure 14). Apart from immediately after heavy rainfall the annual climate pattern does not pose any serious impediment to Caerus's exploration.

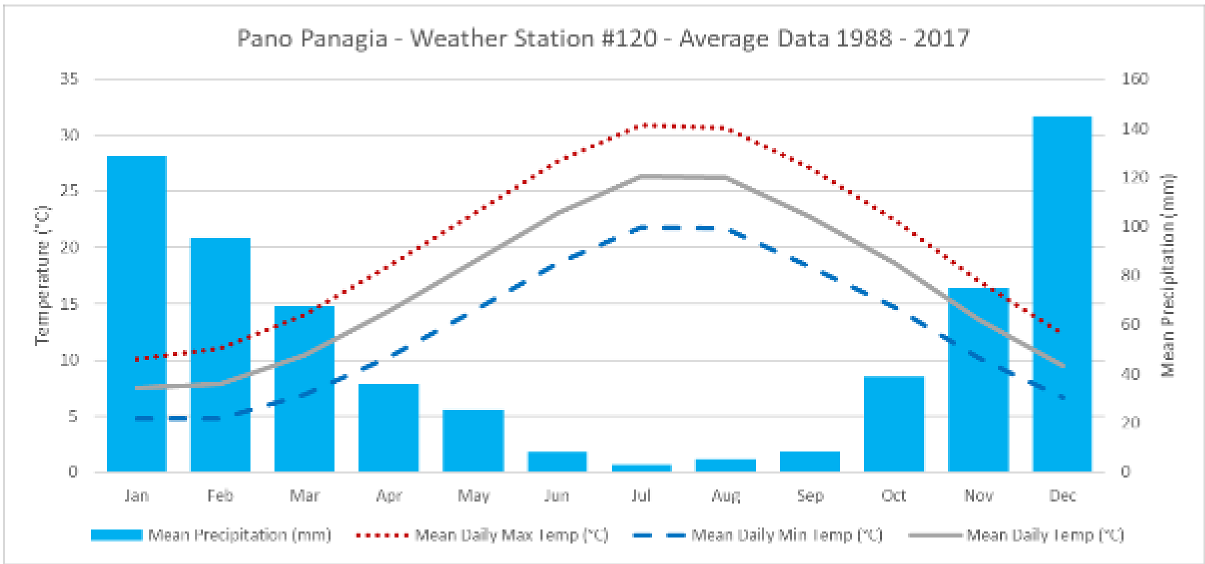

Figure 14 – Average climate data from 1988 to 2017 for Pano Panagia Weather Station #120 (Cyprus Meteorological Service, 2018).

4.3.3 Infrastructure

As noted in Section 4.3.1, access to the Vrechia Project area is restricted to forest roads. The nearest international airport is at Paphos and provides regular services to a number of major European, Russian and Middle Eastern airports.

Rivers tend to be winter ephemeral and there are no major reservoirs or standing bodies of water within the immediate area of the project.

There is no immediate electrical supply to the project area.

Rocklore cannot comment on the long-term water and electrical supply considerations that would need to be assessed as part of any advanced studies on any particular site of interest. However, the presence of a historical operation in the project area implies that neither power nor water limited production in the past.

Climate change and stressed ground water conditions do however pose a longer-term risk to water supply.

4.3.4 Local Resources

The villages of Pano Panayia (4 km west) provides basic local amenities and is the only settlement of note in the project area.

Rocklore has commented on access to specialised services in Section 4.1.4. Caerus intends to set up a field base near the Kalavasos Project area which is easily commutable. The presence of historical mining and present-day quarrying for road and building materials nearby implies that there are contractors and suppliers in the local community that can provide general services for exploration, noting the Skouriotissa mine, some 28 km to the northeast.

4.3.5 Physiography

The Vrechia Project is situated on the western flanks of the Troodos Mountains. The local topography is typified by steep slopes and sharp ridges and spurs (volcanics). The primary site of interest, the former Mala mine is located in a steep sided valley. Extensive tailings and waste have infilled a significant portion of the valley. Groundcover is a mix of Alpine pine and deciduous trees and plants. Steeper ground and worked ground is predominantly coarse scrub.

The maximum elevation is just over 670 m; the lowest point of the project is at 470 m in a valley floor (Figure 15).

The Cyprus Geological Survey Department classify the Vrechia Project as being in Seismic Zone 2 (Geological Survey Department, 2004) which dictates the earthquake-resistant engineering compliance required for construction.

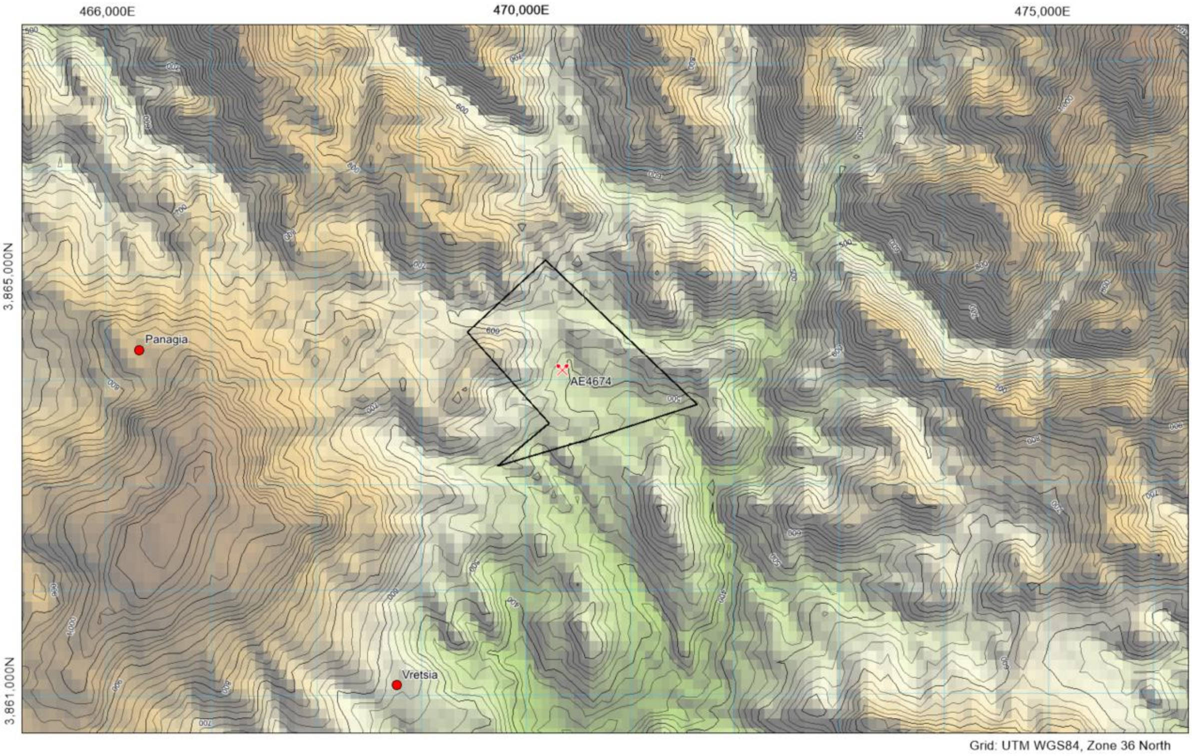

Figure 15 – *STRM topography with contours for the Vrechia Project (20/**100m** intervals)*

4.4 Mathiatis Project area

The Mathiatis Project comprises two granted prospecting permits (AE4649, AE4748) on the northern flanks of the Troodos Mountains, approximately 20 km south-southwest of Nicosia. The total licenced area is 2.06 km^2. The villages of Mathiatis and Agia Varvara are adjacent to the Project area. The Project area includes the abandoned Mathiatis North mine.

4.4.1 Accessibility

Access to the Mathiatis project area is good with numerous surfaced and unsurfaced roads servicing local communities and farmland. Primary access to the greater area is via the A1 highway which links Larnaca to Nicosia. Sealed roads run southwest from the A1 highway to larger villages, notably Mathiatis. Minor surfaced roads and tracks traverse the project area and are largely for agriculture and forestry (Figure 16).

Whilst there is no Forestry or Natura 2000 classified land within the permits, there are some small areas nearby that might be of importance for longer term planning. The most notable of these is the downstream, narrow riverine strip of Natura 2000 land to the north of the AE4649 permit (Figure 17).

As outlined in Section 5, the area has been a focus for mining, potentially for millennia, and hosts the abandoned Mathiatis North mine.

There are no military installations within the project.

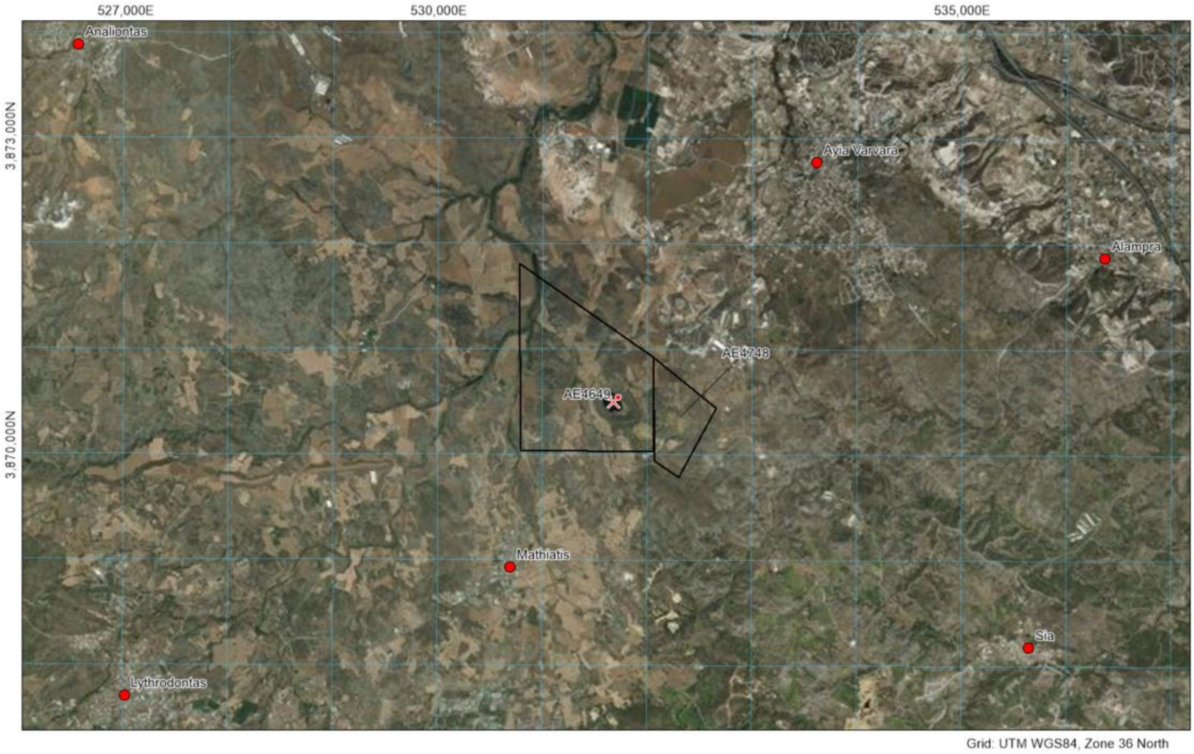

Figure 16 – *General map of the* Mathiatis *Project.*

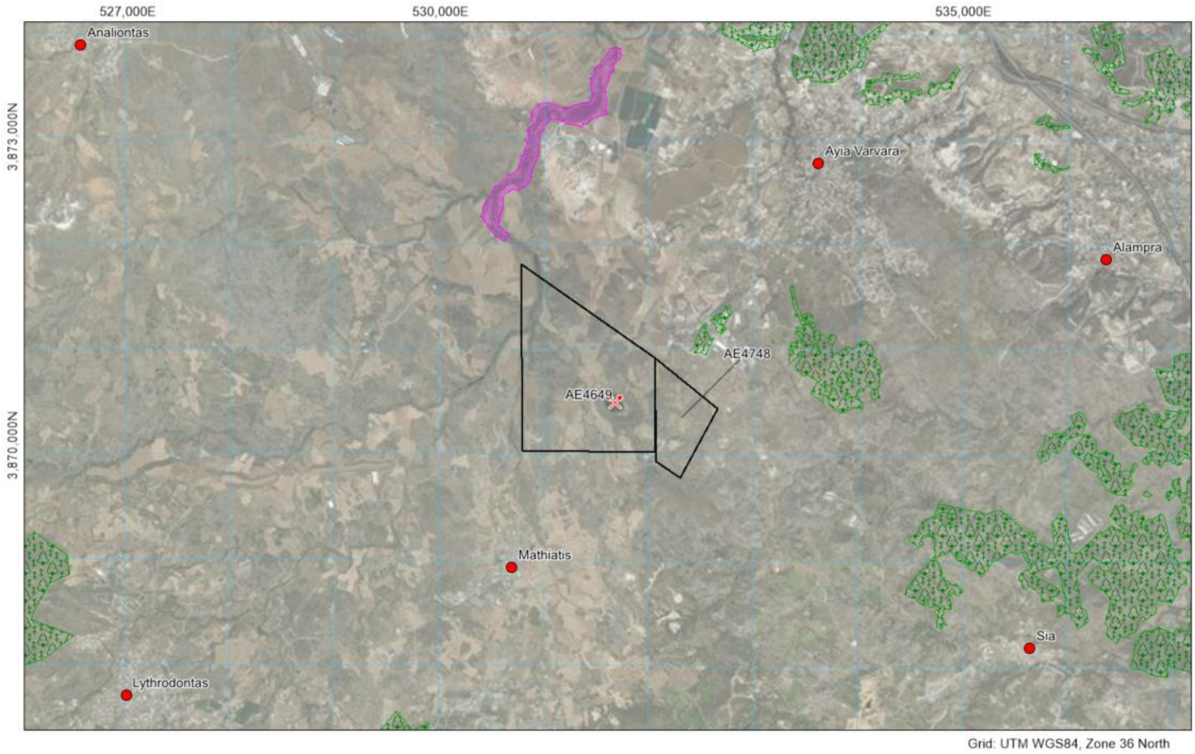

Figure 17 – *Forestry land (green) and Natura 2000 (pink) areas relative to the Mathiatis Project.*

4.4.2 Climate

The Mathiatis Project area is in the northern foothills of the Troodos Mountains. The nearest weather station is the Kornus station, #660 at 370 masl (Figure 18). Apart from immediately after heavy rain the annual climate pattern does not pose any serious impediment to Caerus's exploration.

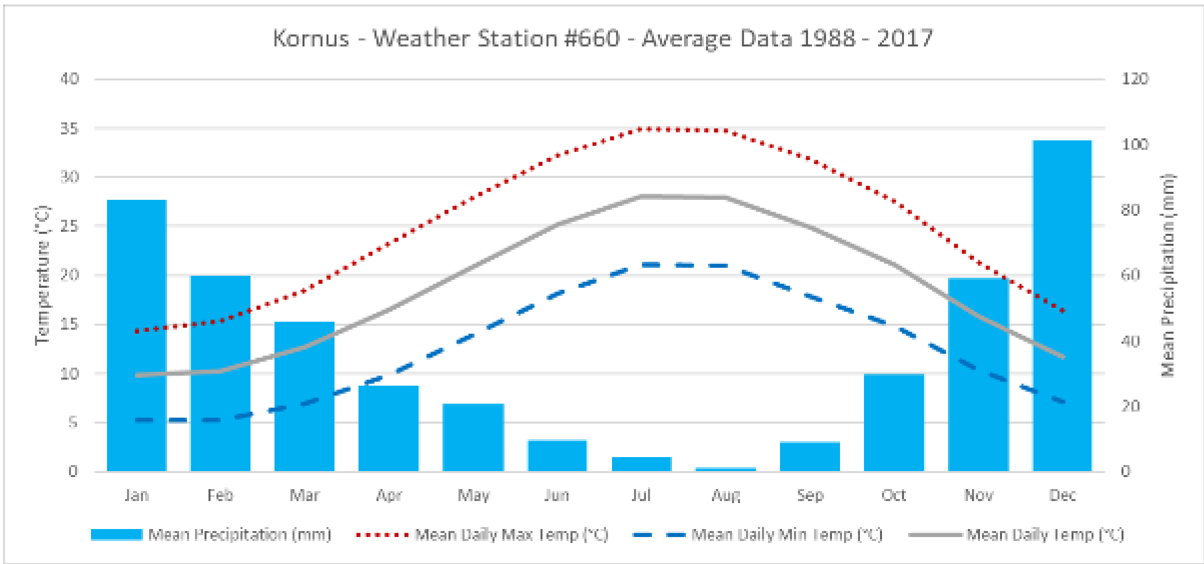

Figure 18 – Average climate data from 1988 to 2017 for Kornus Weather Station #660 *(Cyprus Meteorological Service, 2018)*

4.4.3 Infrastructure

Nicosia is only 20 km from the project area along excellent sealed roads. Access throughout the Mathiatis Project area is good. The nearest airport is Larnaca, which is 35 km via road; less than 1 hr driving. The area is well catered for water and electricity.

As noted in Section 4.4.1, access to the Mathiatis Project area is good, via numerous surfaced and unsurfaced roads and tracks. The nearest international airport is at Larnaca and provides regular services to a number of major European, Russian and Middle Eastern airports.

Rivers tend to be winter ephemeral. There are no major bodies of standing water within the general project area. Smaller dams and ponds are maintained locally for agriculture.

Power supply is provided by the local power network and appears to be adequate for supporting exploration and preliminary development.

Rocklore cannot comment on the long-term water and power supply considerations that would need to be assessed as part of any advanced studies on any particular site of interest. However, the presence of a number of large historical operation in the project area implies that neither power nor water limited production in the past.

Climate change and stressed ground water conditions do however pose a longer-term risk to water supply.

4.4.4 Local Resources

The villages of Mathiatis and Agia Varvara are within the general project area, so basic amenities are readily available. The nearest hospital is in Nicosia.

As discussed in Section 4.1.4, Caerus may need to import specialised exploration equipment and skills and plans to service the Project from its nearby Kalavasos field base.

4.4.5 Physiography

There is some significant relief associated with individual hills, but in general relief is moderate (Figure 19).

The Cyprus Geological Survey Department classify the Mathiatis Project as being in Seismic Zone 2 (Geological Survey Department, 2004) which dictates the earthquake-resistant engineering compliance required for construction.

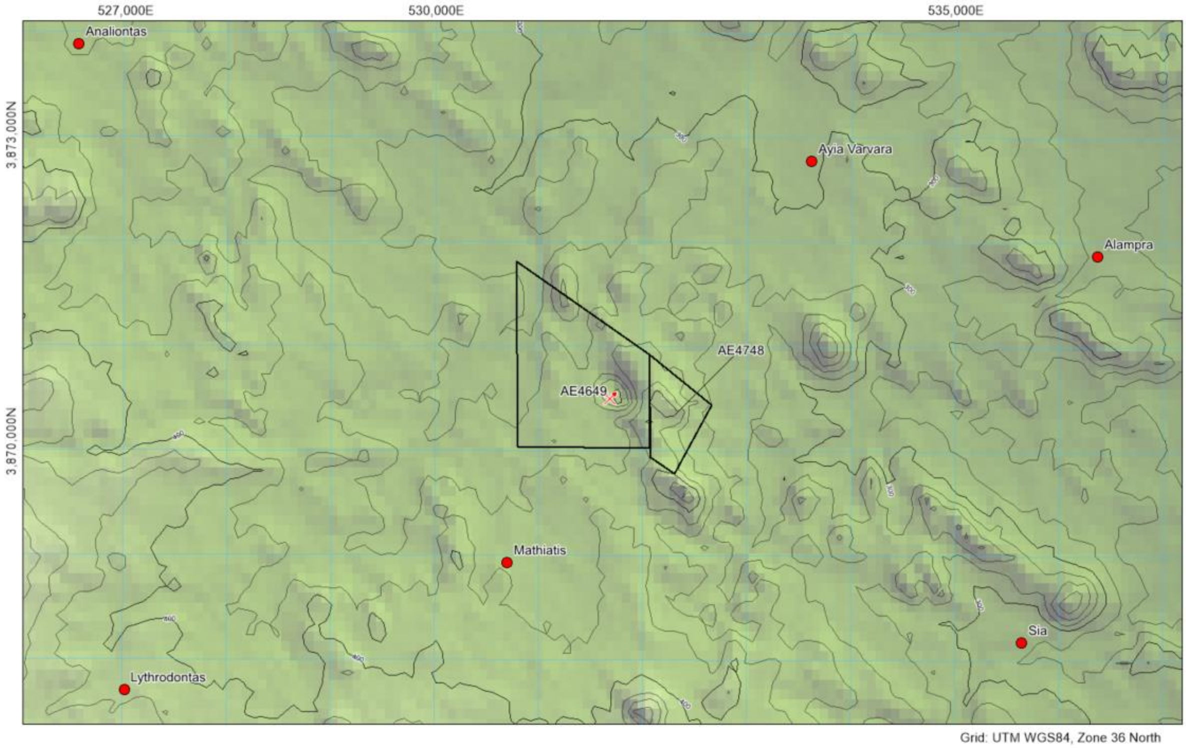

Figure 19 – *STRM topography with contours for the Mathiatis Project. (20/**100m** intervals)*

4.5 Black Pine Project area

The Black Pine Project comprises four contiguous prospecting permits (AE4610, AE4653, AE4612, AE4654) on the southern margin of the Troodos Mountains. The total licenced area is 9.45 km^2. The project is spread over 10 km and ca. 15 km north to northeast from the Limassol city centre and ca. 16 km northwest from the Vasilikos power plant and port complex.

4.5.1 Accessibility

General access to the Black Pine project area is good with numerous surfaced and unsurfaced roads servicing local communities and farmland. Primary access to the greater area is via the east to west A1 highway which links Limassol to Larnaca. Sealed roads run north from the A1 highway to larger villages, notably Louvaras (E110), Arakapas (F128) and Kellaki (E109). Locally, minor surfaced roads and tracks traverse the project area and are largely for forestry access. Some forestry tracks are unmaintained, steep and susceptible to erosion. Agriculture use is more limited due to topography. Several wide sections of unsurfaced track serve also for military use and as a firebreak (Figure 20).

There are several zones of Forestry and Natura 2000 classified land within the project permit portfolio (Figure 21). It is unlikely that the Forestry land classification will be significantly detrimental to exploration, but care will be required to ensure that any seasonal limitations as a result of Natura 2000 classification are deconflicted with exploration work schedules.

As outlined in Section 5, the area has been a focus for mining for millennia and numerous ancient and recent history extraction sites are found within the permits.

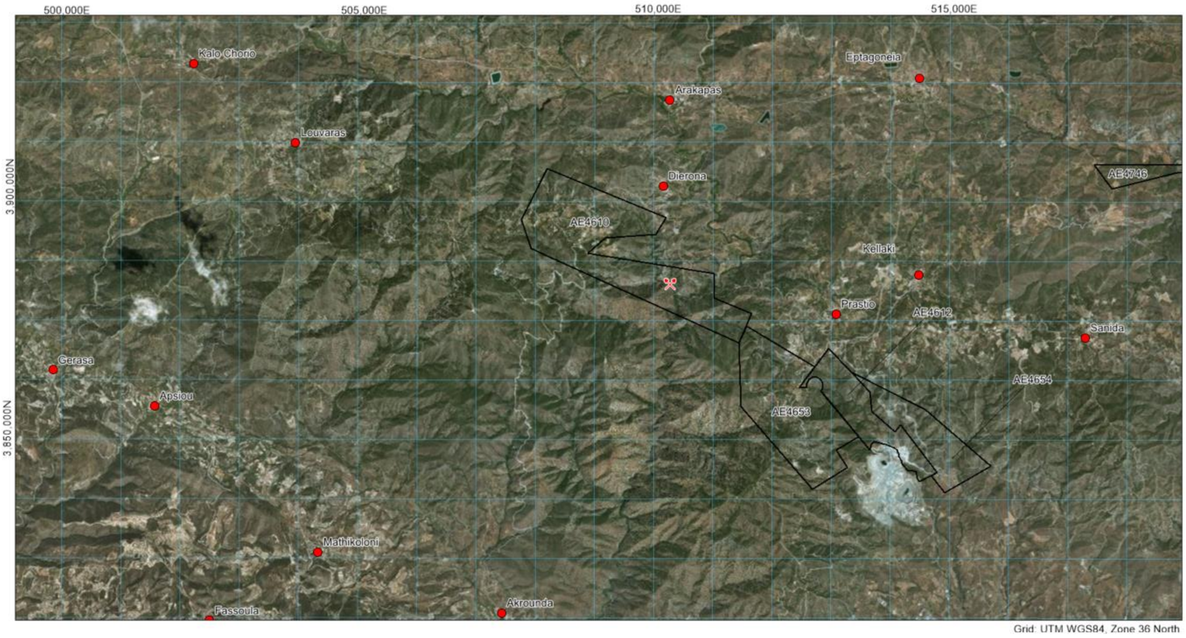

Figure 20 – *General map of the Black Pine Project.*

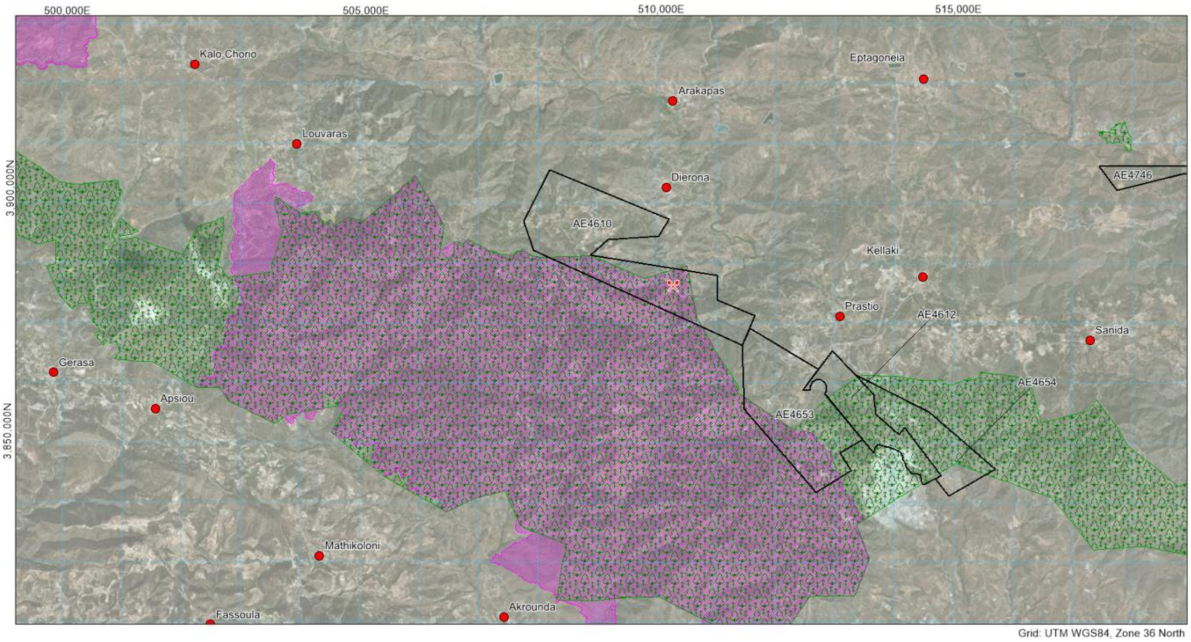

Figure 21 – *Forestry land (green) and Natura 2000 (pink) areas relative to the Black Pine Project.*

4.5.2 Climate

The Black Pine Project area is situated in the southern foothills of the Troodos Mountains and is some distance from the coast and at an altitude of 270 to 750 masl. The nearest weather stations are Saittas station, #320 at 640 masl (Figure 22) and Kalavasos station, see Section 4.2.2. Apart from immediately after heavy rainfall the annual climate pattern does not pose any serious impediment to Caerus's exploration.

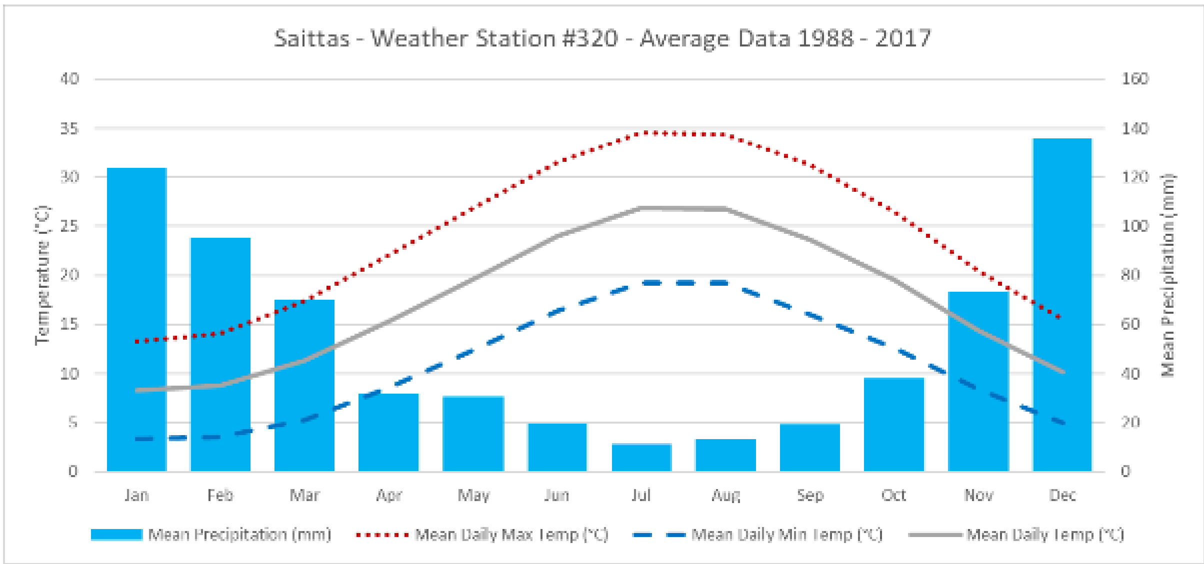

Figure 22 – *Average climate data from 1988 to 2017 for Saittas Weather Station #320 (Cyprus Meteorological Service, 2018).*

4.5.3 Infrastructure

As noted in Section 4.5.1, general access to the Black Pine Project area is good, via numerous surfaced and unsurfaced roads and tracks. Local access within forested areas is good but at risk from erosion. The nearest international airport is at Larnaca and provides regular services to a number of major European, Russian and Middle Eastern airports.

Rivers tend to be winter ephemeral. The Kouris and Germasogeia reservoirs are located downstream and to the south of the general project area. Both are sizable and are vital to the regional Limassol water supply. Smaller dams and ponds are maintained locally for agriculture.

Power supply is provided by the local power network and appears to be adequate for supporting exploration and preliminary development. The Vasilikos power plant is ca. 16 km to the southeast.

Rocklore cannot comment on the long-term water and power supply considerations that would need to be assessed as part of any advanced studies on any particular site of interest. However, the presence of present-day quarrying and historical operations across the general project area implies that neither power nor water have limited production in the past or present day.

Climate change and stressed ground water conditions do however pose a longer-term risk to water supply. Records show that the Kouris and Germasogeia reservoirs are at respectively at 7.9% and 0.3% of capacity on 12 Nov 2018. Respective maximum storage during 2018 were only 17.4% and 10.9% (WDD, 2018).

4.5.4 Local Resources

There are numerous villages and small towns across the general area which provide basic amenities. Numerous smaller villages generally have small cafes and grocery stores. The nearest hospital is in Limassol (15 km).

Again, Caerus may need to import specialised exploration equipment and skills and plans to service the Project from its nearby Kalavasos field base.

4.5.5 Physiography

The Black Pine Project is situated on the southern flank of Troodos Mountains. The terrain varies from low rolling hills in small portion to the southeast of the general area (sediments), to steep sided hillsides with incised valleys (volcanics) across the majority of the area. The lower relief ground is almost entirely utilised for agriculture (livestock, fruit, grain, olives) whilst the steeper ground is predominantly forestry with coarse scrub.

The maximum elevation is ca. 760 masl. The lowest point of the project is at 194 masl along the southern edge of the Prastio, Kellakiou, Parekklisia permit (AE4654) (Figure 23).

The Cyprus Geological Survey Department classify the Black Pine Project as being in Seismic Zone 2 (Geological Survey Department, 2004) which dictates the earthquake-resistant engineering compliance required for construction. There is a seismic monitoring station in Asgata, 10 km to the east.

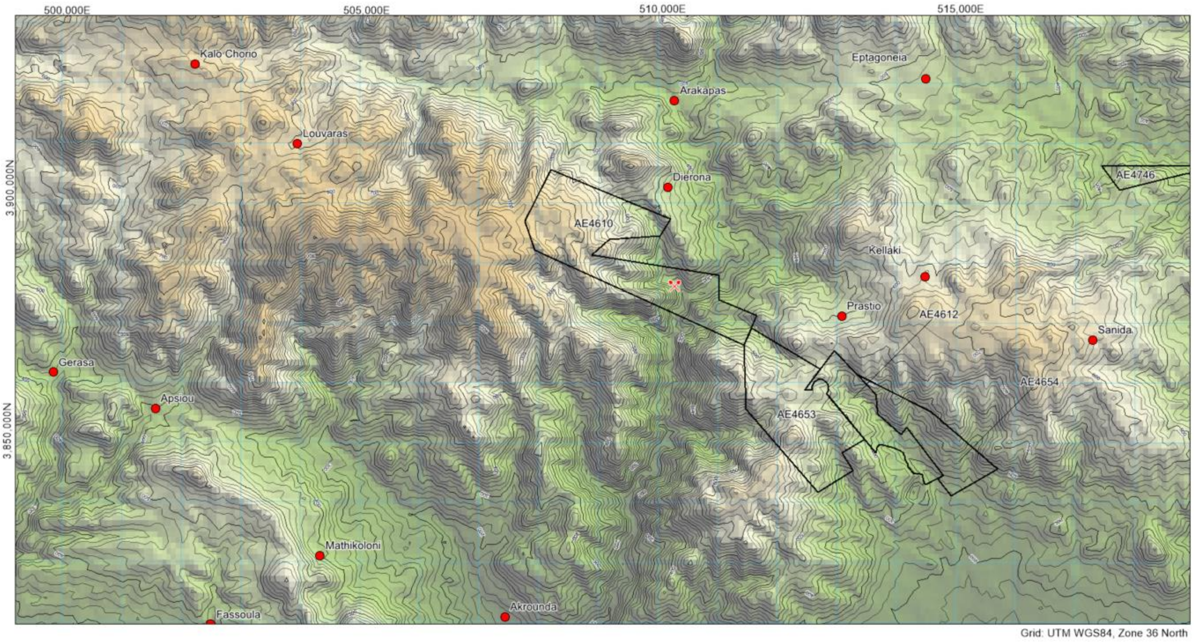

Figure 23 – *STRM topography with contours for the Black Pine Project. (20/**100m** intervals)*

5. HISTORY

5.1 General Overview

Many of the exposed massive sulphide deposits around the Troodos Mountains in Cyprus have been mined for copper since the Bronze Age and copper production continues at the privately owned Skouriotissa Mine (29,465 t of copper cathode produced by Hellenic Mining Company from 2007 to 2016 using a SX-EW plant; Cyprus Mines Services, 2018c). There is widespread evidence of ancient copper mining throughout the Troodos Mountains with more than 140 slag piles recorded. The largest slag pile was at Skouriotissa and was estimated to exceed 1 Mt. It was built between ca. 620 BC and 310 AD. Modern mining commenced in Cyprus in the 1920s with more than 74 Mt of massive ore extracted from about 30 deposits in the following 50 years (Table 3; Figure 24). Production focussed on pyrite, copper, gold and silver, although some of the Cyprus deposits also contain appreciable amounts of zinc. The largest known deposit in Cyprus is Mavrovouni where 16.5 Mt at approximately 4.5% Cu was extracted between 1929 and 1974.

Copper mining in Cyprus was significantly disrupted and essentially curtailed in the 1970s after Cyprus was partitioned following the Turkish invasion. This was further compounded by adverse changes to global supply and demand in the copper market. Partition led to the largest mine at Mavrovouni, the Karavostasi port and numerous prospective areas ending up in occupied territory or United Nations-controlled areas. It also increased sovereign risk and led to declining international investment in Cyprus. At this time, some very large copper mines in Africa and Chile started production, leading to supply increases, while the end of the Vietnam War in 1975 depressed global copper demand. In short, the decline of the Cyprus copper industry, and its subsequent failure to re-emerge, was not because the mines were exhausted or indeed that the Troodos Mountains are not prospective or poorly endowed. For an area that has been so productive and that offers such prospectivity the paucity of modern exploration and investment is surprising given numerous mineral sector super-cycles between then and now.

Whilst the presence of copper in Cyprus is well-documented it is widely considered that there is little gold in Cyprus. This is a fallacy perpetuated from historical inaccuracies. The gold content of many of the deposits was poorly documented or not tested, and so was rarely included in the historical mining statistics. There is extensive evidence that the massive pyrite deposits contain appreciable primary gold. Furthermore, the weathered zones above many deposits are highly enriched in gold and silver. For example, miners targeted “Devil’s Mud” – a narrow layer above the massive sulphide bodies – because it was so highly enriched in gold and silver (presumably supergene). The first preliminary assays of Devil’s Mud were taken from Skouriotissa in 1920, but it was never seriously investigated until depressed copper and pyrite prices in 1932 forced the Cyprus Mining Corporation (CMC) to investigate a possible precious metal income stream. Devil’s Mud was immediately identified at Skouriotissa with “areas of high-grade ore running as much as 50 ounces of gold per ton, though with very little silver, and, conversely, other areas containing 800 ounces of silver a ton and only traces of gold.” (Lavender, 1962). These discoveries led to exploration elsewhere in the Troodos Mountains and ultimately the mining of Devil’s Mud by CMC at seventeen locations, albeit most of this mining was very small scale. During 2016, the Hellenic Mining Company commissioned a gold circuit at Skouriotissa to process the oxide material in the area.

CMC’s experience of the Devil’s Mud clearly shows that gold and silver are widespread throughout Cyprus. The primary pyrite ores, however, were never exploited because the technology to extract gold and silver at that time was not advanced enough to be economically viable. This is not the case today.

More recent work confirms that gold is widespread in the primary pyrite ore and that it can be quite high grade. For example:

- Northern Lion reported 28.6m @ 4.5 g/t Au at their St Nik Project (Northern Lion, 2011a) and 3m @ 4.98 g/t Au at Pano Lefkara (Northern Lion, 2011b); and
- BMG Resources reported numerous gold intercepts at the Mala Prospect, including 6 m @ 3.70 g/t Au (MALRC007) and 5 m @ 2.15 g/t Au (BMG, 2014a).

Zinc was also not considered when mining the Cyprus deposits, even though it is widely encountered and could be a reasonable addition to their exploitation.

- EMED defined inferred zinc resources at Klirou (4.5 Mt @ 0.74% Zn and 0.41% Cu) and South Mathiatas (2.1 Mt @ 0.95% Zn; EMED, 2007); and
- BMG Resources reported numerous zinc intercepts with copper-gold-silver at the Mala Prospect, including 6m @ 4.10% Zn (BMG, 2014a).

A final consideration with regards the economics of the Cyprus deposits is the value of pyrite itself. Carbine Resources (2014) have used a value of US$86 /tonne for pyrite in their low-grade copper-gold Mount Morgan Scoping Study and First Quantum (2014) appear to generate a value of approximately US$40 /tonne for pyrite from their Pyhasalmi copper-zinc operations in Finland.

Approximately 16.4 Mt of non-metal material (mainly aggregate) is mined in Cyprus annually with only 0.4 Mt (mainly bentonite and gypsum) exported (Cyprus Mines Services, 2018b).

Table 3 – *Cyprus VHMS mine production data to end of 2016 (Cyprus Mines Services, 2018d)*

Name	Company	Operation Type	Cu (%)	S (%)	Tonnes Produced	Operational Period
Mavrovouni	CMC	Underground (UG)	4.5	47	16,508,755	1929-1974
Phoukasa - Skouriotissa	CMC	UG / Surface	2.5	48	6,784,604	1921-1974
Phoukasa - Skouriotissa	HMC	Leaching	-	-	9,597	1979-1996
Fenix - Skouriotissa	CMC	Surface	0.8	-	1,019,597	1973-1974
Fenix - Skouriotissa	HMC	Leaching	0.8	-	598,323	1979-1996
Fenix - Skouriotissa	HCM	Surface - Leach	0.43	-	25,933,000	1996-2016
Apliki	CMC	Surface	1.8	36	1,064,493	1968-1971
Lefka A	CMC	Surface	2.0	30	1,151,048	1968-1974
Memi	HMC	Surface	-	26	2,028,898	1954-1971
Memi	HMC	Surface	-	26	95,901	1987-1990
Alestos	HMC	Surface	0.9	-	660,515	1971-1972
Kokkinopezoula	HMC	Surface	-	24	5,486,035	1953-1966
Kokkiniyia	HMC	Underground	2.0	30-40	481,008	1973-1979
Agrokipia A	HMC	Surface	1.0	30-44	332,838	1952-1971
Agrokipia B	HMC	Underground	4.0	40	74,074	1958-1964
Kokkinonero	HMC	Surface	-	25-35	658,354	1953-1960
Peristerka-Pytharochoma	KM	Surface	1.5	25-47	557,540	1970-1977
Kapedes (Kokkinochoma)	HMC	Surface	-	30-35	54,666	1955-1958
Mathiatis	**HMC**	**Surface**	**0.2**	**30-35**	**2,100,000**	**1965-1984**
Sia	HMC	UG / Surface	0.5-1.2	25-30	334,179	1950-1959
Troulli	Berdy	Surface	1.0	-	91,355	1955-1974
Kalavasos	**HMC**	**Underground**	**1.0-2.5**	**33**	**1,910,000**	**1937-1966**
Petra	**HMC**	**Underground**	**1.0-2.5**	**25-46**	**226,000**	**1953-1957**
Mousoulos	**HMC**	**Underground**	**1.0-2.5**	**40**	**1,660,000**	**1964-1976**
Mavridia	**HMC**	**Surface**	**1.5**	**30-40**	**400,000**	**1971-1977**
Mavri Sykia	**HMC**	**UG / Surface**	**1.5-2.5**	**25-45**	**376,000**	**1954-1977**
Landaria	**HMC**	**Underground**	**0.5**	**35-45**	**65,500**	**1963-1964**
Platies	**HMC**	**Surface**	**2.5-3.0**	**46**	**43,900**	**1955-1958**
Maghaleni	HMC	Surface	0.7	3	142,707	1976-1977
Limni	CSCC	Surface	1.11	15	8,143,460	1937-1979
Evloimeni	CSCC	Surface	0.68	19	63,724	1970-1971
Kinousa	CSCC	Underground	2.88	42	270,608	1952-1960
Kinousa (Uncle Charles)	CSCC	Surface	2.23	47	228,896	1952-1960
Vretsia	Maconda	Surface	-	43	3,600	1988

Bold highlighted mines are within Caerus's Prospecting Permits. CMC: Cyprus Mines Corporation; HMC: Hellenic Mining Company; KM: Kambia Mines; Berdy: Berdy Mining Company; CSCC: Cyprus Sulphur and Copper Corporation; HCM: Hellenic Copper Mines; Maconda: Maconda Mining Company; CMD: Cyprus Development Co.

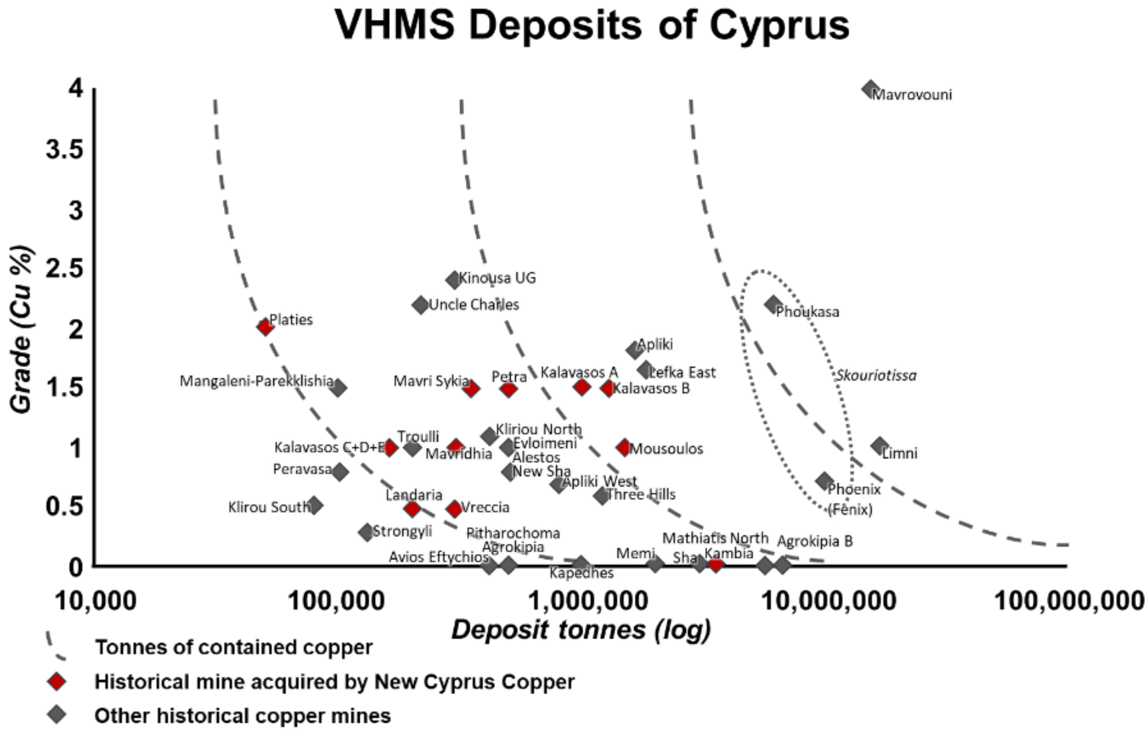

Figure 24 – *VHMS deposits of Cyprus; Cu grade, tonnage and contained Cu (Data from: Cyprus Ministry of Agriculture, Natural Resources and Environment, accessed 8 Nov 2017). Deposits relative to Caerus highlighted in red; further sites of interest noted in grey.*

5.2 History – Kalavasos Project

5.2.1 General Overview

The Kalavasos Prospect comprises five prospecting permits (Table 1) covering 17.95 km^2 of the historic Kalavasos mine district (Figure 8). The Project area is between the villages of Asgata and Vasa, approximately 6 km northwest of the A1 Limassol to Larnaca highway, and 9 km north of the port of Vasiliko, where historically the Kalavasos ore was treated and shipped (Pantazis, 1967).

The southern edge of the Kalavasos Reservoir abuts the AE4608 permit (Figure 25). Parts of the old Kalavasos mine infrastructure are currently being used by the army and are not accessible.

The Kalavasos Project area includes several abandoned mines, associated waste dumps and exposed gossans (Table 4). Widespread ancient mine workings and slag dumps (ca. 700,000 t at Petra mine alone; Pantazis, 1969) remain from pre-Roman era exploitation. In many case, strong gossanous alternation at surface was also targeted for gold and silver, notably during the period 1937-1943 (Gass et al., 1994).

The Pyrites Company took an interest in the area in 1927, locating several massive non-cupriferous pyrite bodies. These were subsequently deemed to be sub-economic on account for both grade and size and the permits were relinquished in 1932 (Pantazis, 1969).

The Hellenic Company recommenced exploration in 1935 and by 1939 there was sufficient evidence to justify the development of the Kalavasos mine. By 1966 this had achieved production of over 4.5 Mt.

More broadly, from 1939-1974, a total of 7 Mt (0.5 to 3% Cu) was reported to have been mined from multiple locations within the Kalavasos area (Mines Services Division, 2011). There are no reports of Au assays and detailed production data has not yet been located, if indeed it still exists. Production at Kalavasos ceased when Cyprus was partitioned in 1974.

5.2.2 Geology

The Kalavasos prospect sits within the easternmost part of the volcanic units of the Southern Troodos Domain. The published geology map shows that the volcanic units here comprise olivine-phyric pillow lava and massive flows which are overlain by the shallow dipping sediments of the Lefkara Formation (Figure 25). The Kalavasos area also has significant structural complexity with faults mapped in various geometries. The project area includes gabbro, sheeted dykes and minor ultramafic units which are considered prospective for disseminated sulphide systems.

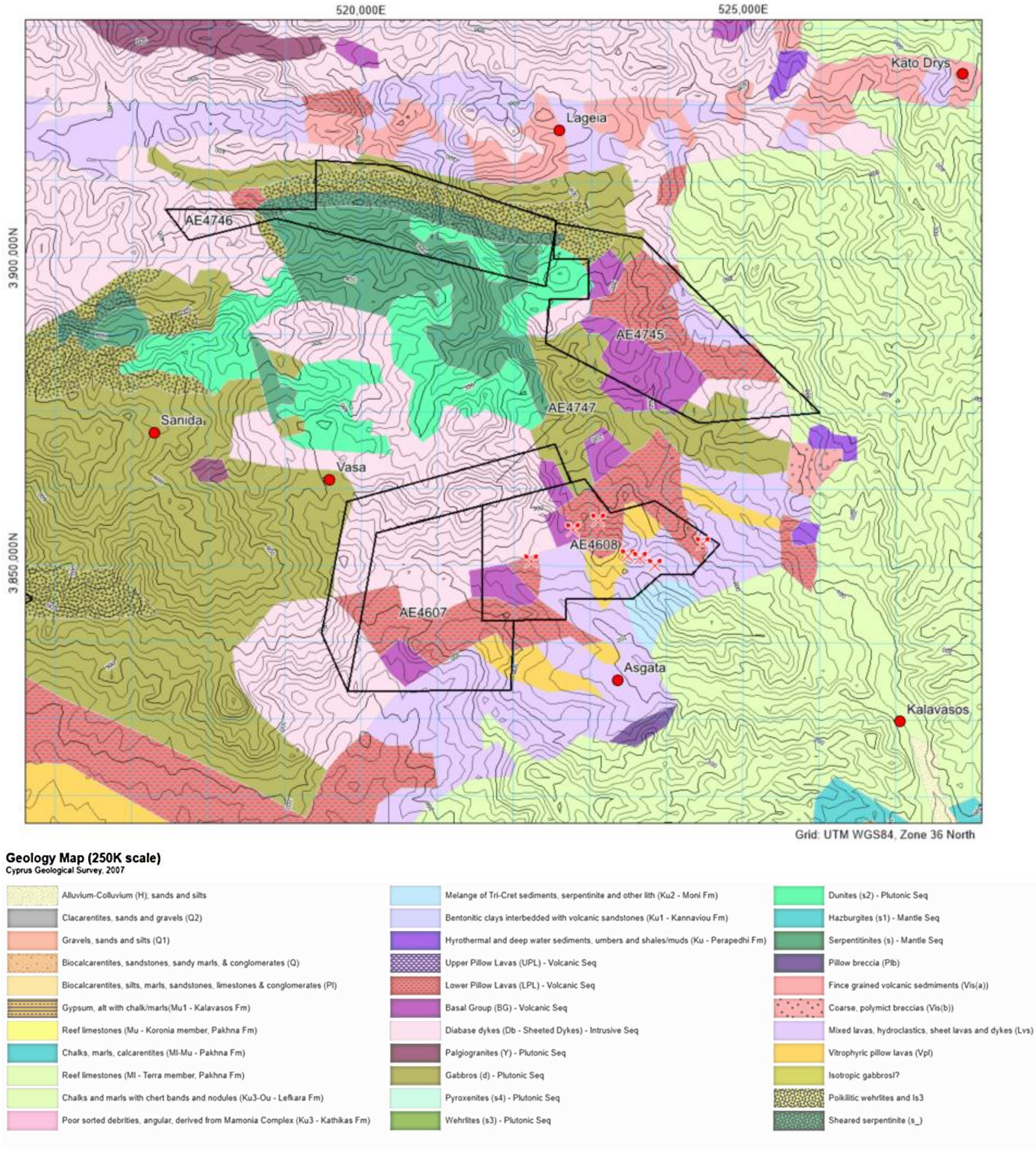

Figure 25 – *Geology of the Kalavasos Project with production centres and prospects (1:250,000 scale compilation, Cyprus Geological Survey, 2007).*

Extensive literature and mine reports are available from within the Mines Services Division archives, albeit in places there is some ambiguity over mine locations. Nevertheless, mines, gossans and waste dumps are easily delineated on satellite imagery (Figure 8) and in the field (Figure 26). An overview of mining and geology is presented in Figure 27.

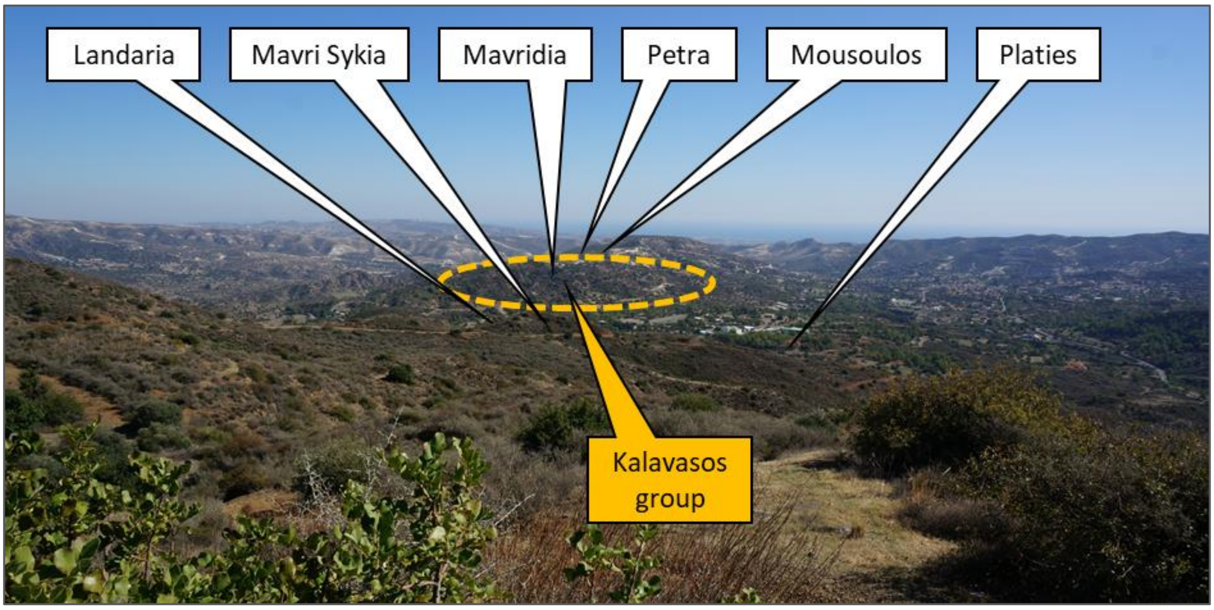

Figure 26 – *Kalavasos Project area. Looking south from the northern boundary of AE4608. Listed mines marked (Oct 2018, Andrew Craig).*

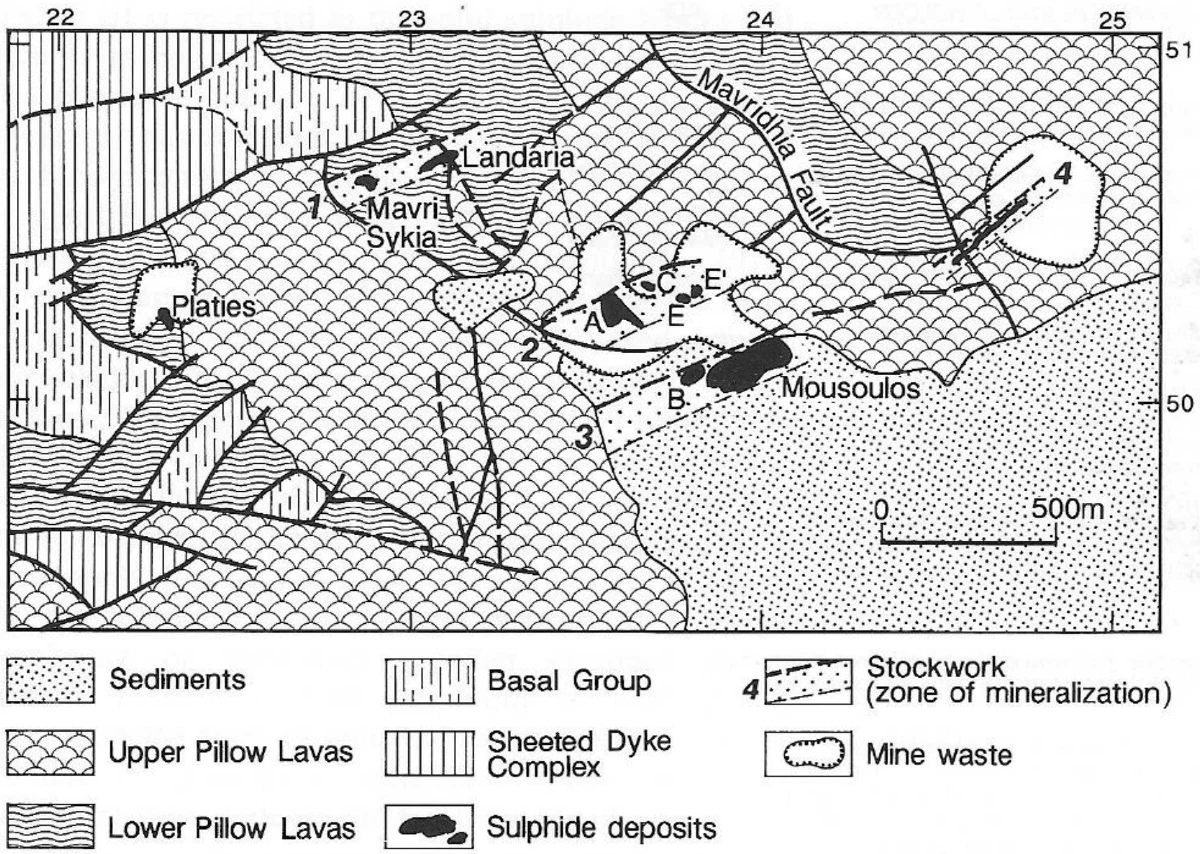

Figure 27 – *Disposition of the sulphide deposits in the Kalavasos mining district (after Adamides, 1980; in* Gass et al., 1994*).*

According to Pantazis (1969), all ore mined in the Kalavasos region was from massive pyrite dominated bodies which were located in the UPL, generally close to its contacts with the LPL or gabbro.

Gass et al. (1994) describes the sulphide bodies as being typical of the Cyprus type (Section 8) comprising massive and/or stockwork-type cupriferous pyrite deposits occasionally capped by ochre and post-mineralisation lavas or, more frequently, intersected by post-mineralisation dykes. Counter to Pantazis (1969), Gass et al. (1994) notes that mineralisation is largely situated in the aphyric lower pillow lavas (LPL) and down into the underlying Basal Group. The stratigraphic position of Kalavasos mineralisation is illustrated in Figure 28.

The Kalavasos district of orebodies has a pronounced NE-SW pattern reflected in both in the orientation of the Axis Sequence dykes and the trend of the faults and major mineralised zones. With the exception of Platies, all Kalavasos orebodies are confined along fault zones, trending NE and dipping steeply to the SW (Figure 27).

Brief descriptions for individual orebodies are outlines in the following sections.

Table 4 – *Production data for the sulphide mines of the Kalavasos district (mainly after Adamides, 1980; in* Gass et al., 1994*)*

Mine	Years of operation	Method of mining	Ore Mined (Metric tons)	Cu%	S%	Remaining reserves (metric tons)
Kalavasos A, B, C, D, D’, D”, E, E’	1937-1939 1941-1956	Underground (sub-level caving)	1,910,000	1.0 – 2.5	33	Unknown
Petra	1953-1957	Underground (sub-level caving)	226,000	1.0-2.5	25-46	300,000
Mavri Sykia	1954-1962	Underground (sub-level caving)	269,000	1.5-2.5	30-46	Unknown
	Intermittently 1970-1977	Opencast	107,000			590,000
Landaria	1963-1964	Underground (sub-level caving)	65,000	0.5	35-46	250,000
Platies	1955-1958	Glory-hole	43,900	2.5-3	46	Unknown
Mousoulous	1964-1976	Underground (top slicing)	1,660,000	1.0-2.5	40	940,000 (mostly sulphur ore)
Mavridia	Intermittently 1970-1977	Opencast	400,000	1.5	30-40	200,000

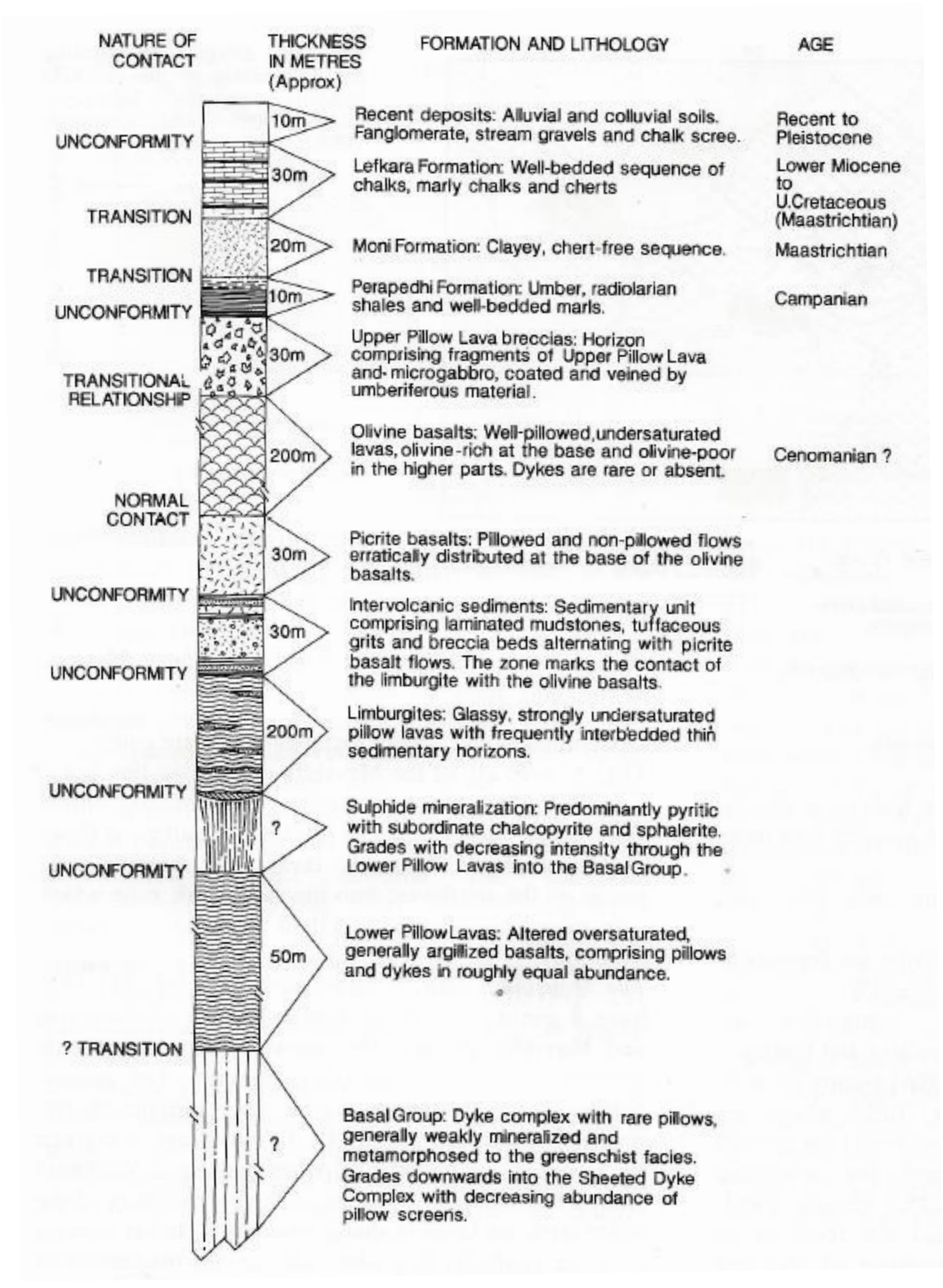

Figure 28 – *Stratigraphy of the Kalavasos mining district (after Adamides, 1980; in* Gass et al., 1994*).*

5.2.3 Kalavasos Mines (UG)

The Kalavasos group of orebodies (A, B, C, D, D', D", E and E') are associated with the Mousoulos mine (Section 5.2.3). These orebodies are found in the aphyric pillow lavas beneath a thick microgabbroic flow which transitions to the northeast into pillow lavas of olivine-phyric, boninitic lavas. Massive sulphide mineralisation lenses transition to the southwest into stockworks.

Such stockwork have been commonly mined out by open pit methods (see Mavridia, Section 5.2.4; Figure 30) and extensive gossans are present across the general area, often associated with ancient workings, dumps, tailings and slag piles.

The Kalavasos orebodies were mined via underground sub-level caving from 1937 to 1939 and then again from 1941 to 1956. Production figures (Table 4) show 1.91 Mt being produced at 1-2.5% Cu and 33% S. No remaining reserves are noted but no detailed analysis or remodelling of available data has been completed.

Mine infrastructure is still visible, including a portal (likely the original ore haulage route) and nearby crushing/loading station that fed the light railway that ran south along the River Vasilikos valley, through Kalavasos village and down to the Vasilikos processing site.

There has been no exploration since production ceased in 1956.

5.2.4 Mousoulos Mine (UG)

The Mousoulos and Kalavasos 'B' orebodies are overlain by fresh olivine-phyric, post-mineralisation basalts. The contact between the sulphides and the basalt to the northeast is marked by a continuous horizon of ochre (few cm to 4m thick). The ochre upper contact is sharp; the lower contact is gradational. The northwest contact is formed by a prominent fault, striking 060° and dipping steeply to the northwest. The hanging wall consists of unmineralized olivine-phyric basalts. The footwall presents as brecciated massive to low grade ore (Gass et al., 1994).

At Mousoulos, the ore and host volcanics have been tilted by ca. 60° to the northeast and orebody 'B' is interpreted as being a fragment displaced through low-angle gravity fault displacement (Figure 29).

Mousoulos production was underground via top slicing and ran from 1964 to 1976. 1.66 Mt ore was mined at 1.0-2.5% Cu and 40% S. A reserve of 940 kt is noted, mostly comprising sulphur ore. No detailed analysis or remodelling of available data has been completed.

There has been no exploration since production ceased in 1976.

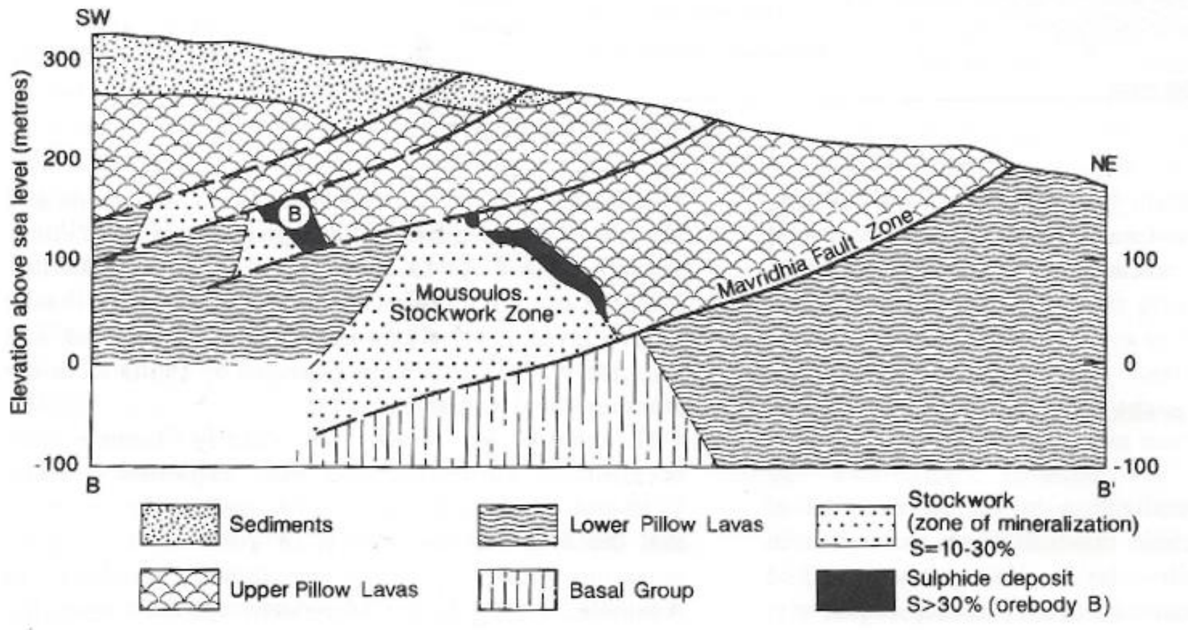

Figure 29 – Longitudinal section through the Mousoulos and 'B' orebody (after Adamides, 1980; in Gass et al., 1994).

5.2.5 Mavridhia Mine (Pit)

The Mavridhia mine comprises an open pit ca. 300m in length and 200m in width. Mineralisation ranged from massive sulphide into stockwork (Figure 31). Extensive gossans and ochres are visible along the crest of the northern pit wall (Figure 31). Below the open cast pit was the Kalavasos 'A' orebody (Section 5.2.2).

There is subterranean evidence of ancient workings, notably near to the gossanous cap.

The pit appears to be fault bounded with heavily altered basalts and stockwork. The southern footwall appears to be bounded by a fault contact with olivine-phyric pillow lavas. A large landslide of the Lefkara Formation sediments has partially collapsed the southern pit wall (Figure 32).

Intermittent mining here occurred between 1971 and 1977. 400 kt ore was mined averaging 1.5% Cu and 30-40% S. A further 200 kt reserve is documented (Gass et al., 1994) but is unsubstantiated. No detailed analysis of remodelling of available data has been completed.

There has been no exploration since production ceased in 1977.

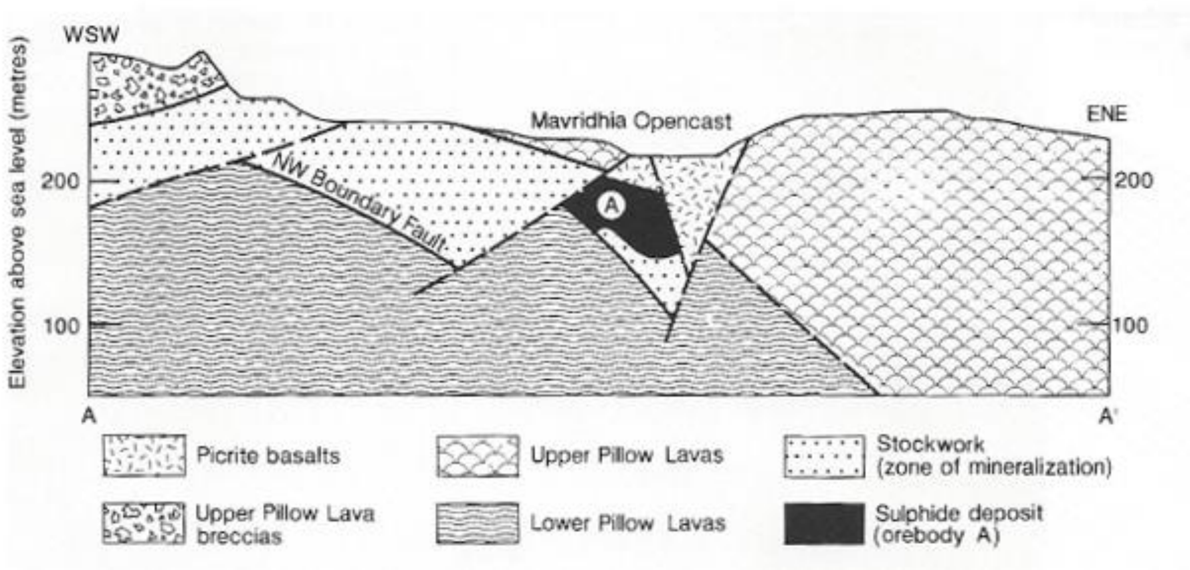

Figure 30 – Longitudinal section through the Mavridhia open pit and Kalavasos 'A' orebody (after Adamides, 1980; in Gass et al., 1994).

Figure 31 – Mavridhia open pit. Extensive gossans and ochre cap the norther pit wall. Note later dyke. Star – cross reference location to Figure 32 (Oct 2018, Andrew Craig).

Figure 32 – Mavridhia open pit. Extensive gossans and ochre cap the norther pit wall. Note footwall fault and Lefkara formation landslide. A - Adit entrance to underground workings, assumed to be Kalavasos 'A' at entrance to pit; B – Weathered pillow basalt; Star – cross reference location to Figure 31 (Oct 2018, Andrew Craig).

5.2.6 Mavri Sykia (OP & UG)

The Mavri Sykia orebody was mined both by underground (sub-level caving) and open pit. This site is now being used by the Cypriot military and was therefore not visited. The orebody occurs along a north-eastern trending fault and is largely situated in the aphyric pillow lavas and passing into the underlying Basal Group. Contacts with the country rock are faulted to the northwest and gradational with fault offsets to the southeast.

Searle (1967) describes the orebody as roughly rhombohedral in plan with its long axis trending at 060° and wedging out to the southwest. Dimensions at the 181m level were 95m x 70m, reducing to 40m x 25m at the 165m level.

Underground sub-level caving ran from 1954 to 1962 (269 kt ore) with open pit operations intermittently between 1970 and 1977 (107 kt ore). Ore averaged 1.5 – 2.5% Cu and 30-46% S. Remaining open pit reserves are listed as 590 kt with no underground reserves reported. No detailed analysis or remodelling of available data has been completed. There has been no exploration since production ceased in 1977.

Much like the Mavridia open pit, there is extensive alteration with gossans and ochre. Large waste dumps are to the north of the pit area.

5.2.7 Petra Mine (UG)

The Petra orebody occurs entirely within the aphyric pillow lavals (LPL) along the NE-trending Petra fault. This fault forms the contact between the LPL and the overlying olivine-pyhric, boninitic lavas (UPL). The orebody is in the form of an inclined pipe (plunging 30° to the northeast), ca. 300m long and 35m in diameter (Figure 33). The ore is described as having a distinctly cobby texture with sub-angular fragments, showing concentric and cross cutting banding in a fine-grained, dark matrix. Sugary and disseminated ore variety are common (Gordon-Smith, 1963).

Petra was the site of extensive ancient mining with extensive underground workings, including an inclined adit leading down to the orebody footwall and a winding, low-level drainage adit that runs for ca. 500m to the Vasilikos River (Gass et al., 1994; Figure 34). Nearly slag heaps amount to some ca. 700,000 t alluding to the significant scale of ancient extraction. Slag dating ranges from Phoenician era (red slag, 850-600 BC) era to pre-Roman era (brown-black slag, 600-150 BC) (Gass et al., 1994).

Petra was mined underground via sub-level caving. Production figures (Table 4) show 226 kt being produced at 1-2.5% Cu and 25-46% S. Remaining reserves are noted as 300 kt, but no detailed analysis of remodelling of available data has been completed.

There has been no exploration since production ceased in 1957.

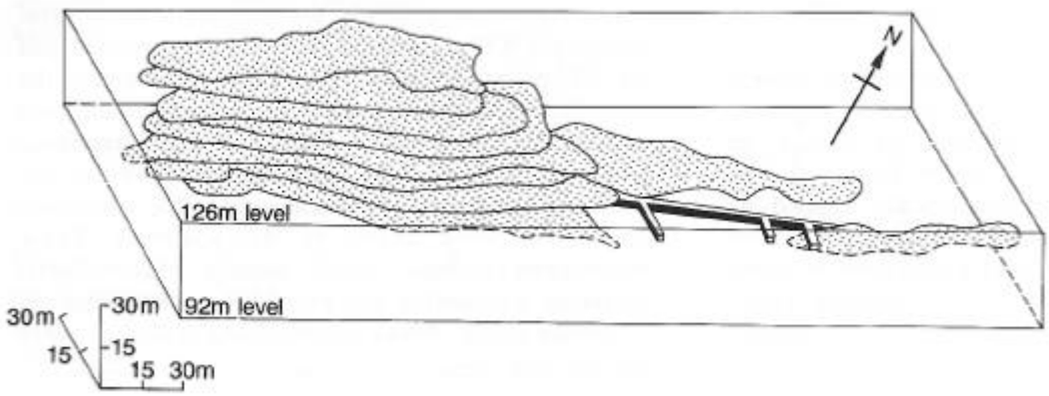

Figure 33 – Isometric projection of the Petra orebody (after Adamides, 1980; in Gass et al., 1994).

Figure 34 – *A – portal to ore haulage adit; B- crusher and rail load-out site, adjacent to the ore haulage adit (Oct 2018, Andrew Craig).*

5.2.8 Landaria Mine (UG)

The Landaria mine is ca. 100m north of Mavri Sykia (Section 5.2.5) and was in underground sub-level caving production from 1963 to 1964. 65 kt ore was produced at 0.5% Cu and 35-46% S. A small reserve of 250 kt is noted but no detailed analysis of remodelling of available data has been completed (Gass et al., 1994).

Host lithologies and dimensions are much as per Mavri Sykia with a maximum of 100m x 54m at the 234m level; thinning to 120m x 22m at the 214m level.

Waste dumps are located around the area of the mine with strong ground alteration, ochres and gossans.

There has been no exploration since production ceased in 1957.

5.2.9 Platies Mine (Glory Hole)

The small Platies orebody is situated in brecciated aphyric pillow basalts close to a faulted contact with olivine-pyric basalts (Figure 35). The lenticular orebody is roughly cone shaped, with maximum dimensions of 45m in length and 30m in width. The average thickness is ca. 40m with the long axis trending north-south and steeply dipping to the northeast (Gass et al., 1994).

Adamides (1980) concludes that the orebody is a sliver of mineralised and altered lavas detached from the Mavri Sykia mineralised zone and emplaced in highly tectonised but unmineralized aphyric lavas.

Local 'red' slag has been dated to Phoenician era (850-600 BC) validating the ancient production.

Recent production from a small glory hole pit was limited to 43.9 kt ore between 1955 and 1956. Material graded 2.5 to 3% Cu and 46% S. No reserve is noted but no detailed analysis of remodelling of available data has been completed.

There has been no exploration since production ceased in 1956. This site now sits adjacent to a military camp.

Figure 35 – *Platies 'glory hole'. Highly altered, ochrous and gossanous. Note likely historical underground workings. (BMG file photo, 2014).*

5.2.10 Prospects

A number of early stage prospects are noted within the Project. These include the Kokkinokremmos Prospect, the Kokkina Laona Prospect, the Xylomasherka Prospect and the Vasa Prospect. No additional information is available at this time.

5.3 History – Vrechia Project

5.3.1 General Overview

The Vrechia Project comprises one Prospecting Permit (AE4674 - Milikouri) ca. 1 km northeast of the village of Vrechia and 1 km east of the village of Pano Panagia (Table 1). The Milikouri permit covers ca. 1.96 km^2.
7
The Project area includes the historic Mala pyrite mine (pyrite; <500,000 tonnes; Mines Services Division, 2011). (2007 Mineral Resources Map of Cyprus; Table 3). The area is along strike of the St Nikolas, Asprogia and Vrechia (Panayia) prospects, all previously owned by Northern Lion.

The Asprogia prospect is approximately 2 km northwest and along strike of the Vrechia project. Northern Lion reported two TSX releases in 2009 (25/09/2009; 19/11/2009) with one rock-chip sample returning 4.1 % copper, and another returning 7.3 g/t gold and 17.6 g/t silver. Follow-up sampling at Asprogia in areas with no known workings also returned assays with anomalous copper, gold, silver and zinc. Drilling at the St Nikolas project, approximately 5.5 km east of the Vrechia project are shown in 2011 are shown in Table 7. Historic mining at St Nikolas 3,500 tonnes of cuprous pyrite grading at 1.5 % copper. There are numerous gossans in the area and the 2007 Mineral Resources Map of Cyprus shows a series of ancient slag piles in the immediate vicinity (BMG, 2013).

5.3.2 Geology

The area is characterised by the contact between the volcanic and sedimentary units along the southern flank of the Troodos Ophiolite Complex (Figure 36). Published geological maps of the area define the volcanic units as aphyric pillowed to massive basalt flows belonging to the UPL and LPL. These volcanic units stratigraphically overlie gabbro of the Basal Unit, which overlies the Sheeted Dyke Complex.

Numerous volcanic vents have been mapped in the area and are considered to be prospective for VHMS systems. The area is cut by numerous northwest-southeast-trending faults, which may be important for hydrothermal fluid flow and resultant deposition of potentially metal-rich fluids.

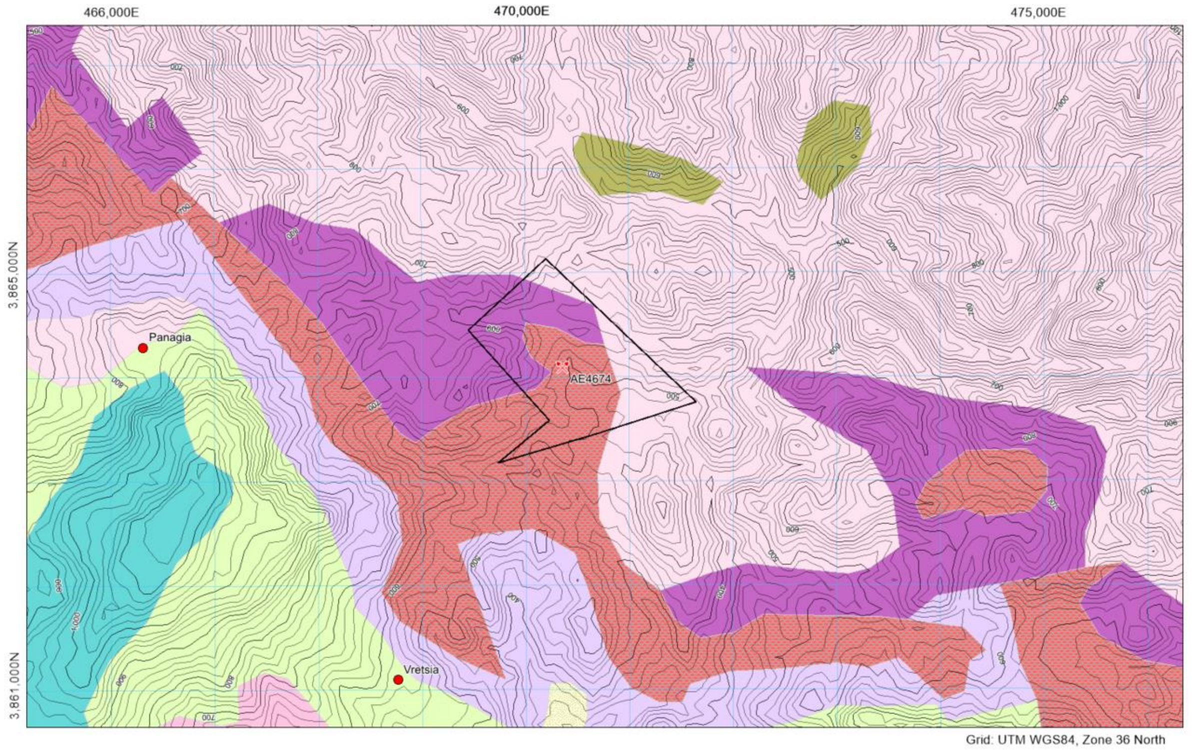

Figure 36 – *General geology of the Vrechia Project with production centre and prospects (1:250,000 scale compilation, Cyprus Geological Survey, 2007). Geology map legend – see Figure 25.*

5.3.3 Mala Mine

The abandoned Mala pyrite mine is a 50 m x 50 m relict open pit, excavated to a depth of about 20 m, with a southeast orientated access cutting (Figure 37 and Figure 38). The open pit site comprised a crushing plant (now dismantled) and there is a waste dump to the southeast. Minor surface workings are located approximately 200 m northeast of the open pit.

Production between 1968 and 1987 is recorded as ca. 200 kt, comprising 80 kt t at 0.55% Cu, 43.5% S and 0.3% Zn, and 120 kt tonnes at 0.45% Cu, 25.5% S and 0.3% Zn (Gass et al., 1994); no gold grades are quoted.

The Mala orebody is confined along the north eastern fault that forms the contact between the aphyric celadonized lavas and the Basal Group. This fault sits within a northwest-southeast tectonic graben. This northwest-southeast structural pattern is reflected in the orientation of dykes and mineralised fault zones. The dip of the pillow lavas is ca. 30° to the southwest.

The long axis of the orebody trends northwest-southeast and is lens shaped and ca. 70m in length, 30 m in width and 15 m thick. It exhibits vertical zonation comprising: upper massive ore, a thin zone of semi-massive ore (30-40% S) and stockwork type mineralisation (<30% S). The stockwork penetrates lavas and intrusives and is highly brecciated, silicified and argillised (Gass et al., 1994).

Beyond the Mala Mine, three slag heaps in the vicinity of Vrechia provide further evidence of historical mining.

Massive sulphide is still exposed in the open pit and Glass et al. (1994) notes remaining reserves of 200 kt but no detailed analysis of remodelling of available data has been completed.

The United Nations Revolving Fund for Natural Resources Exploration completed mineral exploration within the Troodos Ophiolite Complex from April 1979 to July 1982, and released a report in April 1983 (UN, 1983). This report details work carried out immediately west of the Vrechia Project area, at a prospect called Vrechia (Panayia).
The prospect has not been identified on the ground by TDL, but the detailed map in the report places it approximately 450 m north of the Vrechia village, and 400 m west of Licence AE4462. The location broadly correlates with a prospect from the 2007 Mineral Resources Map of Cyprus that plots about 3 km south of the Vrechia open pit. This ground is currently not under tenure and will be included in an expanded application for Licence AE4462.

Work by the UN Project at Vrechia (Panayia) included eighty-one (81) surface samples with maximum assays from diabase dyke core, inter pillow material and fault gouge, of 5420, 2560 and 700 ppm Cu, respectively. The geochemically anomalous zone at Vrechia (Panayia) was one of the best defined by the UN Project, and so was tested with two drillholes (VR1 to 150 m depth; and VR2 to 145 m depth). The drillholes did not penetrate to the most favourable LPL, but disseminated native copper was moderately abundant in the UPL throughout both holes (UN, 1983). No assays were reported. No significant work or mining is known to have been completed in the area, and satellite imagery suggests minimal disturbance.

Figure 37 – *Drone photograph of the Mala mine and waste dumps (NCC, 2018).*

In 2005/06, TDL collected 14 samples from the Vrechia pyrite mine area. All that exists of this work is an assay spreadsheet with co-ordinates and assay results. Assays were completed by ALS in Canada, but the analytical techniques used have not been specified. Location accuracy is unclear, but when validated by TDL, it is likely that samples were collected from waste dumps and tracks. No samples were collected from the open pit, with four samples collected from each of the crusher area (samples 63-66) and the waste dump (samples 67-70), and three samples collected from the northeast workings (samples 74-76). Three samples were also collected from tracks near the mine (samples 71-73).

Results for 9 of the samples are shown in Table 5. Massive sulphide samples (sulphur >10 %) have the highest Au, Ag and Cu values. The samples have consistent Au values from the crusher area, wastes dump and northeast workings, irrespective of the sulphur content. Samples collected from the roads were slightly anomalous in Cu and Au.

Table 5 – *Mala – 2005-2006 rock chip assays*

Sample ID	Location (WGS84, Zone 36N)		Au (g/t)	Ag (g/t)	Cu (%)	S (%)	Zn (%)
	Easting	Northing					
63 - crusher	470427	3863895	0.692	2.7	0.424	>10.0	0.034
65 - crusher	470411	3863924	0.121	1.3	0.080	0.09	0.140
66 - crusher	470399	3863946	0.504	1.8	0.270	>10.0	0.010
67 – waste	470717	3863820	1.635	6.3	0.317	>10.0	0.010
68 - waste	470763	3863831	0.110	1.3	0.038	1.79	0.148
70 - waste	470774	3863811	0.104	1.6	0.047	1.21	0.039
74 - northeast	470605	3864175	0.209	0.3	0.016	0.25	-
75 - northeast	470590	3864230	0.275	1.7	0.073	0.29	0.014
76 - northeast	470570	3864176	0.119	0.2	0.054	0.25	0.004

Three massive pyrite samples were collected by TDL in 2007; two from the open pit and one from the crusher waste pile immediately west of the pit (Table 6). The samples were collected to confirm the previous Cu, Zn and Au results. Pit samples returned 0.21 ppm Au and 0.42 % Cu, whereas the crusher waste sample returned 0.71 ppm Au and 0.52% Cu. Copper grades are consistent with the quoted mining grades; however, Zn grades were under-reported.

Table 6 – *Mala – 2007 rock chip assays*

Sample ID	Location (WGS84, Zone 36N)		Au (g/t)	Ag (g/t)	As (ppm)	Cu (%)	Pb (ppm)	S (%)	Zn (%)
	Easting	Northing							
CYP07040 mine access	470474	3863965	0.02	0.43	22.4	0.42	4.2	3.18	263
CYP07042 main pit	470346	3864129	0.21	0.74	17.4	0.16	15.4	>10.0	432
CYP07044 crusher waste	470404	3863937	0.71	4.25	107.5	0.53	74.7	>10.0	198

In 2014, BMG completed a thirteen-hole RC programme at the Mala mine (1,092 m; BMG, 2014b). The programme was designed to: confirm high-grade Cu/Zn results from historic drilling; determine Au and Ag grade (previously un-assayed); and to explore for strike extensions of mineralisation (Figure 39). All holes intersected pyrite-rich sulphide zones related to a Volcanic-Hosted Massive Sulphide (VHMS) system. The system was also shown to be open in all directions.

Figure 38 – *Mala. A – ore stockpiles to the west of the pit next to processing equipment foundations; B – view of the north-eastern pit face; C- gossanous breccia with oxidised sulphide stringers; waste/tailings with ARD pool, south of the pit (Andrew Craig, Oct 2018).*

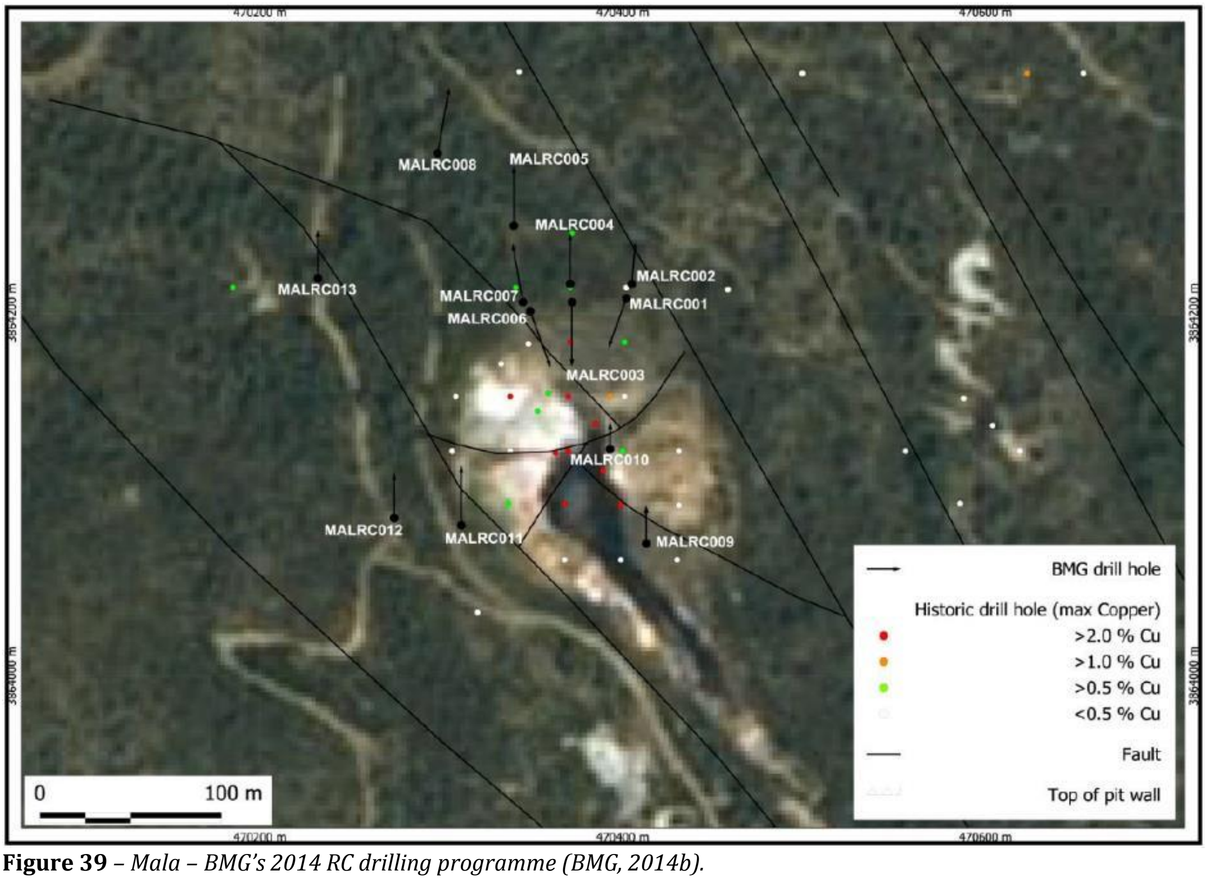

Figure 39 – *Mala – BMG's 2014 RC drilling programme (BMG, 2014b).*

BMG concluded from historic and 2014 data that the geological model for Mala is of a VHMS system developed in a northwest-trending (present-day orientation) basin during a hiatus of local magmatic activity. An extensive VHMS system developed within the Footwall Basalt with a high-grade Cu/Zn±Au/Ag zone, possibly corresponding to "black smokers", at the very top. The Footwall Basalt is described as an intensely altered basalt with few preserved volcanic features. The alteration is highly heterogeneous and comprises variable amounts of pyrite, quartz, chlorite and kaolinite clay. The intensity of alteration appears to decrease with depth, but no drill hole passed through to unaltered, unmineralised basalt beneath the VHMS system. The lowermost parts of the Footwall Basalt intersected during drilling contain quartz-pyrite veins within altered basalt and are probably the stockwork zones to the VHMS system.

They proposed that the extent of the gossan implied that the original basin was at least 600 m wide. The Hangingwall Basalt was subsequently deposited onto the VHMS deposit and locally shut down the hydrothermal system. Dolerite dykes cut all units and in time, the uplift of the Troodos Mountains led to movement along the original basin faults and faults were also developed across the basin. These fault displacements appear to be relatively small (<50 metres) but have displaced and dislocated sections of the VHMS system (Figure 40).

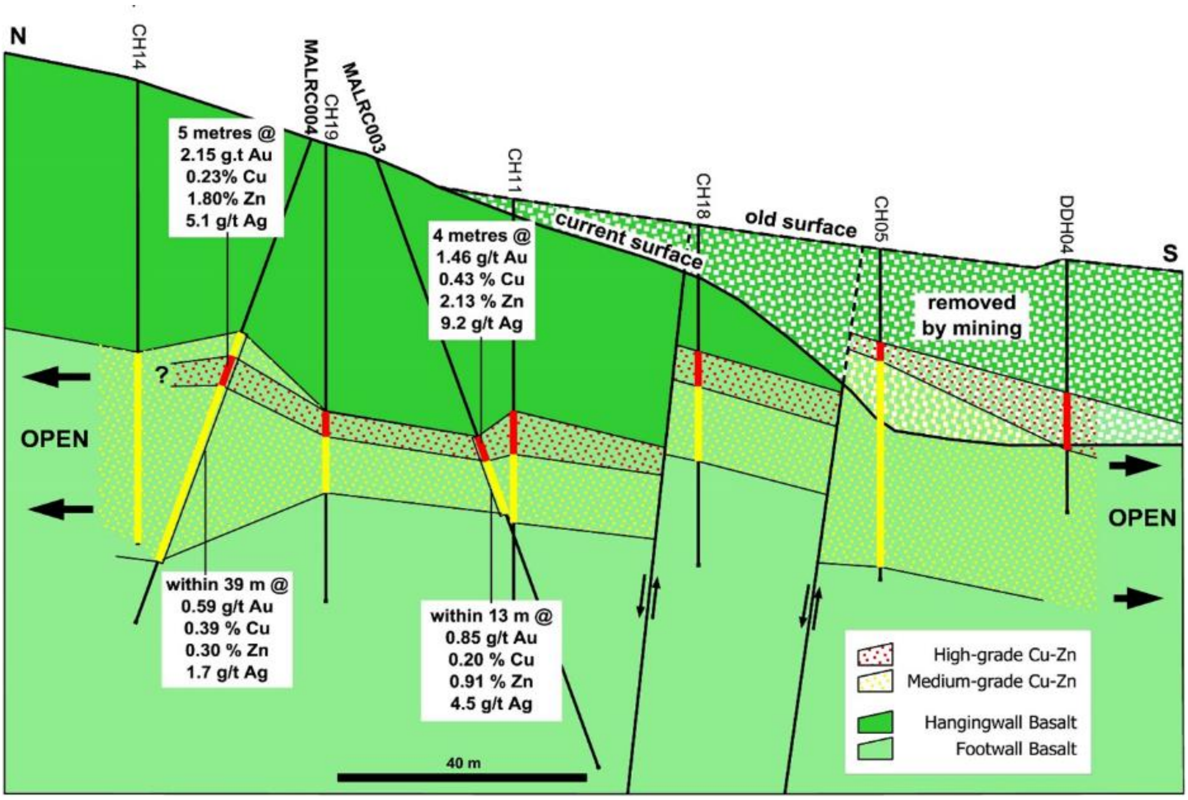

Figure 40 – *Mala – Section through mine (BMG, 2014).*

No further work has been completed at Mala.

5.3.4 Nearby sites of interest

Northern Lion has reported rock-chip and drill assays from two prospects along strike and near the Vrechia Project. The Asprogia prospect is approximately 2 km northwest and along strike of the Vrechia Project. Northern Lion reported two TSX releases in 2009 (25/09/2009; 19/11/2009) with one rock-chip sample returning 4.1 % Cu, and another returning 7.3 g/t Au and 17.6 g/t Ag. Follow-up sampling at Asprogia in areas with no known workings also returned assays with anomalous Cu, Au, Ag and Zn.

Drilling at the St Nikolas prospect in 2011, approximately 800 m east of the Vrechia Project are presented in Table 7. There are numerous gossans in the area, and the 2007 Mineral Resources Map of Cyprus shows a series of ancient slag piles in the immediate vicinity.

Table 7 – *St Nikolas prospect – selected drilling results from Northern Lion (2011)*

Hole ID	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
11SN02	28.6	4.50	19.08	1.04	0.24
11SN03	47.0	0.56	7.81	0.10	0.22
11SN05	41.1	0.89	4.2	0.29	0.10
11SN06	5.6	0.72	21.47	0.10	0.19
11SN02	28.6	4.50	19.08	1.04	0.24
11SN03	47.0	0.56	7.81	0.10	0.22

5.4 History – Mathiatis Project

5.4.1 General Overview

The Mathiatis Prospect area comprises two Prospecting Permits (AE4649, Matiati; AE4748, Matiati – Ayia Varvara) in the north eastern part of the Troodos Ophiolite (Table 1; Figure 43). They cover 2.06 km^2.

The permits are within 25 km of the Mitsero Processing Plant, which started operating in 1956 (Bear, 1960), and is where massive Cu sulphide ore from the mines in the area was reportedly processed. The status of this plant is unknown, but EMED Mining discussed using it to process material from its Klirou Project (EMED, 2006 Annual Report). The plant is owned by the Hellenic Mining Company.

There is little documentation on exploration works in the area; however, there has been extensive mining, with five abandoned mines within the general project area: North Mathiatis, Sha, Kokkinochoma (Kappedhes), Kambia (Kokkinonero) and Peristerka-Pytharpchoma (Table 3; Figure 24).

The area was covered by the 1965 airborne magnetic and electromagnetic surveys (Hunting Geology & Geophysics Ltd, 1969), but given that the surveys were at 440 yard (ca. 400 m) line-spacing and a 400 foot (ca. 122 m) nominal flight height, and the data are only available as 1:50,000-scale contour maps, they are deemed to be of limited use.

5.4.2 Geology

The Mathiatis Project covers the volcanic units along the north-eastern flank of the Troodos Ophiolite Complex. According to Bear (1960), most of the Licences cover units of the LPL, with some tenure over the UPL and Basal Group gabbro. However, the geology in the 1:250,000-scale compilation re-interprets large areas previously mapped as LPL as UPL (Figure 41). It also shows the gross stratigraphic geometry to be more complex with a domain of UPL forming a south-trending belt through the middle of the Project area.

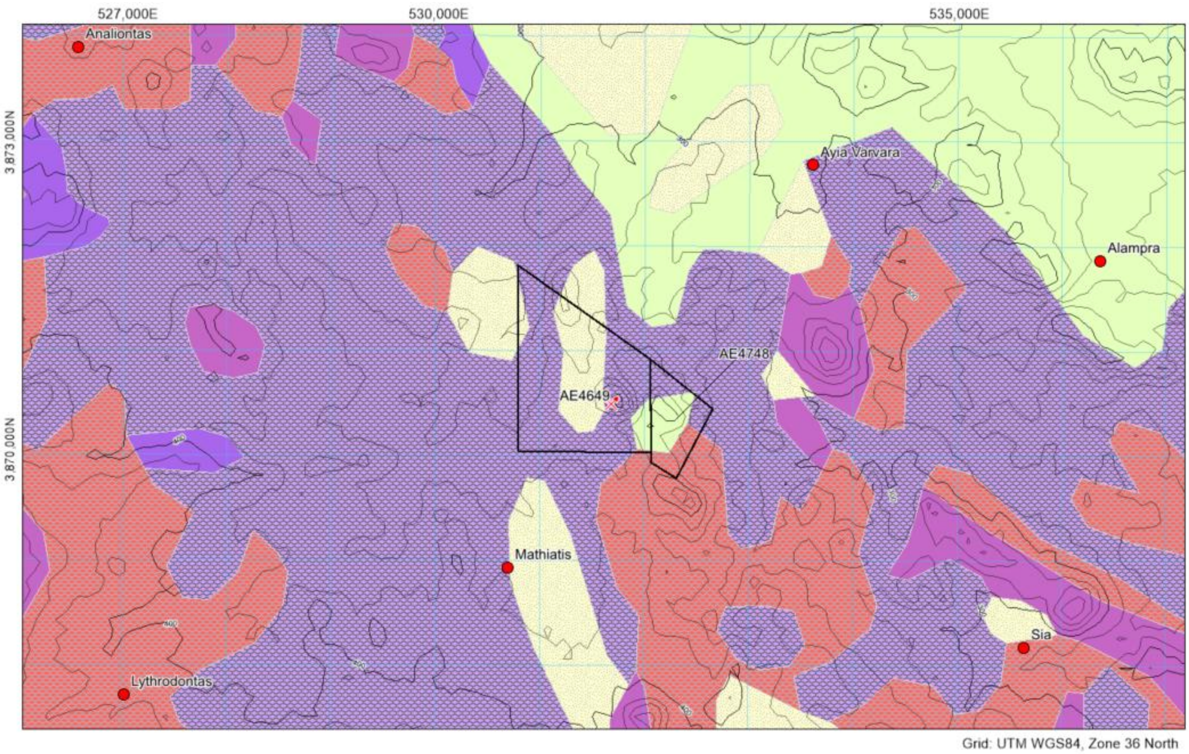

Figure 41 – *General geology of the Mathiatis Project with production centre (1:250,000 scale compilation, Cyprus Geological Survey, 2007). Geology map legend – see Figure 25.*

5.4.2 North Mathiatas Mine

Granted Licence AE4649 covers the North Mathiatas mine where 2.1 Mt of ore at 0.2 % Cu were reportedly mined (Mines Services Division, 2011). Gass et al. (1994) explain that the massive pyrite body contained about 0.5 % Cu, which at the time, was too low for economic recovery, and above the limit of pure pyrite ore (0.15 % Cu; Bear, 1960). Gass et al., (1994) also reports that between 1936 and 1938, 26,691 oz of Au and 154,719 oz of Ag were recovered from near-surface mining at North Mathiatas (Figure 42) and nearby South Mathiatas combined.

In 2007, TDL collected five samples across the 75 m wide massive sulphide at the base of the open pit, and returned consistent grades of 0.36 to 0.48 g/t Au and 0.06 to 0.19 % Cu. In the altered volcanic rocks around the massive sulphide body, five samples were assayed and returned up to 0.50 g/t Au and 0.11 % Cu.

The extensive dumps to the SE of the open pit are the target for the permit application (TBC). There is a possibility that these dumps may contain viable material for re-processing (Figure 48c and Figure 49).

Rocklore visited this site on 3 Nov 18 (Figures 43, 44 and 45).

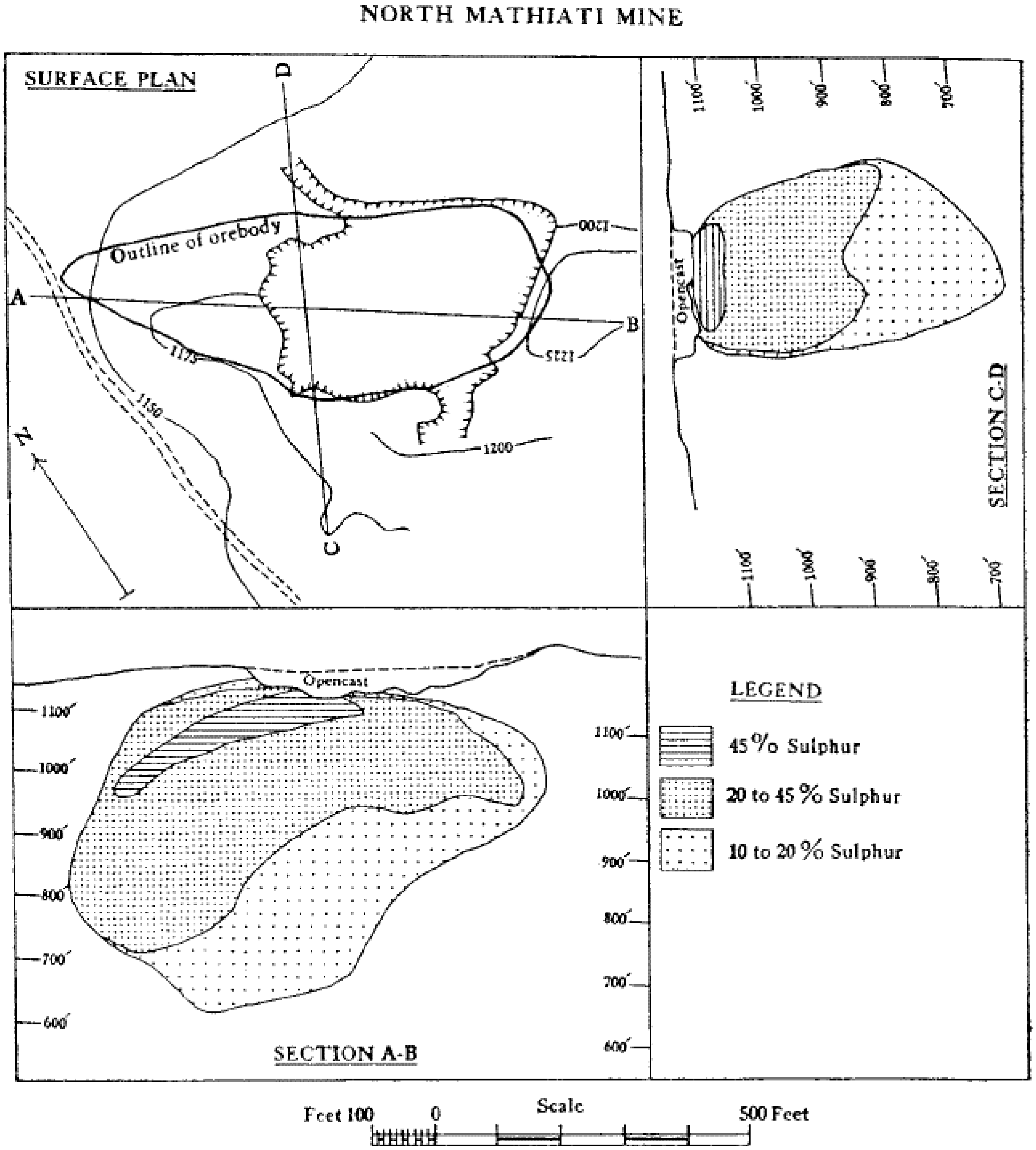

Figure 42 – *North Mathiatas – Plan and sections.*

Figure 43 – *North Mathiatas – View north from haul road location shown in Figure 44; orebody bounding faults shown. Note strong oxidation and inflow of material from dump to east of pit (Andrew Craig, Nov 2018).*

Figure 44 – *North Mathiatas – View south from haul road location shown in Figure 43. Note strong oxidation and inflow of material from dump to east of pit. Southern pit floor above waterline exhibits massive and brecciated sulphide mineralisation (Andrew Craig, Nov 2018).*

Figure 45 – *North Mathiatas – A - massive and brecciated sulphide mineralisation from the southern pit floor; B - massive and brecciated sulphide mineralisation in the southern pit floor; C – sulphosalt ARD drainage from the dumps, extensive oxidation of waste rock and areas of ore; D – small umber quarry, 300m to the NE of the Mathiatas open pit (Andrew Craig, Nov 2018).*

Figure 46 – *North Mathiatas – Waste and tailings coverage, includes dumps of bulk ore (GoogleEarth, 2018).*

5.5 History – Black Pine Project

5.5.1 General Overview

The Black Pine Project comprises four contiguous Prospecting Permits (AE4610, Dhierona; AE4612, Prastio; AE4653, Prastio, Kellakiou; AE4654, Prastio, Kellakiou, Parakklisia; Table 1; Figure 50). These permits cover a total of 9.45 km^2 across a geological setting that Caerus considers prospective for massive sulphide and Cu+Ni+Co mineralisation. The Project area covers Forestry land, and Rocklore is informed that this is not an impediment to access, completing the required exploration programme or mining.

Evidence of ancient mining is present in the form of workings, dumps and slags. Slags have been dated to the Bronze Age (2400-1200 BC) and a number of archaeological sites around the island have been linked with the unique arsenic signature of the Black Pine ores present at Pevkos and Laxia tou Mavrou (Gass et al., 1994).

5.5.2 Geology

The Black Pine Project area covers a significant portion of the Troodos Ophiolite south of the Arakapas Transform Fault (Gass et al., 1994). This area has been referred to as the Southern Troodos Ophiolite and predominantly comprises ultramafic rocks with a much narrower volcanic fringe than the main Troodos Ophiolite (Gass et al., 1994). The Southern Troodos Ophiolite also appears to comprise less gabbro and sheeted dyke complex rocks (Cyprus Geological Survey, 2007; Figure 47).

Pantazis (1967) and Bear et al.,(1960) covered the Southern Troodos Ophiolite at 1:31,680-scale and showed most of the ultramafic units to be hydrothermally altered and metamorphosed to serpentinite. Subsequent mapping by Gass et al. (1994) at 1:25,000-scale showed serpentinite limited to near fault zones and they divided the ultramafic areas into magmatic units (harzburgite, peridotite, wehrlite). Both maps are likely correct, but with a different emphasis, as Thalhammer (1986) describes the area as "*90% tectonized harzburgite*" that has been "*highly serpentinized (80% to 100%)*". Pyrrhotite-dominant mineralisation enriched in Ni-Cu-Co-Au has been identified in breccia zones along some serpentinised fault zones within the ultramafic units. Such zones are only known in the Southern Troodos Ophiolite and include the Pevkos and Laxia tou Mavrou prospects. Such mineralisation has been interpreted to be emplaced by metal-rich hydrothermal fluid mobilised during post-magmatic tectonic activity, such as uplift of the ophiolite (see Foose et al., 1985; Thalhammer, 1986).

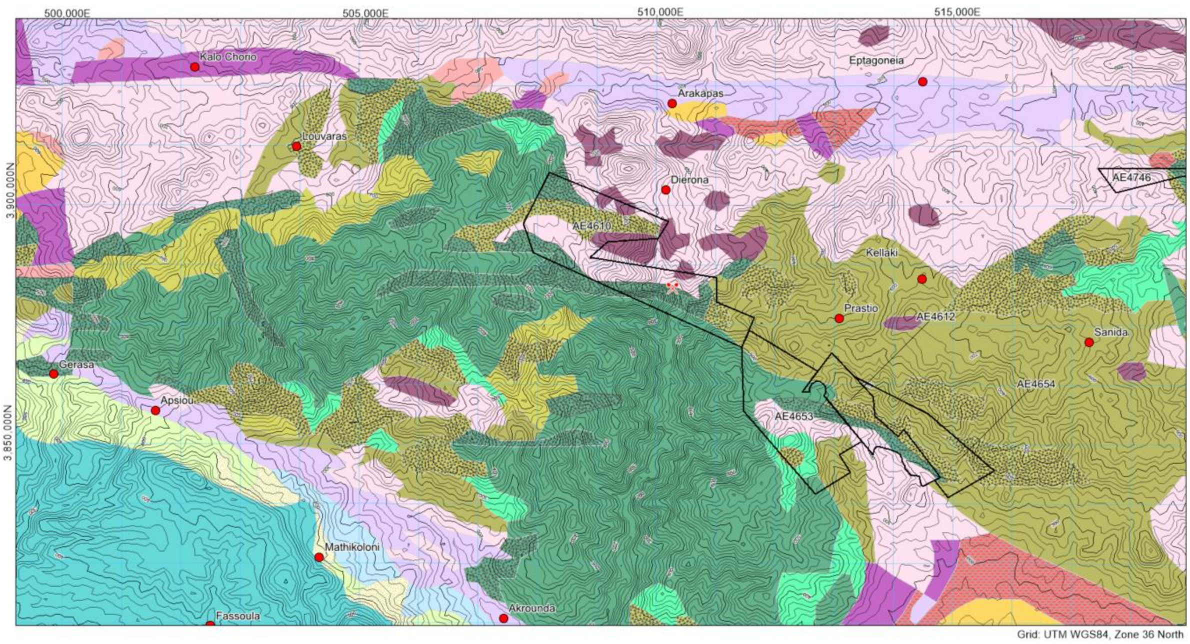

Figure 47 – *General geology of the Black Pine Project with production centres and prospects (1:250,000 scale compilation, Cyprus Geological Survey, 2007). Geology map legend – see Figure 25.*

5.4.3 Laxia tou Mavrou Prospect

Laxia tou Mavrou is located 5.5 km northwest of Pevkos, in mountainous terrain. Pyrrhotite dominated Cu-Co-Ni-Au mineralisation is reportedly localised along a fault-fracture corridor within massive serpentinite, with outcropping gossan mappable for ~1.4 km (Figure 48).

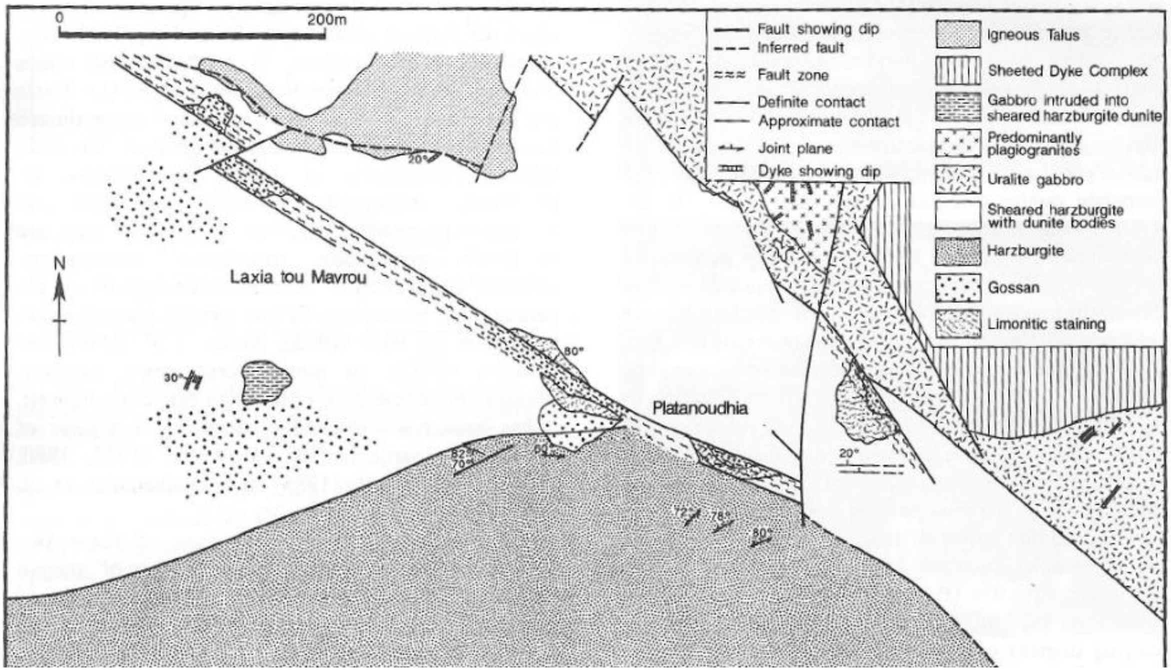

Figure 48 – *Geological map of the Laxia tou Mavrou area (Gass et al., 1994).*

The historic maps and sections show the locations; geology and assays for sixteen drillholes, of which twelve were drilled by the Hellenic Mining Company from 1951-1952, and four were drilled by Noranda Exploration in 1977. Noranda Exploration reported that a number of geophysical surveys were completed prior to drilling in 1977. No maps or sections showing the results have been located. Geophysical methods used by Noranda, included:

- Pulse EM – Noranda interpreted that this technique potentially delineated a steeply north-dipping conductor of limited strike length, but in general no significant anomalies;
- Computational EM – Noranda experienced configuration problems, probably due to presence of shears and slip planes; some conductors identified;
- Magnetics – Noranda report that the pyrrhotite is non-magnetic, but this is not consistent with the samples collected in adit ΓΣ3. The report suggests that magnetics did map the gross geological structure; and
- Induced Polarisation – dipole-dipole survey picks up entire shear zones without delineating the mineralisation within. No results presented.

Some drill collars have been located by TDL; others can be approximated from the maps and where tracks have been cleared. Given the detail of some of the geological logs, it would appear that most of the drilling was cored, although the logs fail to present any structural information. It is also unclear whether the assays were derived from the core directly or from drill chips.

Most drillholes intersected mineralisation, but the assays and logs suggest narrower intersections than mapped in the adits. Importantly, the drillholes confirmed the down-dip continuity of sulphide mineralisation and provided useful information as to the dip of the bodies (broadly NE-dipping). No drill core has been preserved.
Approximately 880 m of exploratory adits are recorded in historic maps of Laxia tou Mavrou. Villagers from nearby Prastio acknowledged worked these adits in the early 1950's, and report that copper-rich material was shipped to Kalavasos for trial processing. As was the case for Pevkos (see next section), the material was apparently incompatible with the existing processing plant.

TDL completed a fixed-loop EM and a ground magnetics survey at Laxia tou Mavrou in 2010. However, the extremely steep terrain meant that positioning the loop and receivers was in places uncontrolled or impossible. Two loop configurations were tried for the EM; an initial large loop was positioned to encompass most of the known mineralisation, whereas a second smaller loop covered the northern adits only. The large loop provided some partial anomalies, but the steep topography prevented completion of some lines, and so these anomalies were not defined properly. The smaller loop defined a robust conductor in the line crossing adit ΓΣ3 corresponding well with known mineralisation.

The ground magnetic survey showed that the mineralised corridor has an overall low magnetic response relative to the host serpentinite. This supports the concept that the mineralisation is associated with emplacement by hydrothermal fluid, and that the fluids destroyed the magnetite in the serpentinite. The magnetic survey also showed contrasting magnetic features which may be different geological units and faults.

During November and December 2011, Northern Lion visited Laxia tou Mavrou to conduct a due diligence review. Twenty-one rock chip samples were collected along a strike length of 660 m, and covered part of the exposed mineralised area. Fourteen of the samples returned >1.0 g/t Au with a maximum of 13.45 g/t Au.

These samples were collected from the eastern side of a north-trending fault, where TDL collected a sample with 17 g/t Au and 0.5 % Cu. Four samples returned greater than 1 % Cu with the best result at 3.55 % Cu, 6.99 g/t Au, 0.18 % Co and 0.15 % Ni.

In the western area, the samples confirmed TDL's previous results with the best massive pyrrhotite sample returning 4.1 g/t Au, 1.24 % Cu, 0.14 % Co and 0.16 % Ni. Assays were completed by ALS in Canada via Romania, and original ALS documentation has been obtained by TDL.

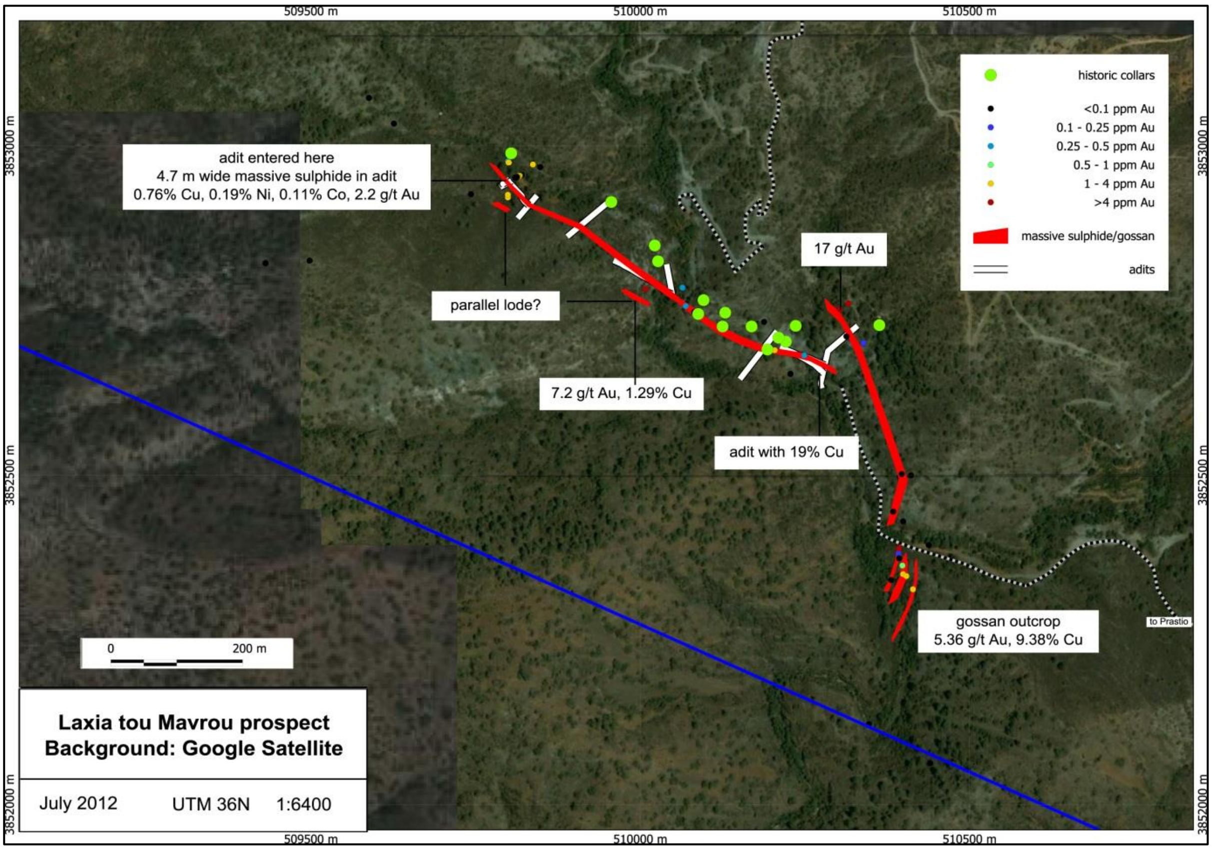

Figure 49 – *Laxia tou Mavrou – Location of lodes (SRK, 2013).*

SRK (2013) noted that adit entrances have been located for all adits except ΓΣ5, but only ΓΣ3 is currently accessible (Figure 49). Historic adit sections generally show steeply northeast-dipping mineralisation up to 5 m wide, that is continuous along the drives. It is reported as massive, stringer and disseminated pyrrhotite mineralisation. Numerous outcrop locations along the track between Pevkos and Laxia tou Mavrou also exhibit strong gossan development with malachite staining (Figure 50C and 50B). The location of the outcrops align with the overall strike geometry of the mineralisation observed in the adits, with the overall gossan zone up to 25 m wide as exposed in outcrop (Figure 50A).

In adit ΓΣ3, a 4.7 m wide (true width) tabular body of massive pyrrhotite-chalcopyrite is hosted within strongly foliated serpentinite.The massive sulphide body dips ~50°/050°, subparallel to the foliation, but does not appear to be dismembered within the foliation. In the hanging wall, there are stringers and disseminations of pyrrhotite-chalcopyrite that have been boudinaged. Gossan in a hanging wall position ~600 m to the SE along strike of adit ΓΣ3 returned 17 g/t Au. The basal contact of the massive sulphide body is sharp, with no sulphide disseminations or veins in the footwall. The footwall unit is comprised of massive serpentinite cut by a network of talc-asbestos-chlorite veinlets, suggesting that the massive sulphides may be in structurally proximity above a significant fault or thrust.

Figure 50 – *Laxia tou Mavrou – A - Gossanous outcrop; B – gossanous rubble next to outcrop in plate A, which returned 17g/t Au from TDL sampling; C – sulphide vein mineralisation with further disseminations in road cut; D – road cut, probable pad for drilling LMD005 (Andrew Craig, Nov 2018).*

Following the 2013 SRK ITR, BMG conducted a 13-hole diamond drilling programme at Laxia tou Mavrou (BMG, 2013). With each hole intercepting mineralisation, the programme confirmed the presence of high-grade Cu-Au-Co sulphide mineralisation. Holes LMD006 and LMD013 hit voids at the depths predicted for massive sulphides, therefore implying an unrecorded underground working (Figure 51 and Figure 52). Highlights of the entire programme as presented in Table 8.

Rocklore has seen the BMG core and once it has been moved to a suitable operation location it will be of great use to the project.

Table 8 – *Laxia tou Mavrou - Summary of significant intersections, 2013 BMG drilling (BMG, 2013)*

Hole ID	Width (m)	From (m)	Copper %	Gold g/t	Cobalt %
LMD001	0.84	29.64	3.89	-	-
LMD001	2.10	34.00	0.42	-	-
LMD002	2.27	12.75	0.45	-	-
LMD002	1.20	18.49	0.44	-	-
LMD002	4.25	30.75	2.53	-	-
inc.	0.38	31.92	13.05	0.62	0.36
inc.	0.35	32.88	10.55	0.28	0.21
LMD003	8.18	46.82	0.58	0.13	0.04
LMD005	1.18	33.10	1.72	1.18	0.15
LMD006	0.44	39.30	2.03	1.35	0.05
plus	Large void from 53.5 m, probably unrecorded underground historical workings				
LMD007	3.58	112.91	1.74	0.28	0.05
LMD008	2.25	153.05	4.15	0.21	0.1

Hole ID	Width (m)	From (m)	Copper %	Gold g/t	Cobalt %
inc.	0.45	154.05	18.0	0.7	0.37
LMD009	4.65	154.05	0.33	0.69	0.02
LMD010	1.74	94.86	0.81	0.34	0.12
LMD011*	2.61	138.76	1.70	4.2	0.11
LMD012	7.66	118.00	0.66	-	-
LMD013	Large void from 52.0 m, probably unrecorded underground historical workings				

* Core box photograph of this interval is presented in Figure 53.

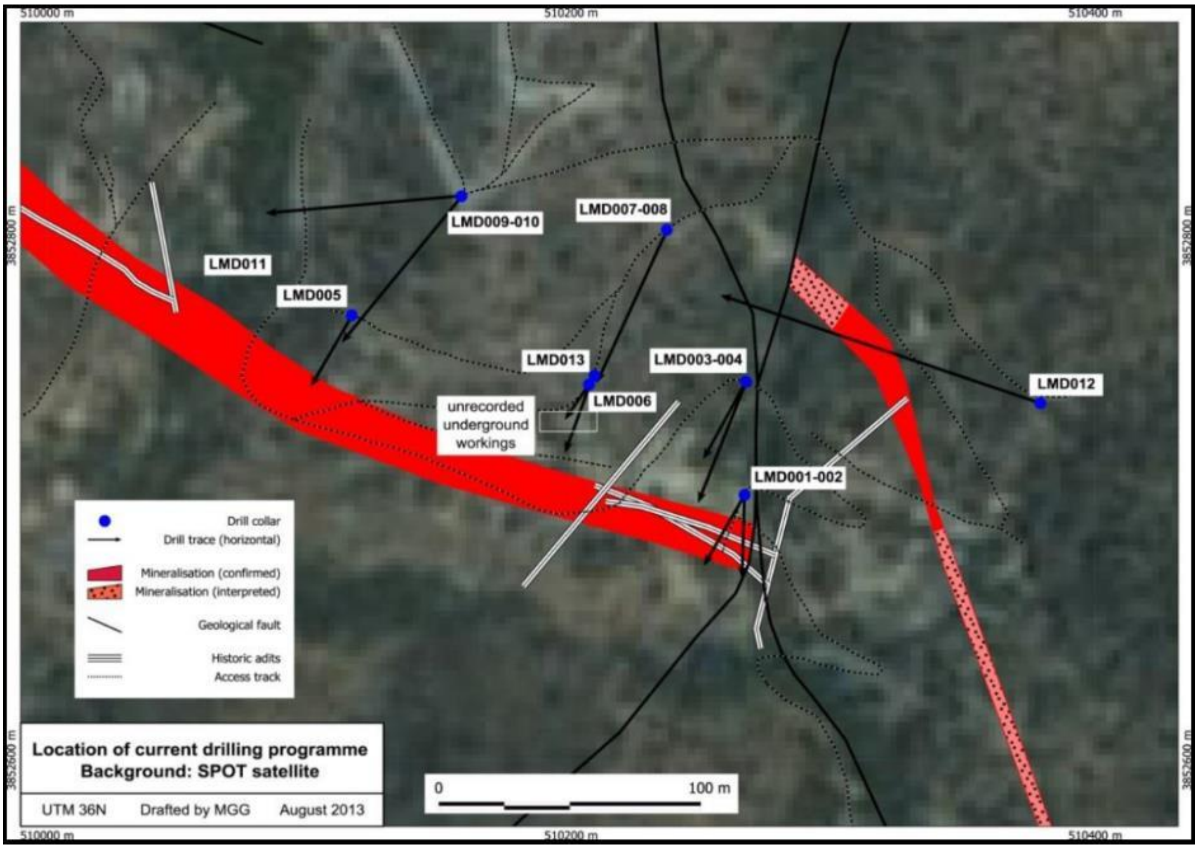

Figure 51 – *Laxia tou Mavrou – 2013 BMG drilling programme – plan (BGM, 2013).*

Figure 52 – *Laxia tou Mavrou – 2013 BMG drilling programme – Selected cross-sections, from east to west (BGM, 2013).*

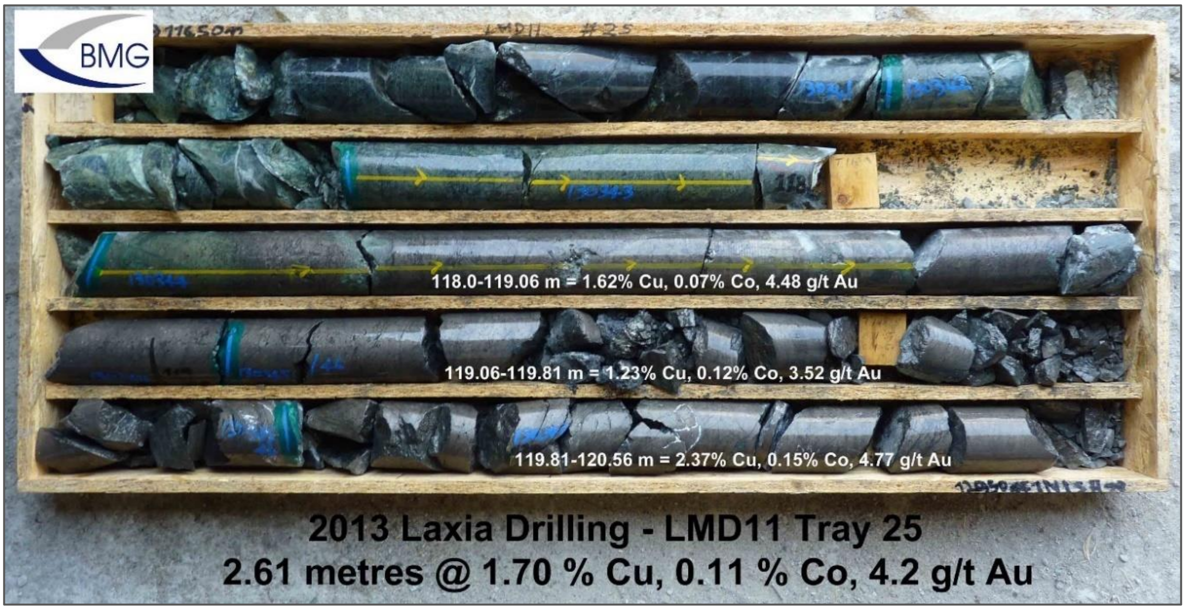

Figure 53 – *Laxia tou Mavrou - Drill core from LMD011, Tray 25 (BMG, 2013).*

5.5.4 Pevkos Mine

Pevkos is located within serpentinite units immediately north of a large gabbroic body and contains two pyrrhotite-dominated sulphide lodes (the eastern and western lodes; Figure 54), both of which reportedly dip moderately southwest. A significant part of the prospect is covered by the mill and waste related to the adjacent gabbro aggregate quarry (Figure 59A). There are numerous outcrops of gossan and malachite-stained serpentinite throughout the prospect and along the contact with the gabbro.

SRK visited the Pevkos area as part of their 2013 ITR for BMG and traversed from Pevkos to Laxia tou Mavrou to validate the location of adits, and reports of gossan outcrop. Numerous gossans were observed, some with malachite staining (Figure 55B and 55C). Rocklore visited the Pevkos site on 1 Nov and 2 Nov 18.

Historic maps and cross-sections show the location and some assay results for twenty-two drillholes drilled by Hellenic Mining Company in 1951. Seven holes were drilled in the eastern area, and fifteen drilled in the western area (Figure 56). No drill collars have been precisely located to date, and SRK was informed that no drill core has been preserved. Geological logs indicate that most of the drilling was diamond drilling, although no structural information is available. It was also unclear whether the assays reported were derived from sampling of the core directly, or from drilling chips. Massive sulphide zones are shown in drill log records as narrow (<1 m) intersections, though there is no information regarding core recoveries. Intersections of mineralisation as recorded in historic holes are presented in Table 9.

Brady, (1991) sampled gossan at the entrance of flooded adit T2 which returned 0.34 % Cu; 2.33 % Ni; 4.65 g/t Au; and 0.18 % Co. A 2013 SRK check sample from the same location (BPP13001) assayed: 0.35 % Cu; 1.98 % Ni; 18.25 g/t Au; 0.26 % Co and 3.0 % As. Differences are at least in part due to differing assaying chemistry.
Up to 640 m of adits are recorded at Pevkos (330m western lode; 310 m eastern lode. The adit entrance at the eastern lode has been located by TDL, and although it is flooded, there is a large gossan outcrop at the entrance (Figure 55D). Geological records from the eastern adits show that the mineralisation is comprised of massive pyrrhotite equivalent to the width of the adit (up to 3 m), plus numerous thin sulphide veins containing pyrite, chalcopyrite, galena and sphalerite. This is however in contrast to the thin intervals of sulphide mineralisation recorded in the drilling. The adit records note continuous massive pyrrhotite mineralisation for 160 m along strike in adits T3 & T4. Little data is available for the western lode, where geological records indicate a maximum lode strike length of 25 m, though there may be multiple sub-lodes. The mineralisation is shown to comprise a few thin pyrrhotite veins, which in total may be half the width of the adit (unpublished adits maps; Cyprus Geological Survey archive). Results from historic adit sampling are presented in Table 10.

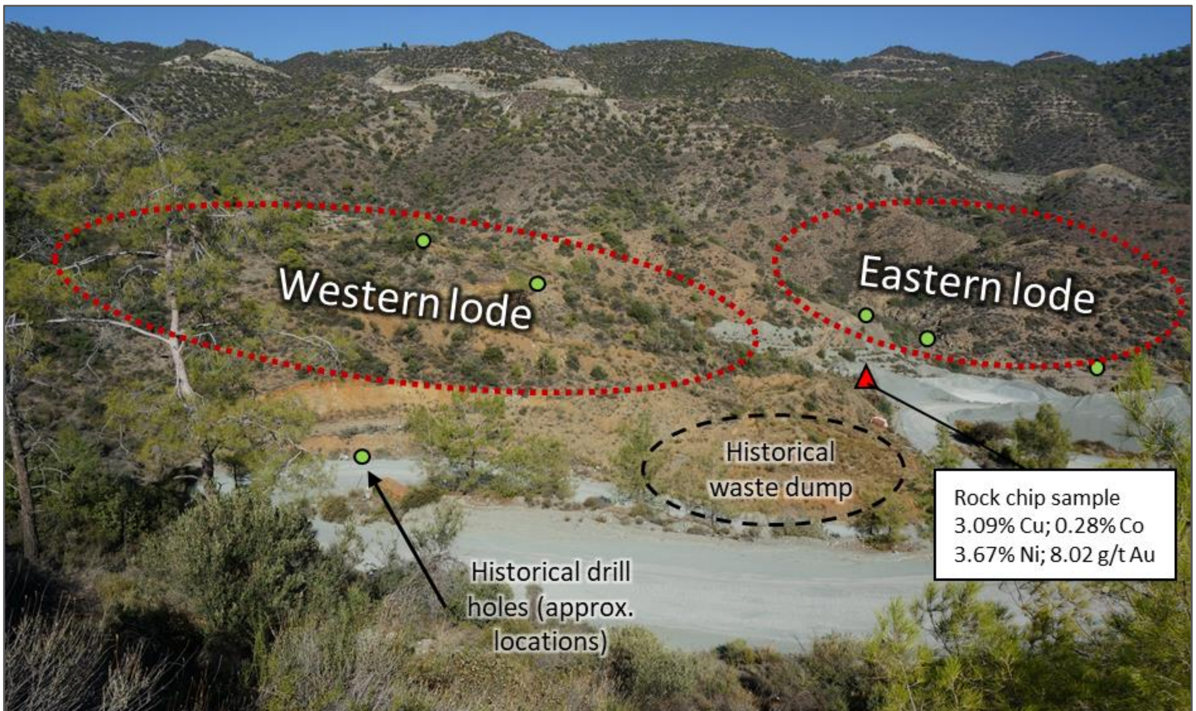

Figure 54 – *Pevkos - View of the western and eastern lodes (Andrew Craig, 2018).*

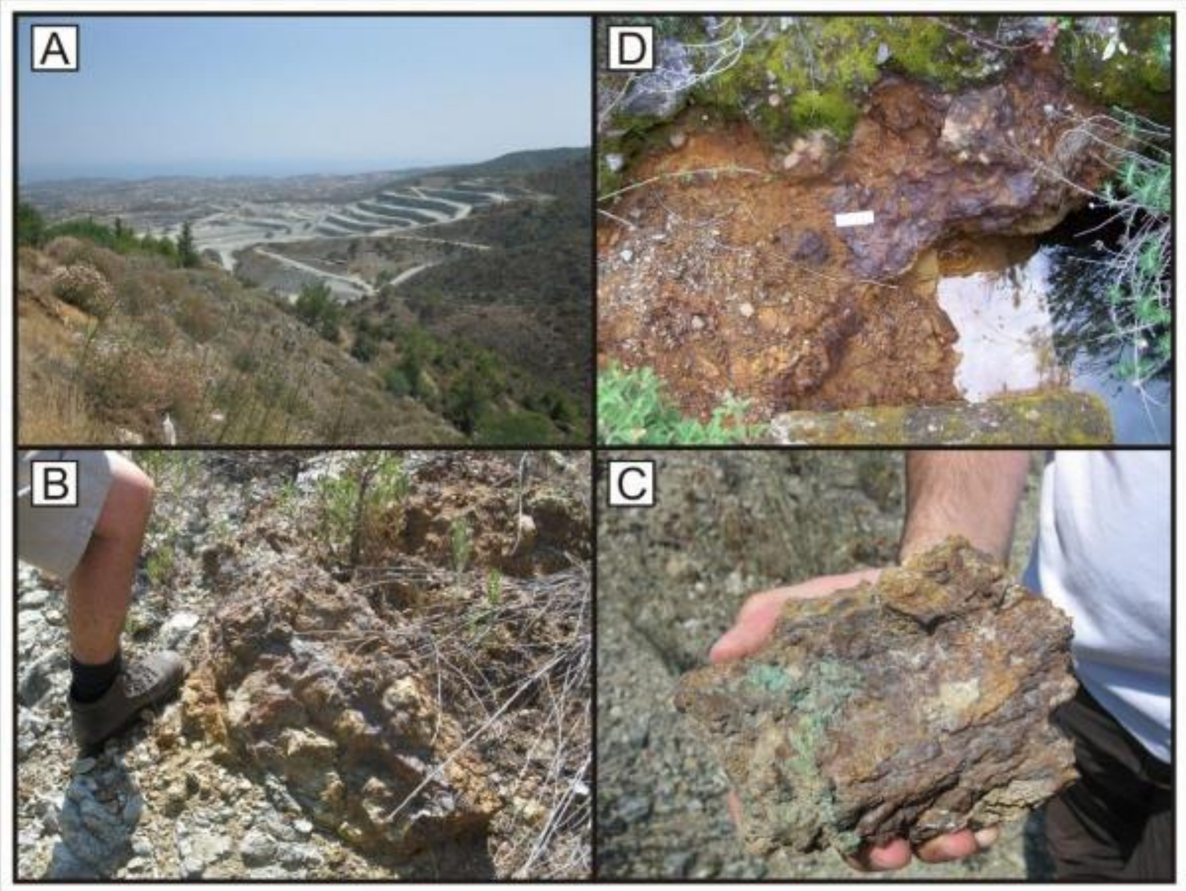

Figure 55 – *Pevkos - Evidence for mineralisation observed during SRK's site inspection (SRK, 2013) - A. View of the gabbro quarry from Pevkos (514240 mE, 3849716 mN). B. Cu-stained (malachite) gossan (513787 mE, 3850020 mN). C. Gossan with malachite staining between Pevkos and Laxia tou Mavrou (510277 mE, 3852642 mN). D. T2 Adit entrance (2.33% Ni, 0.34% Cu, 0.18% Co, 4.65 g/t Au; 514003 mE, 3850076 mN).*

1.
Table 9 – *Pevkos - Mineralised intersections, historical drilling; weighted averages from data in SRK, 2013.*

Drillhole	Location (WGS84)		From (m)	To (m)	Interval	Cu	Ni	Co
	Easting	Northing			(m)	(%)	(%)	(%)
P2	513981	3849959	83.5	85.4	1.7	0.15	0.45	0.12
Including: 84.5 m – 84.7 m (0.2 m) @ 1.25% Cu, 3.05% Ni and 0.27% Co								
P2	513981	3849959	86	89.5	3.5	0.00	0.75	0.16
Including: 89 m – 89.2 m (0.2 m) @ 8.1% Ni and 0.38% Co								
P4	513691	3850011	60	69	9	0.40	0.18	0.17
Including: 65.5m – 65.8 m (0.3 m) @ 6.02% Cu, 0.69% Ni and 0.2% Co; and, 65.8 m – 66.0 m (0.2 m) @ 5.28% Cu, 1.05% Ni and 0.2% Co								
P9	513693	3849939	98	98.75	0.75	3.16	0.38	0.03
Including: 98.25 m – 98.5 m (0.25 m) @ 8.75% Cu, 0.88% Ni and 0.08% Co								
P9	513693	3849939	99	99.3	0.3	2.6	0.00	0.00
P12	513957	3850011	95	96.1	1.1	0.72	0.67	0.00
Including: 96.0 m – 96.1 m (0.1 m) @ 6.36% Cu and 0.28% Ni								

Table 10 – *Pevkos – Results from historical and TDL adit sampling; weighted averages from data in SRK, 2013.*

Adit	Adit Entrance Location			From (m)	To (m)	Int	Cu	Ni	Co	Note
	Easting	Northing	Strike			(m)	(%)	(%)	(ppm)	
T1	513979	3850072	211°	0	12	12	0.34	0.35	0.10	A
T3	513979	3850072	143°	0	1	1	0.74	0.86	0.64	A
T3	513979	3850072	143°	2	3	1	0.53	0.31	0.32	A
T3	513979	3850072	143°	8.5	9	0.5	0.39	0.14	0.06	A
T3	513987	3850062	109°	12.5	14	1.5	0.81	0.32	0.14	A
T3	513987	3850062	109°	14.5	15	0.5	0.55	0.30	0.04	A
T3	513987	3850062	109°	12.5	14.5	2	0.89	0.39	0.13	A
T3	514011	3850053	122°	33	40	7	0.81	0.39	0.18	A
T3	514011	3850053	122°	41	62	21	0.44	0.33	0.21	A
T4	513979	3850072	287°	1.5	7	5.5	0.60	1.17	0.36	A
T4	513979	3850072	287°	16	19	3	0.41	1.15	0.17	A
T4	513979	3850072	287°	20	22	2	0.05	0.52	0.20	A
TW3 C	513741	3850007	360°	2.5	3	0.5	0.31	0.39	0.09	A
TW3 C	513741	3850014	360°	7	10	3	1.28	2.33	0.11	A
TW3 C	513741	3850014	360°	11	19	8	1.10	4.22	0.90	A
TW3 C	513741	3850014	360°	20	21	1	1.10	1.23	0.19	A
TW3 C	513741	3850014	360°	22	23	1	1.26	11.56	0.64	A
TW3 C	513741	3850014	360°	24	25	1	1.08	1.32	0.10	A
T3	514011	3850053	122°	34	40	6	1.00	0.77	0.17	B
T3	514011	3850053	122°	41	63	22	1.46	0.62	0.24	B
T4	513979	3850072	287°	16	18	2	0.15	0.40	0.24	B

Note: A – Sulphide and wall rock sampled; B – sulphide only sampled.

SRK (2013) summarised the geophysics as follows: A ground magnetics survey was completed by TDL in 2010 over the Pevkos area. There were numerous technical issues with the survey mainly due to the steep terrain and the magnetometer moving out of horizontal alignment. Nevertheless, these data still provide some useful information, with the areas around known mineralisation appearing to be magnetically low despite the presence of pyrrhotite lodes. This may be due to the mineralising fluid destroying magnetite in the serpentinite, to form a non-magnetic alteration halo. The magnetic survey also differentiates the gabbro relative to the serpentinite, and so may be a very useful regional geological mapping tool.

A fixed-loop Electromagnetic (EM) survey was also completed in 2010. For EM to locate conductors, the position of the loop relative to the conductor is critical. A 250 m loop was used so that both the eastern and western sulphide lodes could be tested with a single loop. Three lines were sampled within the loop and one line sampled outside.

The EM survey detected a strong conductor along two adjacent lines with this conductor correlating with the approximate position of the eastern mineralisation. Forward modelling of these data indicated a southwest-dipping plane, which is consistent with the cross-section interpretation from the historic adit and drilling data. Further extensions of the eastern lode were not identified, and so the lode may be faulted, or just failed to couple with the line run outside the loop. There was no response from the western lode, possibly because its geometry was not favourable for the loop configuration, or because the lode is discontinuous. Importantly, this survey has demonstrated that these bodies are detectable utilising EM, which may be an appropriate tool for future targeting.

SRK was informed that the material removed from the adits was apparently processed at the Kalavasos copper mine (~20 km northeast) but was incompatible with the existing processing plant. SRK was further informed that there was no historic testing for Au; however, resampling by TDL has consistently returned between 2 and 5 g/t Au. Check samples of waste material taken by SRK assayed at:

- **BPP13001** – gossan at entrance to flooded adit - 0.35 % Cu; 1.98 % Ni; 18.25 g/t Au; 0.26 % Co and 3.0 % As.
- **BPP13003** – serpentinite with disseminated sulphides - 0.24 % Cu; 0.32 % Ni; 0.54 g/t Au; 0.06 % Co and 0.07 % As.

Further work completed by BMG/TDL included:

- Data collection and collation; integration of date into a project GIS;
- Rock chip sampling;
- Surface mapping;
- Reinterpretation of ASTER multi-spectral imagery as part of regional exploration; and,
- A five-hole RC drill programme.

The 2014 RC programme intersected sulphide zones in all five holes (Figure 56 and Figure 57; BMG, 2014b). Two holes were targeted at the Western Lode and three holes were targeted at the Eastern Lode. All holes intersected numerous sulphide-rich zones. The assays show narrow high-grade Nickel-Copper-Cobalt-Gold zones within broader sulphide alteration zones.

The best result was within the Western lode where an interval from 94-96 m in hole PEVRC004 assayed 0.33 % Cu, 3.03 % Ni, 0.16 % Co and 3.00 g/t Au. A sub-sample from this interval (95-96 m) graded 0.38 % Cu, 9.45 % Ni, 0.48 % Co and 7.12 g/t Au. The intersection is estimated to be 30 m along strike and 40 m down-dip from historic high-grade results obtained from sampling in the old adits. Selected results from drilling assays are presented in Table 11. The section in Figure 61 shows PEVRC004's relationship to historical underground workings.

Notable results from the Eastern lode included a 1 m interval from 147-148 m in hole PEVRC002 assayed 3.14 % Cu, 0.54 % Ni, 0.15 % Co and 2.30 g/t Au.

Table 11 – *Pevkos – BMG/TDL RC drilling – selected results (BMG, 2014b)*

Hole ID	From (m)	To (m)	Ni (%)	Cu (%)	Co (%)	Au (g/t)
Eastern Lode						
PEVRC002	146	147	0.212	0.184	0.035	0.61
PEVRC002	147	148	0.524	3.45	0.151	2.21
PEVRC002*	147	148	0.556	2.84	0.149	2.40
PEVRC002	148	149	0.255	0.128	0.030	0.12
PEVRC003	144	145	0.818	0.011	0.023	0.12
Western Lode						
PEVRC004	94	95	3.59	0.603	0.199	4.08
PEVRC004*	94	95	3.78	0.614	0.208	4.69
PEVRC004†	94	95	9.45	0.384	0.481	7.12
PEVRC004	95	96	2.37	0.058	0.110	1.61
PEVRC004	96	97	0.292	0.007	0.015	0.05
PEVRC004	97	98	0.263	0.006	0.012	0.06
PEVRC005	60	61	0.004	0.32	0.005	0.01

* Field duplicate; † selected sub-sample

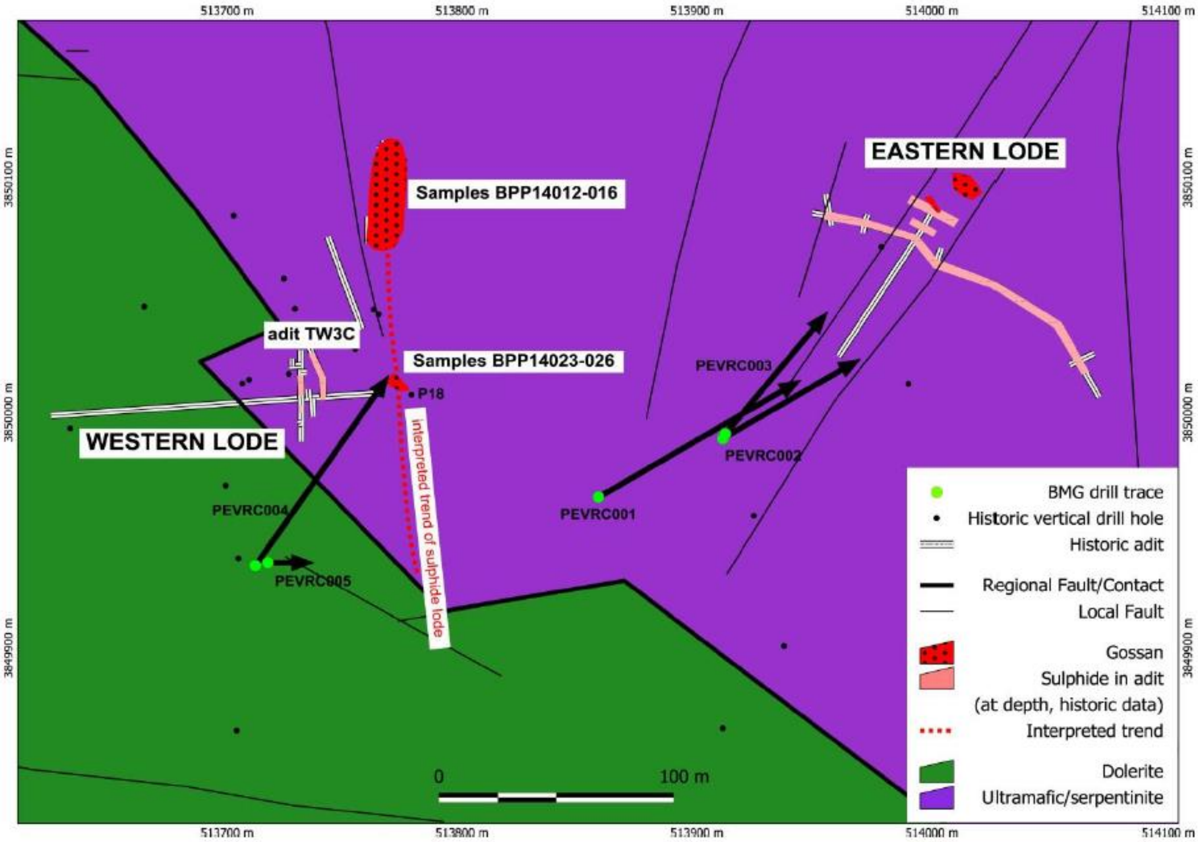

Figure 56 – *Pevkos – Location of BMG 2014 drill holes and surface samples (BMG, 2014b).*

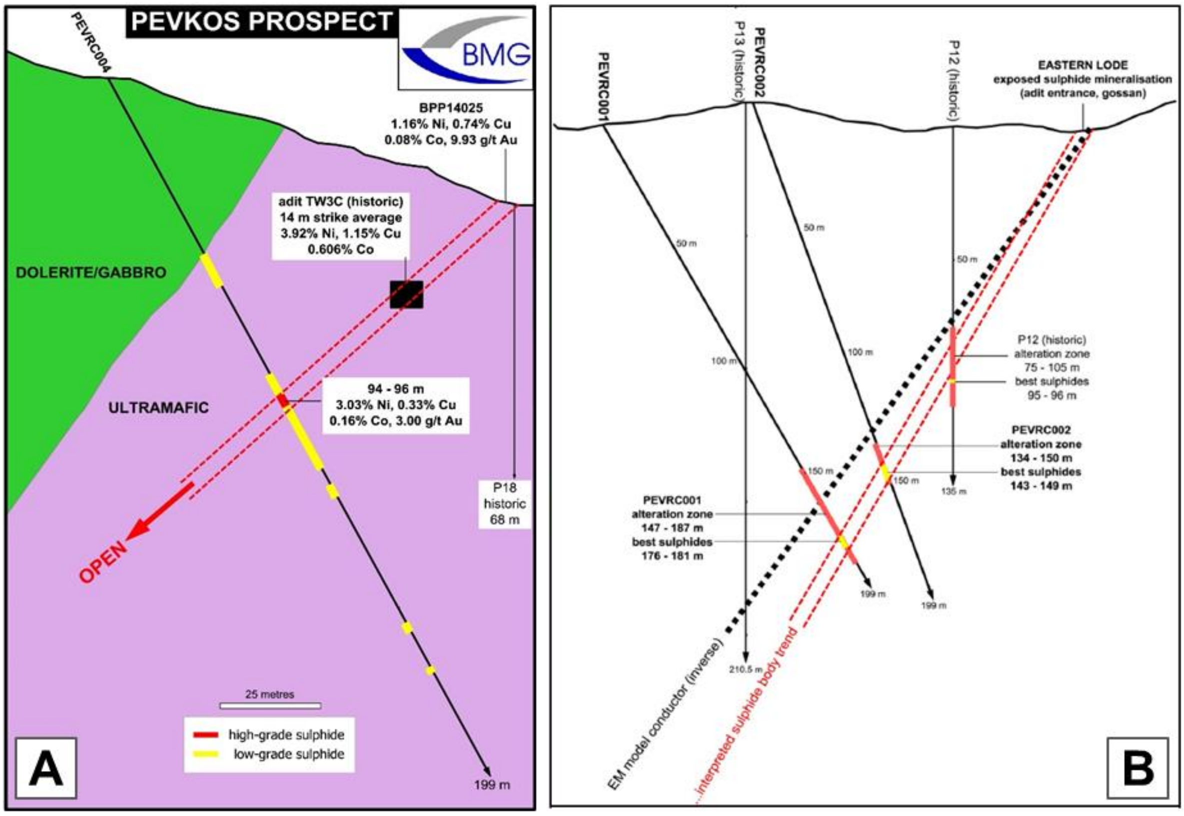

Figure 57 – *Pevkos: A - Section for PEVRC004 showing relationship to surface and underground assays in the Western lode (BMG, 2014a); B – Section showing results of the Eastern lode drilling, underground assays and geophysics (BMG, 2014b)*

Surface samples of gossan around the Western Lode also returned high-grade Ni-Cu-Co-Au (Table 12), which may be evidence that the high-grade zone extends a further 100 metres north. The best gossan sample was collected from near the Western lode adit entrance and returned 1.165 % Ni, 0.745 % Cu, 0.083 % Co and 9.93 g/t Au.

No additional work has been completed at Pavkos since the 2014 BMG RD drilling programme.

Table 12 – *Pevkos – BMG/TDL surface sampling, Western lode (BMG, 2014)*

Sample ID	Location (WGS84, Zone 36N)		Ni (%)	Cu (%)	Co (%)	Au (g/t)
	Easting	Northing				
BPP14012	513771	3850073	0.122	1.29	0.019	4.22
BPP14013	513760	3850073	0.679	0.784	0.046	0.24
BPP14014A	513769	3850091	0.715	0.009	0.067	0.03
BPP14014B	513769	3850091	0.471	0.156	0.045	0.02
BPP14015	513775	3850105	0.805	0.901	0.060	0.07
BPP14016	513767	3850112	0.804	0.724	0.058	0.33
BPP14023	513777	3850010	0.450	0.796	0.035	0.10
BPP14024A	513773	3850010	0.397	0.337	0.035	0.14
BPP14024B	513773	3850010	0.376	0.227	0.018	1.07
BPP14025	513771	3850016	1.165	0.745	0.083	9.93
BPP14026	513769	3850013	0.848	0.201	0.049	0.06

5.5.5 Mazokambos Prospect (VHMS)

The Mazokambos prospect (AE4654 – Prasto, Kellakiou) hosted within volcanic rocks and is presumed to be a VHMS-style deposit. Geological maps and sections showing the results from mineral exploration at Mazokambos in 1966 were obtained from the CGS archive, but the information is quite limited. The maps show that there are five discrete gossans extending east-west for about 500 m with some ancient slag heaps near the westernmost gossan (Figure 58). There appears to have been an IP survey and seven drillholes, but no results or details from this work have been found in the archive. An associated cross-section shows that the mineralization is semi-conformable with the volcanics and both dip about 40° south. It is recorded that there is gabbro and a fault beneath the mineralization (BMG, 2015).

Prior to visits, data collation and remote sensing analysis of SPOT and ASTER imagery had been completed. The area is covered by small agricultural plots and so permission would be required for further access. Some preliminary results using a handheld XRF returned up to 0.1 % Cu from the eastern most gossan. No samples were collected for laboratory analysis. Rocklore did not visit this site.

Figure 58 – *Mazokambos Prospect (VHMS), iron-oxide gossan cap (BMG, 2018).*

6. GEOLOGICAL SETTING AND MINERALIZATION

6.1 Geology

The island of Cyprus is located in the eastern Mediterranean Sea along the southern margin of the Anatolian Tectonic Plate (Figure 59). The area of interest for mineral exploration is a geological feature known as the Troodos Ophiolite, which is a large fragment of ocean floor and associated underlying crust (collectively referred to as oceanic crust) that has been physically obducted to become emergent as the island of Cyprus.

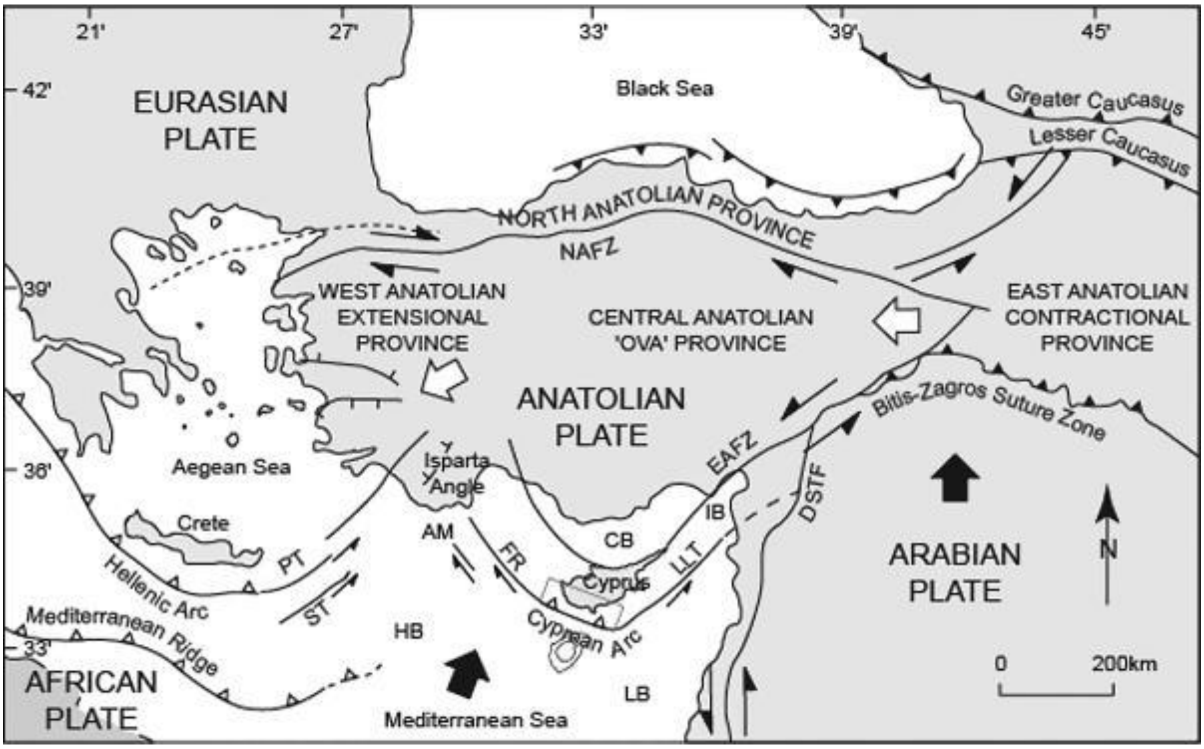

Figure 59 **–** *Tectonic framework of the eastern Mediterranean. Closed arrowheads indicate areas of crustal contraction. Open arrowheads indicate subduction zones. Large arrows indicate the relative plate motions of Africa and Arabia relative to a fixed Eurasia (Kinnaird et al., 2012)*

Abbreviations: AdB, Adana Basin; AB, Antalya Basin; AM, Anaximader Mountains; CB, Cilica Basin; DSFZ, Dead Sea Transform Fault Zone; FR, Florence Rise; HB, Herodotus Basin; EAFZ, East Anatolian Fault Zone; IB, Iskenderun Bay; LB, Levant Basin; LLT, Latakia–Larnaka–Tartus ridges; NAFZ, North Anatolian Fault Zone; PT, Pliny Trench; ST, Strabo Trench.

The Troodos Ophiolite is a fragment of seafloor which erupted in a marginal intra-arc basin above a north-dipping subduction zone in the Tethys Ocean about 92 Ma (Mukasa et al., 1987; Figure 60). Volcanism stopped as the Troodos seafloor collided with the Anatolian Plate and the entire Troodos domain was rotated about 90° counter-clockwise (Moores et al., 1971). These rocks were subsequently overlain by various calcareous marine sediments. During the Middle Miocene (ca. 14 Ma) the Troodos Mountains started to rise due to serpentinite diapirism, with uplift accelerating over the last million years (Robertson, 1977).

Today, the Troodos Ophiolite forms an anticlinal dome such that the deepest formed intrusive units (basal oceanic crust) are now the highest central hills, and the seafloor volcanic rocks and overlying sedimentary rocks are exposed around the flanks (Figure 61). There is evidence that the Troodos Ophiolite is still rising (Poole et al., 1990), with recent and historic earthquakes showing the area to be tectonically active (Section 4.1.5).

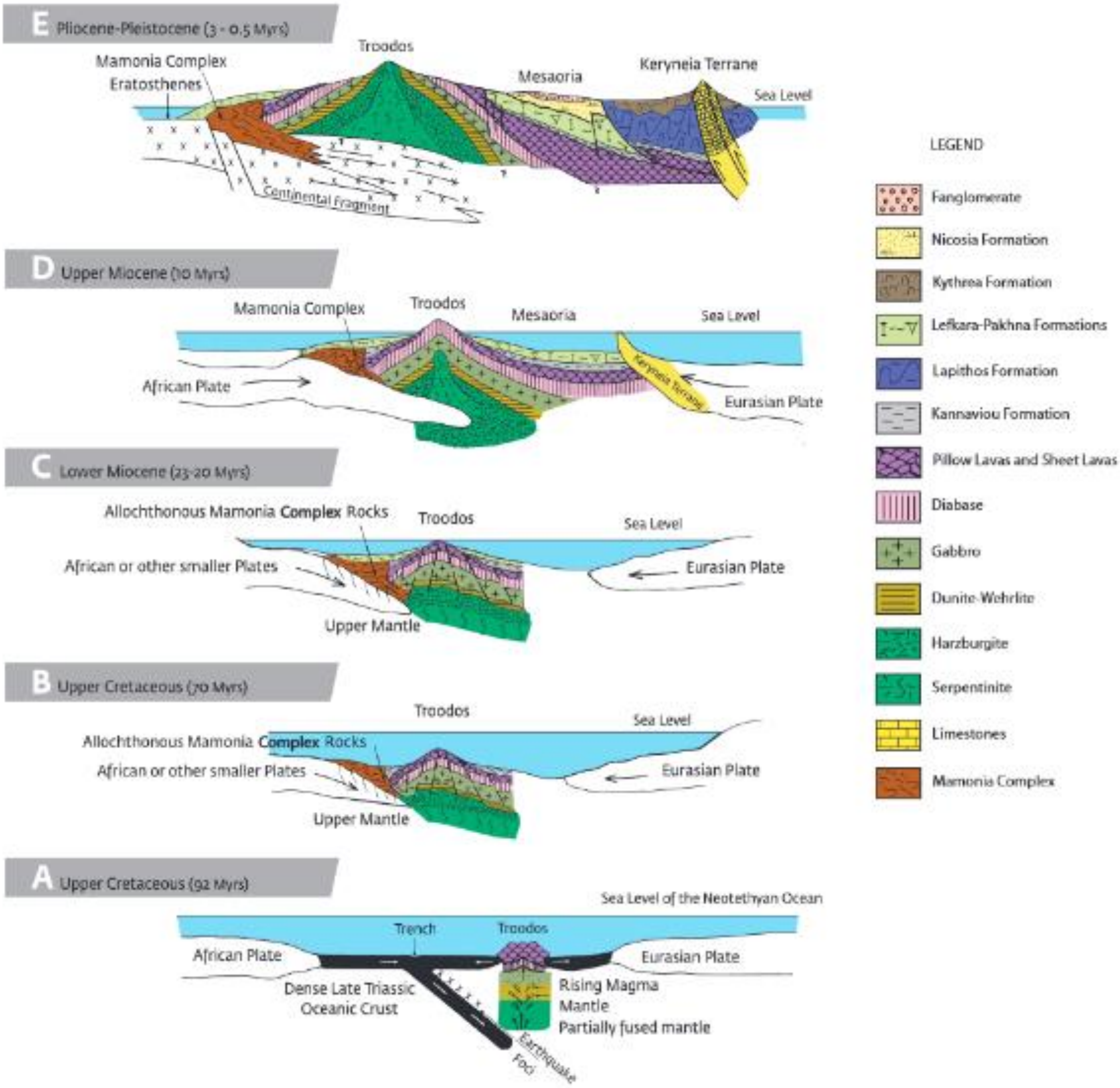

Figure 60 – *Cross-sectional evolution of Cyprus geology (Geological Survey Department, 2017)*

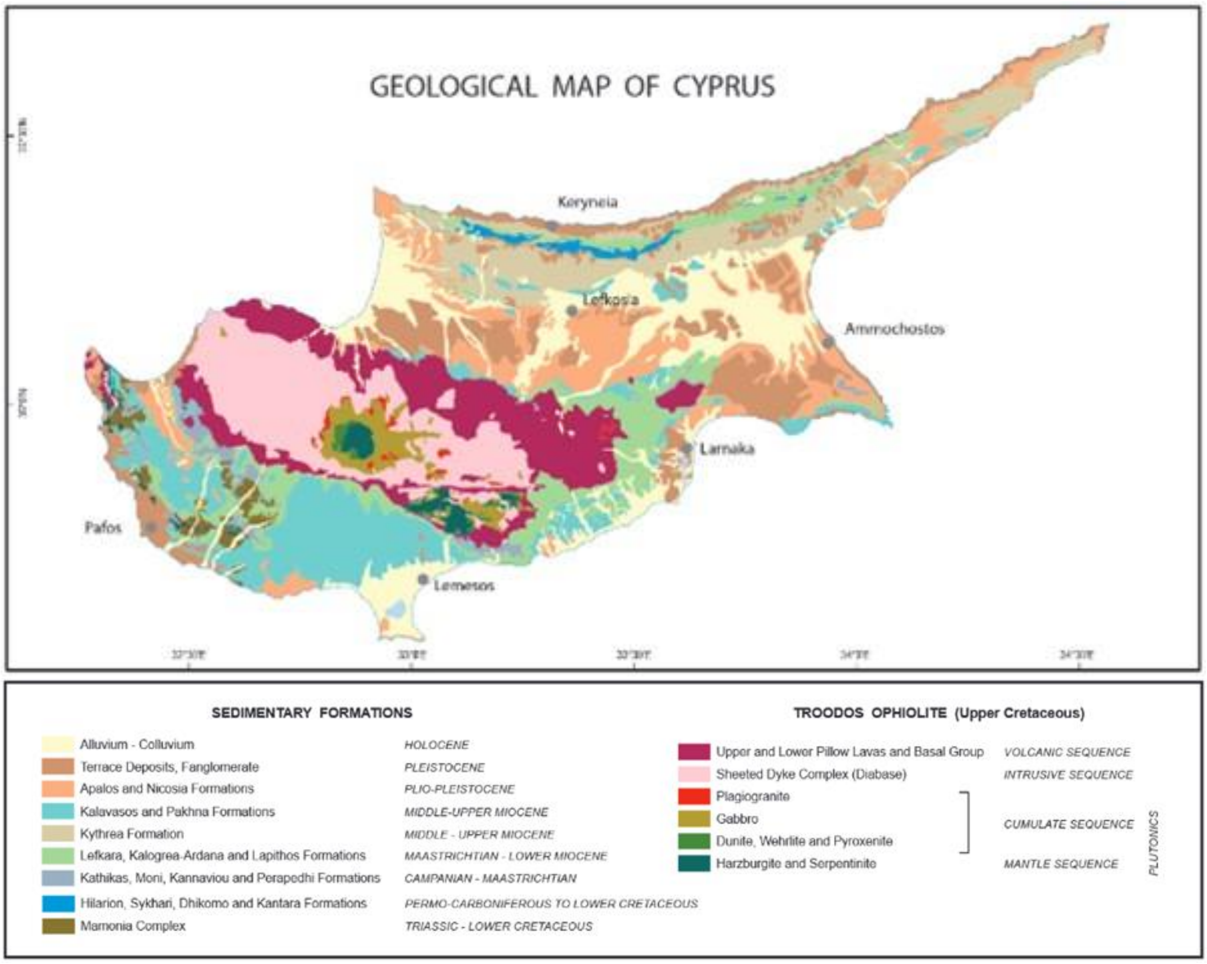

Figure 61 – *Geological Map (Geological Survey Department, 2017)*

Definitive lithostratigraphic zones within the overall ophiolite sequence are identified for each volcanic cycle, in order from youngest to oldest, as:

- **Cover Sequence Sedimentary Rocks**: Two discrete sedimentary sequences:
  - Recent (<3 Ma) coarse-grained alluvial sediments; and
  - Cretaceous to Miocene (<100 Ma) sedimentary sequence (<2 km thick) composed mainly of limestone, chalk and marl. This sequence conformably overlies the volcanic-intrusive ophiolite sequence.
- **Extrusive Sequence Rocks (Volcanic)**: Two discrete sequences of basaltic pillow lavas are identified:
  - Upper Pillow Lavas (UPL): 200-400 m thick, contains abundant olivine crystals and rare dykes. The top of the sequence is commonly marked by a thin (<20 m thick), Mn-rich chemical sediment known locally as "umber"; and
  - Lower Pillow Lavas (LPL): up to 500 m thick, lacks olivine and contains abundant dykes.

  The UPL and LPL are also differentiated by their very distinct geochemical compositions, and both units contain thin, discontinuous sedimentary units within and between the volcanic units.
- **The Sheeted Dyke Complex (Intrusive)**: ca. 2 km thick, and chiefly composed (50 - 100%) of steeply dipping mafic dykes (each dyke ca. 0.5 to 1.0 m thick) which intrude either gabbro (lower part of unit) or basalt lava flows (upper part); and
- **The Plutonic Complex**: Comprising a lower, ultramafic (Harzburgite) unit, and an upper mafic (Gabbro) unit, separated by an interlayered mafic/ultramafic unit. The lower unit represents the uppermost mantle, and middle and upper units lower oceanic crust components. The thickness of the overall unit is estimated to be at least 5 km. Minor, more evolved (e.g. granite, plagiogranite) intrusive rocks are also recognised as part of this sequence.

The stratigraphic column for the Troodos Ophiolite with overlying sediments is shown in Figure 62. This figure also highlights those areas where mineralisation is most commonly found.

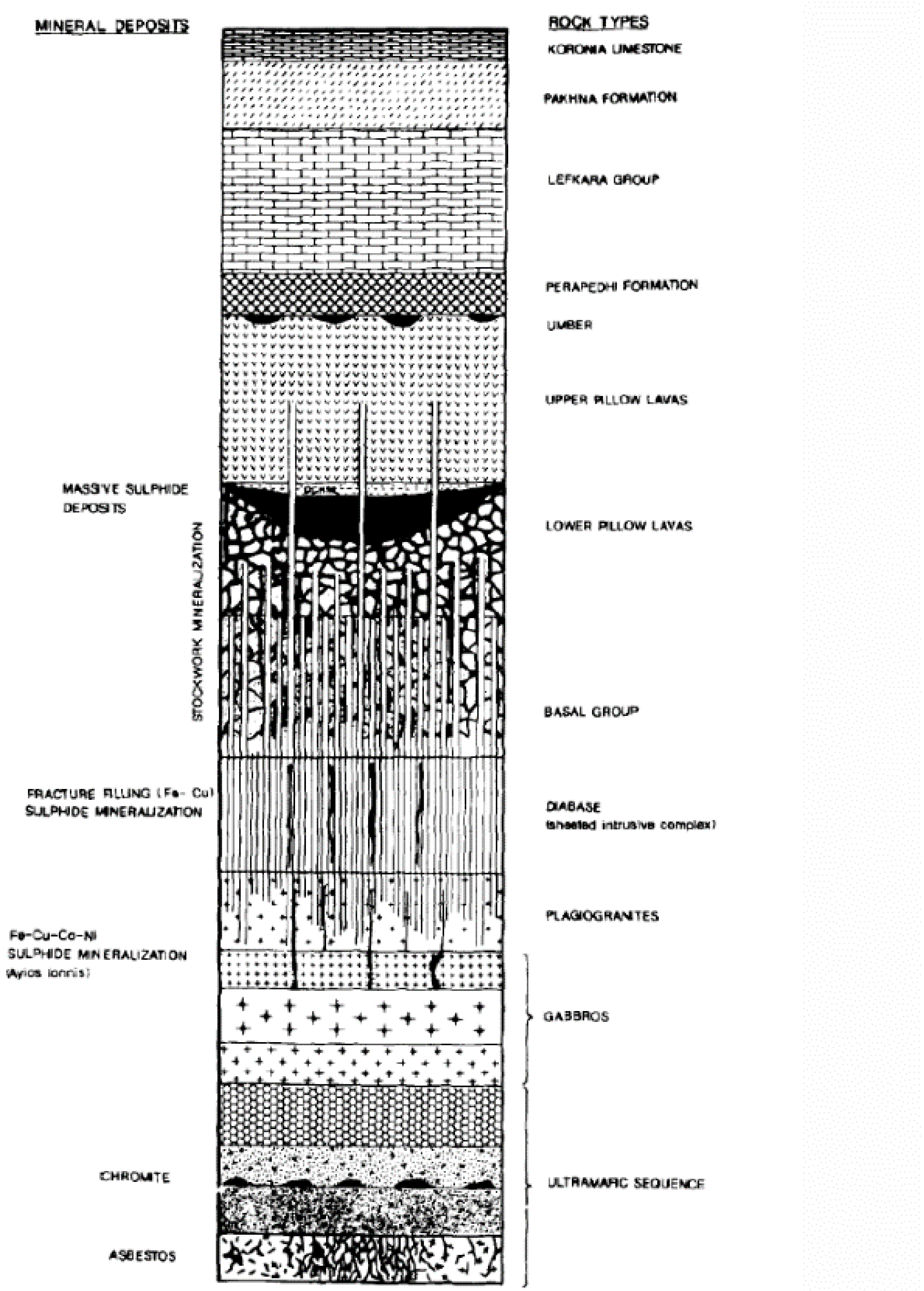

Figure 62 – *Stratigraphic column displaying units within the Troodos ophiolite and overlying sediments (Constantinou, 1980)*

6.2 Mineralisation

6.2.1 VHMS deposits

Cyprus VHMS deposits are composed of pyrite with varying contents of chalcopyrite and sphalerite, with rare galena (Bear, 1963). Marcasite, pyrrhotite, rutile, gold and silver are also present with silver strongly associated with chalcopyrite. Clay and silica form primary alteration haloes around the deposits. Many of the deposits have been weathered with copper oxides, chalcocite, covellite, bornite, digenite, vallerite, tenorite, as well as jarosite, magnetite and hematite as the main secondary minerals (Pantazis, 1979).

Constantinou et al. (1973) define three different types of sulphide ore within Cyprus VHMS orebodies. Zones A, B and C are defined according to the style of pyrite mineralisation and amount of contained sulphur. Most orebodies comprise Zone A mineralisation with either Zone B or Zone C making up the remainder of the orebody. Rarely are all three present.

- **Zone A** is the upper part of the VHMS and is massive with >40% S. It commonly comprises two sub-types: conglomeratic ore and underlying compact ore. The conglomeratic ore occurs in fragmented zones with pillow shaped or spheroidal blocks of pyrite in a sugary, friable matrix dominated by pyrite. The size and proportion of sulphide blocks increases downward, and the underlying compact ore is much less porous than the overlying conglomeratic ore, containing large blocks of pyrite often coated with chalcopyrite, with covellite being observed along fractures.
- **Zone B** underlies Zone A and is a pyrite-quartz zone grading from 40% S at the top, to 30% S at the base. Cu values are typically 1-2%.
- **Zone C** is the stockwork zone, and underlies Zones A, and B if present. The stockwork zone contains <30% S, and contains vein hosted as well as disseminated pyrite.

The mineralogy and chemistry of the massive sulphide bodies varies between localities. Some possess up to 2.5% Cu, and were previously mined for Cu. Others were mined historically for S and Fe, or occasionally their gossans for precious metals. All, however, possess some or all of the common features described above (Parvaz, 2014).

VHMS deposits and occurrences in Cyprus are likely to be associated with gossans and other useful exploration vectors such as umbers, exhalites, limonite and ochre.

- **Gossan** is a red-brown Fe-oxide-rich zone (essentially rust) containing residual materials from the weathering or supergene alteration of sulphide material, remnants of which may or may not be present at depth. Some features of the original sulphide may be preserved in the gossan but more commonly the process is highly destructive. The most common minerals in gossans are goethite and hematite, along with jarosite, limonite and silica. Some gossans may also contain magnetite as a supergene mineral (Blain et al., 1977). During gossan formation, large amounts of iron are fixed above the water table as goethite or hematite. Other metals can be leached by groundwaters and may be precipitated nearby, variably as oxides, carbonates and sulphates (Parvaz, 2014). Gossans may also be in-situ or transported.
- **Exhalite** formation commonly represent the distal facies equivalent of a massive sulphide orebody. The most intimately associated exhalites with VHMS are umbers which are Fe-Mn-rich sediments which precipitate from hydrothermal plumes above black smoker vent fields (Boyle, 1990) or through precipitation from off-axis thermal springs (Robertson et al., 1976). They are commonly brown to black, very fine grained, microscopically porous and composed of iron and manganese oxides (Boyle et al., 1984). They vary from massive to finely laminated.
- **Limonite** is a general term for mixtures of amorphous iron oxides, finely crystalline goethite with minor silica, hematite, jarosite, lepidocrocite, or manganese oxides in various proportions (Blain et al., 1977).
- **Ochre** is defined by Parvaz (2014) as a bright red, Fe-rich, finely bedded sediment intimately associated with massive sulphide deposits. Ochre mineralogy is dominated by goethite, jarosite, quartz, along with amorphous Fe oxides and traces of hematite and gypsum (Herzig et al., 1991).

The presence and concentration of secondary copper sulphides are also indicative of the proximity of primary VHMS mineralisation, albeit their distribution will depend on local topography, the nature and juxtaposition of different lithologies and structures, and the hydrological regime (Parvaz, 2014).

Detailed production and grade information on specific deposits is outlined on a site-by-site basis in the sub-sections of Section 5.

Further detail on the VHMS deposit type is presented in Section 7.

6.2.2 Fe-Cu-Ni-Co deposits

The main metallogenic features of the Southern Troodos Transform Fault Zone (STTFZ) are similar to those within the Troodos Massif with the notable exception of the presence of minor deposits of Fe-Cu-Ni-Co sulphides, arsenides, chromite and magnesite in the highly serpentinised zones of the Mantle Sequence.

Refining the general stratigraphic column (Figure 63), Gass et al. (1994) shows the spatial relation of Fe-Cu-Ni-Co sulphides to the ultramafic mantle sequence. This mineralisation takes the form of small lenticular or irregular bodies, veins and disseminations of sulphides and minor arsenides, either in serpentinite shear or sheared and serpentinized hazburgite with minor dunite bodies. Such mineralisation has been interpreted to be emplaced by metal-rich hydrothermal fluid mobilised during post-magmatic tectonic activity, such as uplift of the ophiolite (see Foose et al., 1985; Thalhammer, 1986).

Fe-Cu-Ni-Co deposits and occurrences in Cyprus are likely to be associated with gossans and other useful exploration vectors such as umbers, exhalites, limonite and ochre, as described in detail in the previous section.

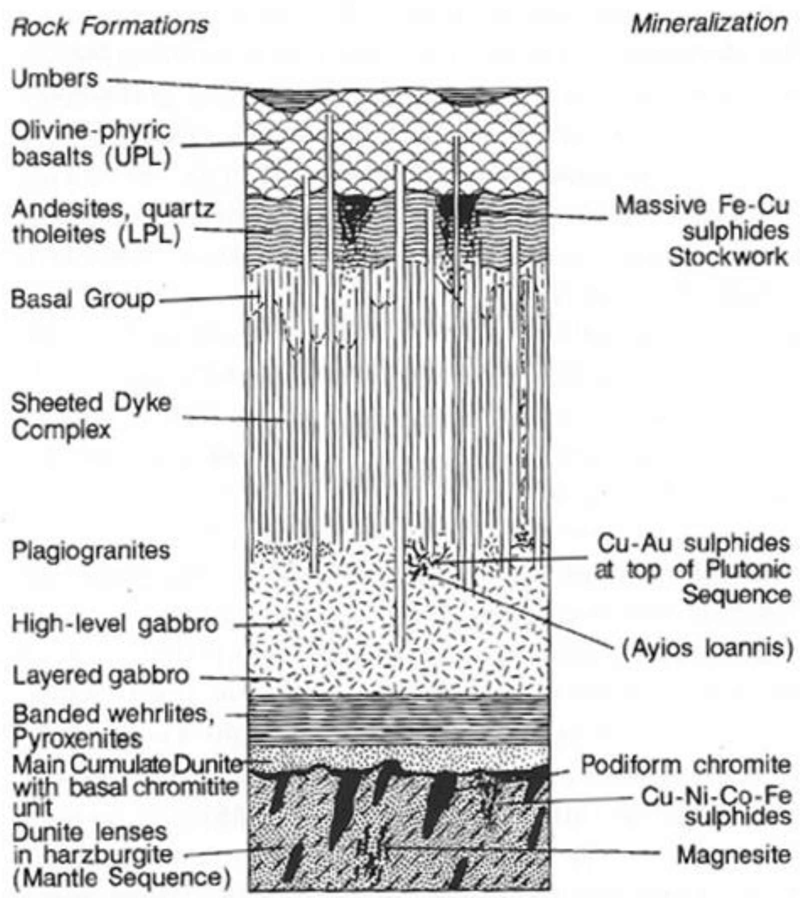

Figure 63 – *Spatial relations of mineralisation to major rock types in the STTFZ (*Gass et al., 1994*).*

7. DEPOSIT TYPES

7.1 VHMS

Modern seafloor volcanic centres are also areas of intense hydrothermal activity, which can deposit massive sulphide accumulations, commonly referred to as Volcanic-Hosted Massive Sulphide (VHMS) deposits. Ancient forms of these deposits are the exploration targets in Cyprus. The basic ore-forming processes of VHMS deposits are well understood – broadly coincident with magmatism, seawater is drawn down into the oceanic crust where it becomes progressively hotter and richer in metals and sulphur. This now 'pregnant' hydrothermal fluid then rises back towards the seafloor with the metal-sulphur either depositing along the way or erupting onto the seafloor itself as "black smokers". The richest deposits are those that erupt onto the seafloor. The size and grade of a VHMS deposit is primarily controlled by the size and persistence of the hydrothermal system. The location of VHMS deposits is controlled by the available pathways for the hydrothermal fluid, i.e. faults and fractures, with particular relevance given to the main faults which control volcanic rifting. Given the dynamic nature of seafloor volcanic domains the VHMS deposits are typically buried by subsequent volcanic eruptions.

Koski et al., (2012) provide the following brief description of VHMS:

> *VHMS deposits are stratabound concentrations of sulphide minerals precipitated from hydrothermal fluids in extensional seafloor environments. The term volcanogenic implies a genetic link between mineralization and volcanic activity, but siliciclastic rocks dominate the stratigraphic assemblage in some settings. The principal tectonic settings for VHMS deposits include mid-oceanic ridges, volcanic arcs (intra-oceanic and continental margin), back-arc basins, rifted continental margins, and pull-apart basins* (Figure 64).
> *The composition of volcanic rocks hosting individual sulphide deposits range from felsic to mafic, but bimodal mixtures are not uncommon. The volcanic strata consist of massive and pillow lavas, sheet flows, hyaloclastites, lava breccias, pyroclastic deposits, and volcaniclastic sediment.*
>
> *Deposits range in age from Early Archean (3.55 Ga) to Holocene; deposits are currently forming at numerous localities in modern oceanic settings (Figure 65). Deposits are characterized by abundant Fe sulphides (pyrite or pyrrhotite) and variable but subordinate amounts of chalcopyrite and sphalerite; bornite, tetrahedrite, galena, barite, and other mineral phases are concentrated in some deposits. Massive sulphide bodies typically have lensoidal or sheet-like forms. Many, but not all, deposits overlie discordant sulphide-bearing vein systems (stringer or stockwork zones) that represent fluid flow conduits below the seafloor. Pervasive alteration zones characterized by secondary quartz and phyllosilicate minerals also reflect hydrothermal circulation through footwall volcanic rocks. A zonation of metals within the massive sulphide body from Fe+Cu at the base to Zn+Fe±Pb±Ba at the top and margins characterizes many deposits. Other features spatially associated with VHMS deposits are exhalative (chemical) sedimentary rocks, subvolcanic intrusions, and semi-conformable alteration zones.*

The basic ore-forming processes of these hydrothermal systems are well understood, and research indicates that sulphides can also be deposited in the intrusive units beneath the volcanic rocks, associated with sheeted dike and ultramafic complexes.

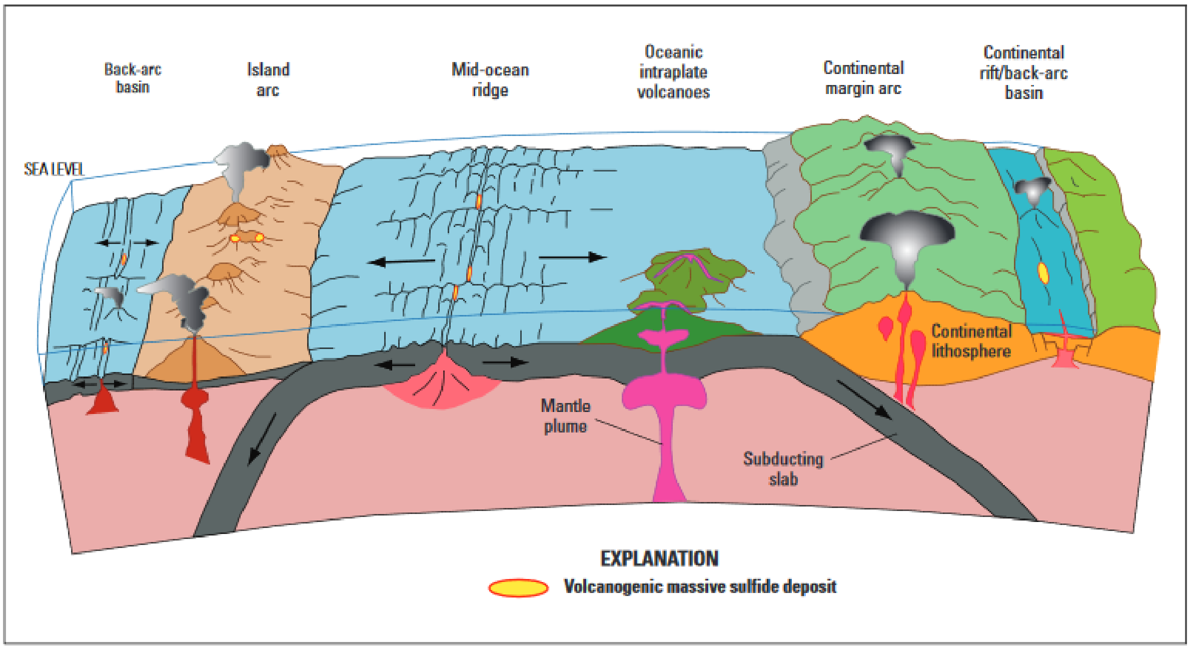

Figure 64 – *VHMS tectonic settings (Schulz, 2012)*

Koski et al. (2012) define 5 categories of VHMS deposits based on inferred tectonic setting and lithological association (Table 13). The mafic-ultramafic type is deemed to be analogous to the Cox at al. (1986) defined 'Cyprus Type' with the currently producing Skouriotissa deposit being the archetypal example.

Table 13 – *Examples of VHMS deposit types with lithological associations, inferred tectonic settings, and possible modern seafloor analogues (Koski at al., 2012)*

Type*	Lithological associations	Inferred tectonic settings	Possible modern analogues	Deposit examples
Siliciclastic-felsic (Kuroko)	Felsic volcaniclastic rocks and high-level intrusions	Mature epicontinental margin arc and back arc	-	Rio Tinto (Spain); Brunswick 12 (Canada); Stekenjokk (Sweden); Delta (USA); Bonnifield (USA)
Bimodal-felsic	Felsic volcanics and terrigenous sedimentary rocks	Rifted continental margin arc and back arc	Okinawa Trough; Woodlark Basin; Manus Basin	Hanaoka (Japan); Eskay Creek (Canada); Rosebery (Australia); Tambo Grande (Peru); Arctic (USA); Jerome (USA)
Bimodal-mafic	Mafic volcanics with up to 25% felsic volcanics	Rifted immature intra-oceanic arc	Kermadec Arc; Izu-Bonin Arc; Mariana Arc	Horne (Canada); Komsomolskoye (Russia); Bald Mountain (USA); Crandon (USA)
Siliciclastic-mafic (Besshi Type)	Basalt lavas and sills associated with pelitic sediments	Rifted continental margin; sedimented oceanic ridge or back arc; intracontinental rift	Guaymas Basin; Escanaba Trough; Middle Valley; Red Sea	Windy Craggy (Canada); Besshi (Japan); Ducktown (USA); Gossan Lead (USA); Beatson (USA)
Mafic-ultramafic (Cyprus Type)	**Ophiolitic sequences**	**Intra-oceanic back-arc or fore-arc basin; oceanic ridge**	**Lau Basin; North Fiji Basin; Trans-Atlantic Geothermal (TAG) field; Rainbow vent field**	**Skouriotissa (Cyprus); Lasail (Oman); Lokken (Norway); Betts Cove (Canada); Bou Azzer (Morocco); Turner-Albright (USA)**

* Annotated names in brackets are from Singer, 1986.

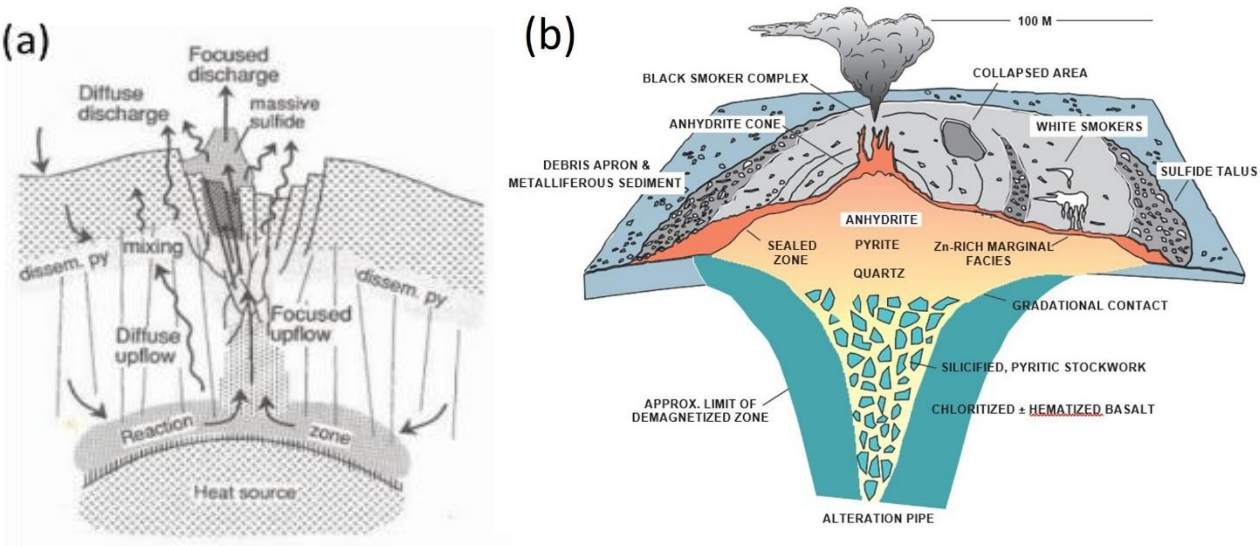

Figure 65 – *(a) Schematic section through the ocean floor below a hydrothermal vent (Alt, 1995). Mineralisation occurs along and proximal to extensional faults and as lenses on the sea floor. Diffuse discharge results from shallow mixing of upwelling fluid and seawater at the margins of focussed up-flow zones. (b) Schematic of a typical sea floor massive sulphide lens (Hannington et al., 1995)*

Figure 66A shows a schematic cross-section through a typical ophiolite sequence, and Figure 66B presents the distribution of various mineralisation styles expected within that lithostratigraphic sequence. Mineralisation may also develop during uplift and deformation of oceanic crust to form the ophiolite fragment.

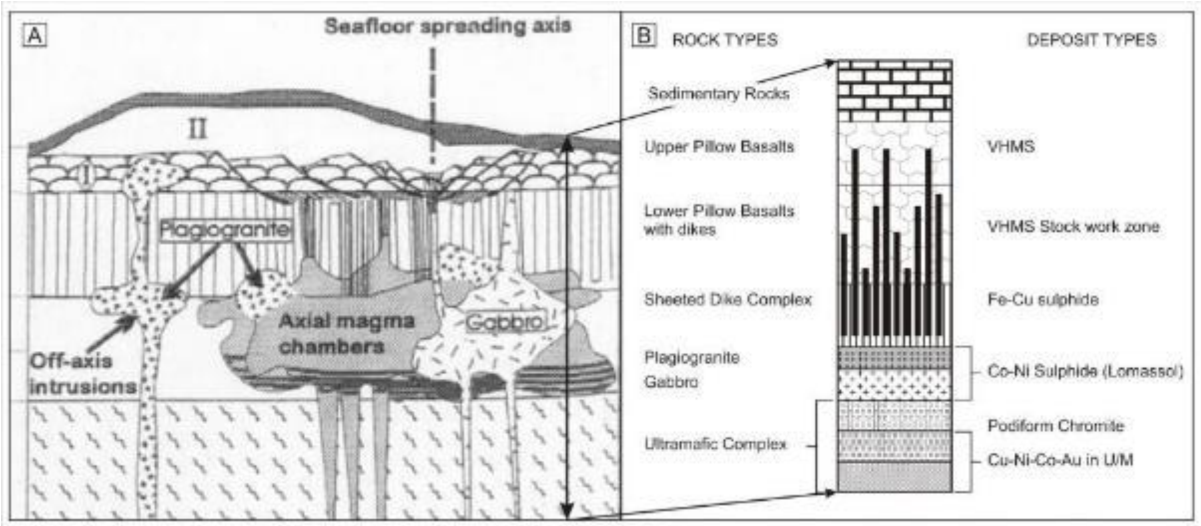

Figure 66 – *(A) Schematic cross-section through a typical sea floor volcanic spreading centre, which is obducted to form an ophiolite (Constantinou et al., 1973); (B) Schematic cross-section through a typical ophiolite sequence, showing rock types and the location of different mineralisation styles within the stratigraphic sequence (Constantinou, 1980)*

Globally, mineralisation with VHMS affinities host significant base metal deposits (Table 14; Figure 67). A sub-set of the VHMS classified deposits are the "Cyprus-Style" deposits (which are associated with seafloor spreading and ophiolite/ocean-floor stratigraphy and structure). Academic literature indicates that the Troodos Ophiolite hosts base metal deposits of a similar size to those identified in VHMS settings globally (Constantinou, 1980). Specific to "Cyprus-style" VHMS systems is a structural control along one or both margins (Figure 68), as well as a mantling of the deposit by a broader zone of characteristic alteration that decreases away from the deposit (Franklin et al., 1981). The alteration is dominated by chlorite, quartz, pyrite and epidote, and silicification is commonly sufficiently intense in the stockwork zone to be detected as a resistivity anomaly in geophysical data (Galley et al., 1999).

Variation between occurrences, namely Laxia tou Mavrou and Pevkos, indicate that the latter was stratigraphically higher and closer to the cumulate dunite contact (Petrological Moho). The main mineral constituents at these two sites are:

- Laxia tou Mavrou: pyrrhotite, chalcopyrite, cubanite, pentlandite and lollingite-maucherite
- Pevkos: pyrrhotite, pentlandite, maucherite, chalcopyrite and cubanite and valleriite

Detailed mineralogical and geochemical studies show that the mineralisation is affected by extensive textural and chemical alterations that complicate genetic interpretation. However, the general chemical and mineralogical features do not support a primary magmatic origin (Foose et al., 1985; Thalhammer, 1986). Mineral compositional variances (magnetite) and depositional temperatures analysis support the hypothesis that post-magmatic tectonic activity, such as uplift of the ophiolite, led to intense serpentinization, particularly along major fault zones, which in turn was responsible for driving hydrothermal activity and release of metallic elements.

Fe-Cu-Ni-Co deposits and occurrences in Cyprus are likely to be associated with gossans and other useful exploration vectors such as umbers, exhalites, limonite and ochre, as described in detail in the previous section.

Table 14 – *Metal content and distribution of VHMS deposits globally (Large, 1992)*

Area	Metal Association	Number of Deposits	Average Grade and Tonnage					
			Cu (%)	Zn (%)	Pb (%)	Ag (ppm)	Au (ppm)	Mt
Abitibi Belt, Canada	Cu-Zn	52	1.47	3.43	0.07	3.19	0.8	9.2
Norwegian Caledonides	Cu-Zn	38	1.41	1.53	0.05	-	-	3.5
Bathurst, N.B., Canada	Zn-Pb-Cu	29	0.56	5.43	2.17	62.0	0.50	8.7
Green Tuff Belt, Japan	Zn-Pb-Cu	25	1.63	3.86	0.92	95.1	0.90	5.8
Iberian Pyrite belt	Cu-Zn	85	0.80	2.00	0.70	26.0	0.50	20.8
Australian Palaeozoic	Cu-Zn	24	1.13	4.10	1.62	42.95	1.78	10.7

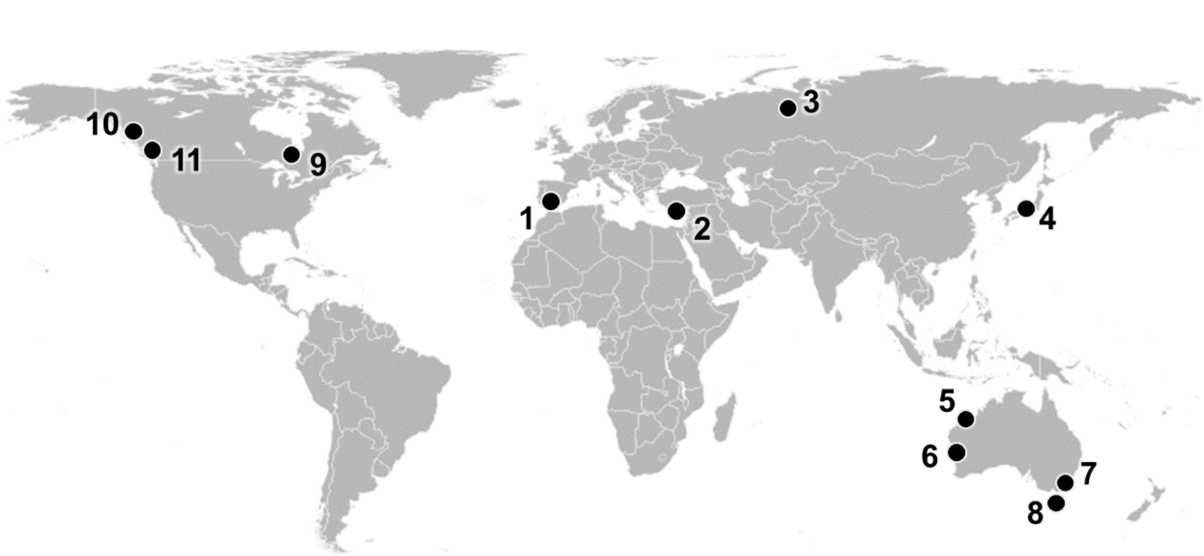

Figure 67 – *Major worldwide VHMS deposits. 1) Iberian Pyrite Belt; 2) Troodos; 3) Urals; 4) Kuroko; 5) Big Stubby, Mons Cupri and Whim Creek; 6) Scuddles-Golden Grove; 7) Benambra-Woodlawn; 8) Mount Read; 9) Abitibi-Superior; 10) Windy-Craggy; 11) Northern Cordillera. Adapted from Barrie and Hannington (1999).*

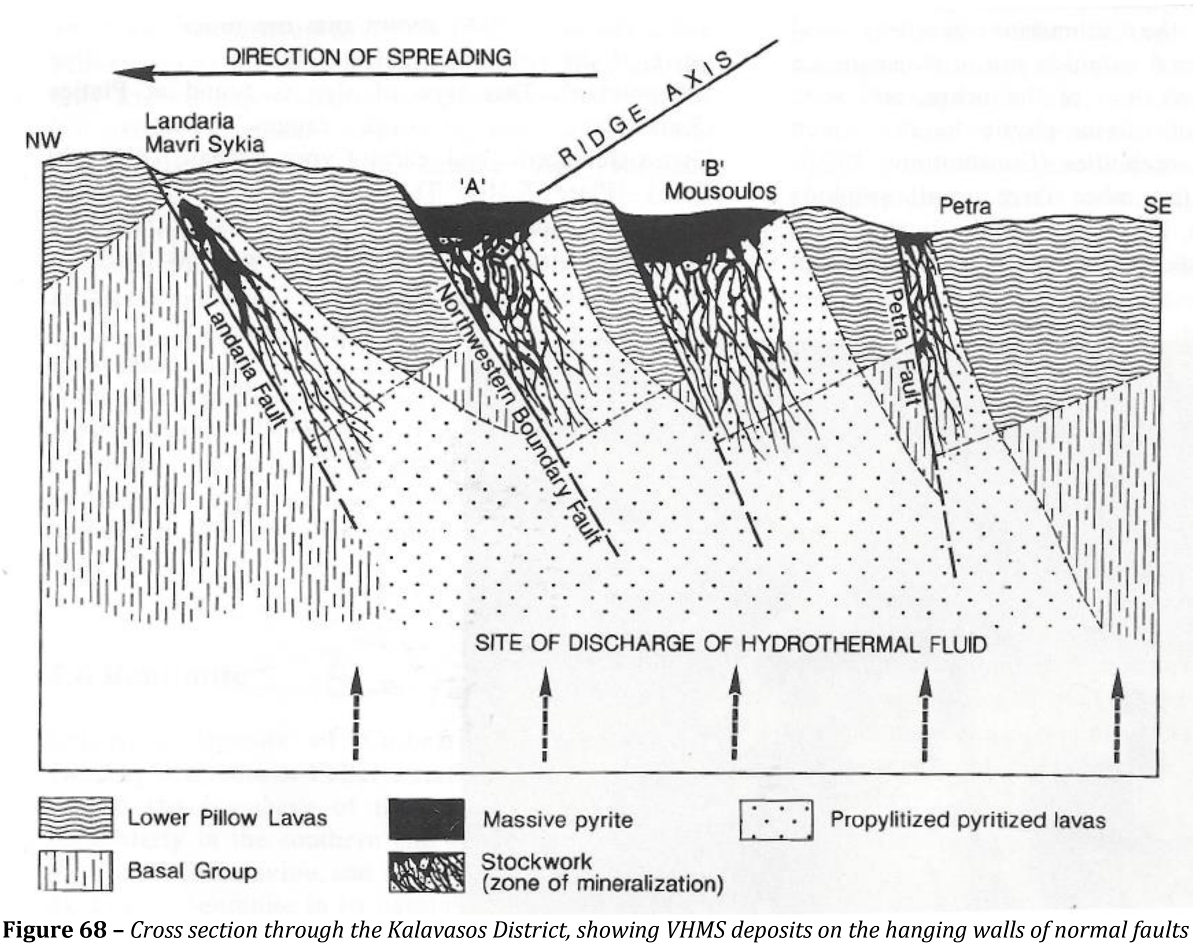

Figure 68 – *Cross section through the Kalavasos District, showing VHMS deposits on the hanging walls of normal faults (ca. 500m frequency) and underlain by propylitized pyritised lavas. The ores were later covered by UPL and then sediments (Memoir #9, date; after Adamides, 1980.)*

7.2 Fe-Cu-Ni-Co

Fe-Cu-Ni-Co sulphide deposits within the STTFZ appear to be limited to small lenticular or irregular bodies, veins and disseminations of sulphides with minor arsenides. These are restricted to serpentinite shear zones (Laxia tou Mavrou; Section 5.4.3) or sheared and serpentinized hazburgite with minor dunite bodies (Pevkos - Section 5.4.4).

8. EXPLORATION

8.1 Introduction

TDL's 100%-owned Prospecting Permit portfolio in the Republic of Cyprus is focused on highly prospective geology with a well-documented history of base and precious metal production and the opportunity to leverage modern exploration and development strategies, knowledge and technology in an under-explored and low risk jurisdiction. The prospectivity of Cyprus is demonstrated in its base metal production history (Table 3).

Thus far, TDL has only conducted orientation exploration in the Project areas. Historic exploration and production data has been discussed in Section 5. The proposed exploration programmes in the following sections have been provided by Caerus to Rocklore for evaluation.

8.2 Exploration Model

The massive sulphide deposits in Cyprus are hosted in the volcanic part of the Troodos Ophiolite and are classified as VHMS deposits (Section 7). The majority of these VHMS deposits are hosted either at the base of or within the Upper Pillowed Lavas, a specific volcanic unit erupting towards the end of each volcanic cycle (Section 6.1). The grade and size of the Cyprus deposits are variable, but in general, they have low to moderate abundances of copper (<2.5 % Cu). Nevertheless, some deposits report much higher grades, such as at Mavrovouni, where >16 Mt was mined at ca. 4.5 % Cu (Table 3).

Caerus is targeting both the massive Cu-Au rich sulphide bodies that formed on the ancient sea-floor and the underlying stockwork systems that fed them. Caerus selected areas in Cyprus based on two main criteria:

- Available ground, thus allowing Caerus to have 100% control of the Prospecting Permits, and
- Obvious evidence of mineralisation, such as orphaned mines or known prospects within or nearby.

As such, there are numerous orphaned mines and known prospects within Caerus's Prospecting Permits and these will be the initial focus of exploration; extending from the known to the unknown as knowledge accumulates.

Caerus will focus on identifying the most favourable positions within the volcanic units to host VHMS deposits. In particular, the proximity to primary fault systems is considered important to form large VHMS systems. Another important consideration for targeting the mineralisation is unravelling the post-volcanic deformation (rotation and tilting).

Combining the information from preceding Sections 5 to 7 some basic exploration constraints for VHMS exploration in Cyprus can be highlighted:

- The largest and highest-grade deposits will be in volcanic rocks.
- The massive pyrite bodies are likely to be buried by later volcanic eruptions, so understanding the local eruption-hydrothermal cycle will constrain favourable stratigraphic intervals.
- Chemical sediments (umber, ochre) are direct proxies for hydrothermal eruption but are deposited distal to associated massive pyrite bodies. They also provide useful stratigraphic constraints.
- Ancient seafloor topography (e.g. rift valleys) would have greatly influenced the site of deposition and subsequent preservation of the massive pyrite bodies. It is critical to understand the rotation of fault blocks during sea-floor rifting.
- Alteration zones are expected in the footwall to massive pyrite bodies and may be prospective themselves.
- Larger alteration zones indicate larger, more persistent hydrothermal systems and should develop larger massive pyrite bodies.
- Identification of the primary rift faults is important given that Troodos was rotated ca. 90° counter-clockwise, such that the primary rift faults are now orientated north-south.
- Dolerite dyke intrusion should be broadly sub-parallel to the main rift faults.
- Later faulting has clearly shuffled the Troodos rocks such that deposits may have been translocated.

In short, the two critical factors to consider for successful VHMS exploration in Cyprus are:

- local stratigraphy, so that the most favourable stratigraphic time can be targeted; and
- fault relationships, so that primary rift faults can be identified, and later translocations can be reconstructed.

Whilst VHMS style mineralisation is clearly present within the Black Pine Project, the priority will be to better understand the magmatic Fe-Cu-Ni-Co mineralisation seen at Laxia and Pevkos. Drilling has enhanced this understanding but the projects are still at an early stage and less of a priority to the larger and more readily developable VHMS prospects.

8.3 Exploration Work Completed

To date, the exploration work completed has been largely limited to the compilation and review of the archival material described in Section 5. Selected documents from the archive have been captured digitally and incorporated into a Geographical Information System (GIS) whereby geographical data are spatially referenced. Other datasets, either commercially or publicly available, have also been incorporated into the GIS. Numerous orientation field trips were completed to confirm the information obtained from the archive and build on the geological understanding. In addition to the compilation and review, 25 rock-chip samples were collected. The results are reported below.

8.3.1 Public Domain

The main data sources used thus far are the published maps and data produced by the Cyprus Geological Survey (CGS) and the open-file documents in the CGS archive (see Section 5). There are also relevant reports published in the academic literature. The CGS produced a Mineral Resources Map of Cyprus that shows the location of current and historic mining on a 1:250,000-scale geology map (Cyprus Geological Survey, 2007). Prior to 1970, the geology of most of the Troodos Mountains was mapped at 1-inch-to-2-mile (1:31,680-scale) to produce eight Memoirs, which include descriptions of the mines and known prospects.

A wealth of recent historical corporate data and reporting is also available through the internet and stock market reporting hubs.

The CGS maintains an archive of hard-copy historical exploration reports that are accessible with permission. Some of the archive is available as digital images. The archival documents comprise maps, sections and reports from historic mining and exploration, but may be missing critical details (e.g. drill collars shown on maps, but no drilling data). Nevertheless, there is still a lot of very useful data preserved. All recent exploration data must be submitted to the CGS annually and will become open-file three years after the Prospecting Permit expires. Rocklore did not inspect the CGS archive during the site visit but has been informed by Mr Daniels that the CGS archive contains abundant historical maps and reports relevant to Caerus's Projects.

8.3.2 Remotely Sensed Data

Topographic contours currently used by Caerus are from the Shuttle Radar Topography Mission (SRTM). These data are processed and have a nominal accuracy of one-arc second or ca. 30 metres.

Some preliminary drone (unmanned aerial systems) acquired imagery and digital elevation data has been acquired over the Mala Mine in the Vrechia Project.

Commercial imagery and data sets and a range of scale are readily available. The advent of commercial and cost-effective drone acquired data is also making its impact on the exploration and development sector. Caerus may wish to consider acquiring a basic drone system to support exploration and environmental monitoring.

8.3.3 Geophysics

The only geophysical compilations for Cyprus are very broad contour maps for gravity and total magnetics. The scale of these datasets is not useful for mineral exploration. There are local geophysical surveys within the archives and open-file data held by CGS.

Exploration geophysics capacity in country is limited. International commercial experience will need to be brought in for aerial and ground survey work.

8.4 Kalavasos Project

The only exploration work completed by Caerus has comprised rock-chip sampling and reconnaissance. Proposed exploration for each site is outlined in the sub-sections below. Caerus has identified a number of different target types within the Kalavasos Project.

- **Remnant Resources**: A review of historic production data indicates that remnant resources may exist at a number of the former mine sites. Grades mined historically are reported to have averaged between 1 – 3 % Cu and in addition to some premature mine closures linked to the Turkish Invasion of 1974, it is assumed that some closures related to the economics associated with tonnage and grade or the depletion of the delineated resource. Caerus will undertake a detailed data review and digitisation programme culminating in the generation of a permit-wide 3D model of the deposits known to exist within the Kalavasos Project. Modelling will be based on a combination of historic resource estimates, production data and mine survey plans and sections with the aim of defining that portion of each historic resource that remains unexploited.

- **Oxide Mineralisation**: There is evidence of oxide mineralisation that was either ignored or stockpiled as waste by former operators on the basis that oxide ore was not conducive to good recoveries in the flotation plants that were operated for the high-grade underground ore. Oxide mineralisation will be assessed for its' suitability to heap, dump or tank leaching to extract copper.

- **Extensions to Mineralisation**: Caerus will test for extensions to known mineralisation both along strike and down-dip. This process will be aided by airborne geophysical survey results and the 3D modelling which is expected to provide evidence or indications of strike and dip extensions to the known orebodies.

- **New Generated Targets**: Exploration techniques have improved since the last detailed exploration took place at Kalavasos over 40 years ago. Caerus plans to use the large volume of historic data to generate a 3D model of mineralisation within the project to underpin airborne VTEM surveys. Detailed geological mapping and sampling will then be employed to identify new targets for follow-up.

- **Dump Assessment and Reclamation**: Mineral processing efficiencies and techniques, operating costs and metal prices are some of the inputs that have changed to influence the economics of reprocessing low-grade ore. Mineralisation that did not meet the required run of mine grade for flotation was either stockpiled or placed on waste dumps. Caerus will re-evaluate this waste material to determine tonnage and grade and thereafter undertake economic assessment to determine the viability of reprocessing material.

8.4.1 Kalavasos Project Rock-chip Sampling

Caerus collected 11 rock-chip samples from the granted Kalavasos permits. The samples were collected during basic orientation field work and do not form part of the planned future systematic sampling programme. All samples were from known prospects and mine dumps.

The samples collected were focused on outcropping oxide mineralisation at the former Mavridia open pit, surrounding waste dumps and alteration anomalies. Sampling was preliminary in nature and formed part of a basic reconnaissance exercise and results may not reflect actual mineralisation at the various sites selected. Many of the historic production sites within the permits refer to underground mining operations that to date have not been accessed by the Company and therefore remain unsampled.

Highlights of this sampling are provided in the relevant site-by-site sections below.

8.4.2 Kalavasos Mines

Exploration to Date - Data compilation only. There are eight former underground orebodies (Table 4) that made up the Kalavasos mines. Underground access is not currently possible and therefore no samples have been collected.

Proposed Exploration - A detailed review and the digitisation of all historic production and exploration related data will be completed leading to the construction of a 3D model for the Kalavasos mines. The model, in conjunction with the historic production data, is expected to reveal the remnant portion of ore that remains in-situ together with the likely direction of strike and dip extensions to the original mineralisation. The Kalavasos 3D model will be incorporated into a wider model that will be built to capture the entire Kalavasos Project.

8.4.3 Mousoulos Mine

Exploration to Date - Data compilation only.

Proposed Exploration - The mine closed in 1976 having produced 1.66 Mt of ore at a grade of 1.0 - 2.5 % Cu. Reconciliation of the total reported resource indicates an estimated 940,000 tonnes of mineralisation at an unspecified grade remains unexploited. Digitisation and construction of a 3D model is expected to help delineate the balance of mineralisation remaining in the ground which will be validated by diamond drilling along with the possible dip and strike extensions to mineralisation.

8.4.4 Mavridia Mine

Exploration to Date - Data compilation and rock chips. A total of 7 grab samples were collected from within the Mavridia mine site. The former open pit mined massive sulphide and stockwork copper ore enclosed between two faults hosted by brecciated basalt. Mineralisation was also controlled by a series of step faults between the two larger structures. Mineralisation is evident in both pit (North and South) sidewalls as well as along strike in a westerly direction where copper mineralisation in a gossan is exposed at surface and to the east of the former pit is represented by a series of small underground excavations identified by rock dumps and extensive surface alteration.

Table 15 illustrates assay results from a low-key grab sample programme targeting the exposed gossan and leach zone exposed in the Mavridia open pit. The zone sits above massive sulphide and stockwork copper (gold) mineralisation that has been partially exploited. The gossan – leach zone typically represents a target indicator for underlying sulphide mineralisation in a Troodos VHMS setting. Copper results are at expected levels reflecting the leached nature of the exposed gossan. The gossans in the Kalavasos district do not typically carry high copper grades. The gold grades achieved in the programme reflect the anticipated underlying moderate gold content of the gossans and surrounding country rock and provide an indication of the underlying exploration potential for stockwork mineralisation that may host both copper sulphide and gold mineralisation.

Table 15 – *Mavridia Mine – rock-chip samples*

Sample No	Rock Type	Cu ppm	Au g/t	Ag g/t	Zn ppm
CMRK011	Gossan – N pit face	157	0.08	<0.2	818
CMRK012	Gossan – N pit face	1925	0.01	<0.2	1150
CMRK013	Gossan – N pit face	663	0.04	<0.2	1260
CMRK014	Breccia - basalt oxide zone – S pit face	1640	0.34	<0.2	68
CMRK015	Fault zone – S pit face	2270	0.58	1.17	>10,000
CMRK016	Gossan – S pit face	642	0.18	0.3	168
CMRK017	Gossan – S pit face	388	0.02	<0.2	553

Proposed Exploration - Detailed geological mapping underpinned by systematic sampling of exposed mineralisation will complement the planned digitisation of historic production data and the generation of another 3D model. Drilling will be used to establish the volume and grade of oxide mineralisation remaining in the pit sidewalls and exposed benches. Sampling and drilling will also test the oxide extensions to the west of the pit and in the smaller operation identified 100m down the valley where both altered outcrop and oxide dumps have been identified. Metallurgical test work will be conducted at an early stage to establish the suitability of the mineralisation for leaching.

Historic data suggests the presence of copper sulphide stockwork ore in the pit floor. This will also be drilled to confirm the presence of sulphide mineralisation and the scope for an additional resource.

8.4.5 Mavri Sykia 2

Exploration to Date - Data compilation only. The former small-scale open pit was operated between 1970 and 1977 and mined 107,000 tonnes at a reported average grade of between 1.5 and 2.5% Cu. Data indicated 590,000 tonnes of mineralisation at an undetermined grade remains in the ground.

Proposed Exploration - The Company will review historic data and undertake a comprehensive sampling programme to test the extent, grade and mineralogy of the reported residual surface mineralisation. Encouraging sample results will trigger a shallow drill programme to define an initial Mineral Resource.

8.4.6 Petra Mine

Exploration to Date - Data compilation only. Petra mine was operated between 1953 and 1957 during which time 226,000 tonnes of ore at an average grade of between 1.0 and 2.5% Cu was mined. Historic evidence suggests that a balance of 300,000 tonnes of mineralisation that previously formed part of the mine resource at an undetermined grade remains in the ground.

Proposed Exploration - A detailed review of historic data including production records will aim to delineate that portion of the former mine resource that remains unexploited and which can still be mined. In addition, the 3D model programme may give guidance regarding possible strike and dip extensions to the original orebody that can be followed-up with drilling. Airborne VTEM geophysical surveys will complement all other exploration work undertaken.

8.4.7 Landaria Mine

Exploration to Date - Data compilation only. Landaria was a former underground mine and the Company has yet to access the site. The operation was active between 1963 and 1964 mining a modest 65,000 tonnes of copper ore at an average reported grade of 0.5% Cu.

Proposed Exploration - Historic records indicate a balance of 250,000 tonnes of ore remaining in-situ. The Company will include historic mine production and exploration data in the 3D modelling programme with a view to broadly defining the location of the residual mineralisation that can be drilled to validate tonnage and grade together with the identification of possible strike and dip extensions to the original Landaria orebody.

8.4.8 Platies Mine (Glory Hole)

Exploration to Date - Data compilation only. The mine was operated between 1955 and 1958 exploiting a modest tonnage of high-grade copper ore returning 43,900 tonnes at a grade of between 2.5 and 3.0% Cu. There is no record of any global resource and therefore no indication of whether additional mineralisation remains at the site.

Proposed Exploration - A review of historic data and compilation of information to contribute to the licence-wide 3D model. The review may indicate the presence of residual ore from previous mining operations together with evidence for strike and dip extensions. Positive review work may lead to follow-up detailed geological mapping, surface sampling and diamond drilling.

8.4.9 Kokkinokremmos Prospect

Exploration to Date - Data compilation only. The Prospect comprises a surface expression of gossanous material. No mining or detailed exploration has taken place. The gossan is exposed on at least three elevations in road cuts running around a hill that hosts the Prospect. The gossan represents the surface expression of a continuous structure that extends in a westerly direction and appears to continue at depth. A total of four grab samples were collected from different elevations and road cuts.

Table 16 illustrates grab sample results at the Kokkinokremmos Prospect. Grab samples returned low level copper grades (to be expected in the leached zone) albeit with one sample returning more than 1% copper. Gold grades were generally low with the exception of one assay returning 0.32g/t Au. Gossans in this particular geological environment typically return low to moderate copper and gold grades reflecting the effect of leaching at surface but remain a strong indicator of potential copper sulphide (and gold) mineralisation at depth. The number of samples collected represents a small sample population and results may not necessarily reflect the average grade of mineralisation and surrounding country rock.

Table 16 – *Kokkinokremmos prospect – rock-chip samples*

Sample No	Rock Type	Cu ppm	Au g/t	Ag g/t	Zn ppm
CMRK018	Gossan	564	0.32	0.4	646
CMRK019	Gossan	86	0.01	<0.2	118
CMRK020	Gossan	3410	0.01	<0.2	27
CMRK021	Gossan	>10000	0.01	<0.2	34

Proposed Exploration - A more detailed and representative surface sample and trench programme will be conducted and, subject to results, a drill programme to establish the presence of copper mineralisation at depth coincident with the surface anomaly. Mineralisation and former mines within the Kalavasos permits are typically associated with a surface gossan.

8.4.10 Kokkina Laona Prospect

Exploration to Date - Data compilation only.

Proposed Exploration - Systematic sampling and exploration of the Prospect will be supported by any historic data that can be found together with the planned airborne geophysical survey.

8.4.11 Xylomasherka Prospect

Exploration to Date - Data compilation only.

Proposed Exploration - Detailed and systematic exploration, sampling and subject to results of the initial programme, drilling to define a resource for further evaluation.

8.4.12 Vasa Prospect

Exploration to Date - Data compilation only.

Proposed Exploration - As with other previously unexplored prospects within the Tenement, Caerus plans to undertake systematic exploration including sample programmes and subject to results, drilling to determine the presence of mineralisation.

8.5 Vrechia Project

The only exploration work completed by Caerus has comprised rock-chip sampling. Proposed exploration for each site is outlined in the sub-sections below.

8.5.1 Vrechia Project Rock-chip Sampling

Caerus collected four rock-chip samples from the granted Vrechia permits. The samples were collected during basic orientation field work and are not part of a systematic or representative sampling programme. The samples were from tailings, mine dumps and surface outcrop.

Table 17 returned encouraging results for gold content within the tailings with grades reflecting the levels anticipated for this waste medium. Of note is sample CMRM025, a grab sample collected at surface approximately 150 m along strike from the pit face coincident with a geobotanical anomaly. The grab sample returned elevated copper and gold results. Samples collected from tailings were based on grabs taken from no deeper than 30 cm below surface and therefore may not be representative of the estimated 500 kt of tailings as a whole.

Table 17 – *Vrechia Project – rock-chip samples*

Sample No	Rock Type	Cu ppm	Au g/t	Ag g/t	Zn ppm
CMRM022	Pyrite Dump	1080	0.39	1.1	126
CMRM023	Tailings	866	0.43	2.3	283
CMRM024	Tailings	87	0.04	<0.2	343
CMRM025	Gossan Outcrop	>10,000	1.18	12	1200

8.5.2 Mala Mine

Exploration to Date - Data compilation and rock chips. Historic drilling last completed in 2014 delineated copper-gold mineralisation extending along strike from the original open pit. Gossanous outcrop was sampled which may represent an expression of the strike extension to the former mine. In addition to this single outcrop, there is a clear indication of a continuous geobotanical anomaly extending northwards away from the former open pit that may represent a future target. In addition, Caerus undertook a preliminary assessment of pyrite and tailings dumps derived from former mining and mineral processing with a view to determining the scope for reprocessing of low-grade copper (gold) bearing material.

Proposed Exploration:

- **Mine** - Airborne geophysics will underpin a sampling programme to test the strike extension defined by a geobotanical anomaly. Evidence of mineralisation will be tested by a drill programme with a view to establishing an expanded resource that will include the tonnage provisionally defined by a 2014 drill programme.

- **Dump** - A systematic sampling and short hole drill programme will test both pyrite and tailings dumps for residual copper and gold mineralisation. Metallurgical test work in conjunction with a preliminary resource estimate (based on the drill results) will determine whether a PEA is warranted.

8.6 Mathiatis Project

The only exploration work completed by Caerus has comprised rock-chip sampling. Proposed exploration for each site is outlined in the sub-sections below.

8.6.1 Mathiatis Project Rock-chip Sampling

Caerus collected 10 rock-chip samples from the granted Mathiatis permit. The samples were collected during basic orientation field work and are not considered to be part of a systematic sampling programme. The majority of samples were from known prospects and mine dumps.

Table 18 – *Mathiatis Project – rock-chip samples*

Sample No	Rock Type	Cu ppm	Au g/t	Ag g/t	Zn ppm
CMRN001	Massive pyrite Mineralisation	482	0.13	1.4	51
CMRN002	Massive pyrite Mineralisation	353	0.33	2.5	300
CMRN003	Gossanous Mineralisation	1195	0.06	<0.2	1250
CMRN004	Dump Material	365	0.02	<0.2	767
CMRN005	Dump Material	210	0.2	0.6	317
CMRN006	Dump Material	240	0.11	0.3	475
CMRN007	Dump Material	334	0.02	<0.2	1580
CMRN008	Dump Material	303	0.2	1.2	1190
CMRN009	Dump Material	139	0.25	0.4	1060
CMRN010	Dump Material	749	0.27	0.9	2290

8.6.2 North Mathiatas Mine

Exploration to Date - Data compilation and rock chips only. The mine exploited a high-grade pyrite body exploited to produce sulphuric acid. Historic data shows the presence of low-grade copper mineralisation (0.3 – 0.5% Cu) over notable package widths within the orebody. Further work is required to determine whether the copper mineralisation was coincident with the massive pyrite body or formed a halo around the orebody. The pit contains water and consequently no surface sampling of the footwall is possible to determine the presence of copper and further exploration is required to test the target.

Table 18 illustrates a small number of samples collected from benches exposed along the southern limit of the former open pit where massive pyrite can be seen in the pit face and from a number of dumps of varying age located around the eastern limit of the pit. Copper grades are not expected to be anomalous in the pit face where high-grade pyrite required a copper grade of less than 0.15% Cu nor in the dumps where copper grades particularly for surface material has been depleted following natural leaching processes. Gold grades in dump material is encouraging and reflects the view that up 0.2 to 0.5 g/t Au may be present in t waste from the low-grade mineralised envelope surrounding the mined out high-grade pyrite body and that this hanging wall waste was probably deposited in dumps around the pit.

Proposed Exploration:

- **Mine** - A detailed review of historic data including the building of a 3D model to illustrate the location of the former high-grade massive pyrite lens relative to the recorded low-grade continuous copper intercepts noted in boreholes will be undertaken. If the copper can be proven to be associated with a halo then drilling will be recommended for the footwall and pit floor.

- **Dump** - In addition, there is scope for the recovery of copper from dumps resulting from previous mining activity which are all located around the eastern side of the open pit. The Company proposes to evaluate the dumps in detail specifically to determine the ages of dumps and the sequence of deposition of waste so that this can be linked back to production data and allow the Company to focus in on material that may host copper and or gold in economic quantities. Exploration will comprise detailed sampling and drilling of the dumps in parallel with metallurgical test work to generate an initial resource estimate prior to commencing a PEA.

8.7 Black Pine Project

Caerus has undertaken no exploration or reconnaissance at Black Pine. Caerus is not planning any field exploration at Black Pine in the near-term and work undertaken will be limited at present to a review of historic data.

8.7.1 Laxia Prospect

Exploration to Date - Data compilation only.

Proposed Exploration - No near-term exploration planned other than further desktop review of historic data.

8.7.2 Pevkos Prospect

Exploration to Date - Data compilation only.

Proposed Exploration - No near-term exploration planned other than further desktop review of historic data.

8.7.3 Petromoutti Prospect

Exploration to Date - Data compilation only.

Proposed Exploration - No near-term exploration planned other than further desktop review of historic data.

8.7.4 Mazokambos Prospect

Exploration to Date - Data compilation only.

Proposed Exploration - No near-term exploration planned other than further desktop review of historic data.

8.8 Observations

Noting that there are numerous historical production sites and extensive literature and production records, the exploration work planned is all early stage and built around a strategy to better understand the vectors available towards improved targeting. The geology is undoubtedly prospective for both greenfield and brownfield resources.

Modern day exploration techniques, in conjunction with advanced computer processing and GIS data assimilation and interpretation offer the chance to do better understand the geology, deformation and metallogenesis within this prospective terrain.

As a precursor to field exploration a thorough and comprehensive review of all available literature and data, including some instances of detailed mapping and drilling, should enable Caerus to rapidly build a 3D model for generic targeting and site by site exploration.

Freely available imagery and data elevation data will be adequate for preliminary studies but thought should be taken to assess the economic value of fresh and higher resolution data sets, potentially derived from aerial (manned or unmanned) platforms. Such up to date imagery would also serve as a baseline for monitoring environmental changes that might occur during exploration and development.

The exploration programme described above is both incremental and logical and offers Caerus the opportunity to diligently apply funding to exploration on a prioritised basis. Optionality is built in to allow higher priority prospects to evolve more rapidly in the event of better than expected results.

Project development oversight and regular reporting to the Cyprus authorities will help support CSR activities and Caerus's stated intent to develop and nurture local talent will help with the longer-term sustainability of the Company and what is expected to be a resurgent state mining sector.

A summary of the exploration work planned by Caerus is presented in Table 19 below.

Table 19 – Summary of Proposed Exploration

Project	Site	Exploration								
		CSR	Data Collation	Geological Mapping	Geochemistry - Rock	Geochemistry - Soil	Remote Sensing	Geophysics - IP	Dump Testing	Drilling
Kalavasos	**General**	●	●	●	●		●	●	-	○
	Kalavasos A to E		●					●	-	○
	Mousoulos Mine		●	●	●			●	-	○
	Mavridia Mine		●	●	●			●	-	○

	Mavri Sykia 2 Mine		●	●	●			●	-	○
	Landaria Mine		●	●	●			●	-	○
	Platies Mine		●	●	●			●	-	○
	Kokkinokremmos Prospect		●	●	●	●		●	-	○
	Kokkina Laona Prospect		●	●	●	●		●	-	○
	Xylomasherka Prospect		●	●	●	●		●	-	○
	Vasa Prospect		●	●	●	●		●	-	○
Vrechia	**General**	●	●	●	●		●		-	○
	Mala		●	●	●	●		●	-	○
	Dumps		●		●				●	○
Kambia	**General**	●	●	●			●		-	○
	Low-Grade Cu Exploration		●	●	●			●		○
	Dump Assessment		●	●	●				●	○
Black Pine	**General**	●	●						-	

● Preliminary work ○ Conditional on preliminary work

9. DRILLING

Caerus has not conducted any drilling on the properties within the portfolio.

Historical exploration and production drilling was conducted by various companies and where information is available this is recorded in Section 5 and discussed under Section 24.

10. SAMPLE PREPARATION, ANALYSES AND SECURITY

10.1 Introduction

There are no assay laboratory facilities in Cyprus with the experience in processing mineral exploration samples to the necessary standard to report on any Stock Exchange.

At present, samples are sent to the ALS Global laboratory in Rosia Montana, Romania. However, Agrolab, a Greek-based laboratory company, has recently joined with a local Cyprus laboratory and has recently been certificated. As a result, Caerus is able to undertake sample preparation in Cyprus before submitting sample pulps to ALS Rosia Montana for analysis.

Caerus uses industry standard analytical methods as detailed below.

10.2 Chain of Custody

All rock-chip samples were collected in the field by Caerus and stored in a secure office until sent. Samples were packed in calico and plastic bags. Samples were delivered to Agrolab for preparation. The subsequent pulps were delivered to TNT Express Cyprus, packed in boxes and shipped to the ALS Global laboratory at Rosia Montana, Romania. A similar chain-of-custody will be followed for future samples.

10.3 Sample Preparation

The sample preparation technique used by Caerus for rock-chip samples comprises the following ALS stages:

- WEI-21 – Received sample weight logged
- PUL-31 – Pulverise split to 85% <75 µm
- PUL-QC – Pulverising QC Test
- LOG-24 – Pulp Login, received without barcode

10.3.1 Analyses

ALS offers various techniques for various elements. Caerus used the following methods of assay for the rock chip sampling programme:

- Zn-AA45 – Trace Zn – aqua regia/AAS (atomic absorption spectroscopy)
- Zn-AA46 – Ore grade Zn – aqua regia/AAS
- Ag-AA45 – Trace Ag – aqua regia/AAS
- Au-AA26 – Ore Grade Au 50g FA (Fire Assay) AAS finish
- Cu-AA45 – Trace Cu – aqua regia Digestion/AAS
- Cu-AA46 – Ore Grade Cu – aqua regia/AAS

10.3.2 Gold

To test for gold Caerus uses ALS technique Au-AA26: 50 g fire assay with AAS finish. This has a detection range of 0.01-100 ppm.

10.3.3 Base metals and other elements

For future exploration it is expected that Caerus will use multi-element analysis in combination with ore grade analysis. Base metals and other elements of interest may be analysed using ALS technique ME-MS41: aqua regia digest with ICP-AES or ICP-MS finish. This method analyses 51 elements: Ag, Al, As, Au, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr.

Aqua regia uses a mixture of nitric and hydrochloric and does not dissolve some refractory minerals, so a four-acid digest (aqua regia + hydrofluoric + perchloric acids) may be employed at times to test selected samples (ALS method ME-MS61).

10.4 Quality Assurance and Quality Control (QAQC)

As well as reviewing the results of the ALS laboratory internal QAQC procedures, Caerus inserted a single certified reference material (CRM; GBMS911-1) sample for the purposes of independent QAQC. No blanks or duplicate samples were submitted. The pre-prepared nature of the QAQC samples meant that the QAQC was not 'blind' but nevertheless, for reconnaissance rock-chip sampling, this was adequate to ascertain the accuracy of the ALS assays.

Future QAQC samples will comprise 10% or more of all samples submitted by Caerus. The materials used, protocols, control limits and results are described below.

CRMs were obtained from Geostat in Australia, one of the main providers of CRM samples for the global exploration industry. The aim of a CRM is to see whether a laboratory is consistently reporting target elements within set ranges. This provides confidence that the routine results are representative and not over- or under-reported.

The results of Caerus's analyses of the single CRM sample was within the expected ranges of 2 Standard Deviations difference from the reference grade.

Internal, routine QAQC by ALS showed no issues for the standards, blanks and duplicates analysed.

10.5 Summary

No aspect of the sample preparation process was conducted by an employee, officer, director, or associate of Caerus.

All samples were prepared and analysed at ALS Minerals, an ISO 17025 accredited laboratory. ALS paperwork was reviewed by Rocklore.

In the opinion of the QP, the QAQC approach, sample preparation, security and analytical procedures for all Caerus samples are adequate for use in early stage exploration.

Care must be taken to scale up QAQC as exploration transitions into development. Geochemistry expertise must be employed to ensure that the scale and use of appropriate, matrix-matched CRMs are combined with judicious use of blanks and duplicates (field, coarse and pulp) and that QAQC results are assessed on a batch-by-batch basis.

11. DATA VERIFICATION

11.1 Introduction

The author conducted an orientation visit to Cyprus in October and November 2018. All of Caerus's Prospecting Permits were visited. These visits facilitated the description of the visual, physical and geological characteristics of the Properties. Due to no exploration work having been completed the remainder of this report comprised desk top research and the review of historical data compilation by Caerus.

This report has subsequently been updated to reflect the change in status with licence applications and the adjustment to some licence boundaries. No follow-up site visit was deemed necessary in light of the absence of exploration or development work during the interim period and the global impact of COVID19 health considerations.

11.2 Site Visit

Mr Craig conducted a site visit (30 October to 4 November 2018) and reviewed the local infrastructure, geography and geology. Field exposures and outcrops were examined and where historical mining was present, those excavations and remnants of mining infrastructure were examined. No field samples were taken for independent analytical test work due to the limited work completed to date, which comprised only grab sample rock-chips and did not include systematic trenching or drilling.

As such the author was able to verify the location of TDL's Prospecting Permits and TDL's Prospecting Permit Applications, and to confirm the geological interpretations made to date. No significant errors or failings in adhering to industry best practice were observed.

11.3 Exploration Data

During the compilation of this report, the author has worked closely with Mr Daniels and Mr Churchouse to ensure that the large volume of historical data has been accurately collated and utilised to help formulate the exploration strategy.

The volume of historical data is large on account of the large number of mine workings and previous phases of exploration by other companies. However, the author was satisfied that the collation and custodianship of these data have and are being conducted to best industry practice.

11.4 Independent Analytical Test Work

No independent analytical test work was conducted by Rocklore because exploration work to date has comprised only limited rock-chip sampling.

11.5 Conclusions

The QP concludes that the data collected from historical exploration and production are appropriate and usable for early stage exploration and the development of a comprehensive strategy by Caerus to develop these Projects.

12. Mineral Processing and Metallurgical Testing

Caerus has not conducted any mineral processing or metallurgical testing on the properties within the portfolio. Some mineral processing or metallurgical testing was conducted by various companies during historical mining and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

13. Mineral Resource Estimates

Caerus has not calculated any mineral resource or mineral reserve estimates for the properties within the portfolio. Mineral resource estimates may have been prepared by various companies during historical mining and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions). Caerus has not updated any mineral resource estimates according to modern standards at this time.

14. Mineral Reserve Estimates

Caerus has not calculated any mineral resource or mineral reserve estimates for the properties within the portfolio. Mineral reserve estimates may have been prepared by various companies during historical mining and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions). Caerus has not updated any mineral reserve estimates according to modern standards at this time.

15. Mining Methods

Caerus has not conducted any technical studies into the mining methods that might be utilised in any future mining operations. Various companies conducted mining historically and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

16. Recovery Methods

Caerus has not conducted any technical studies into recovery methods that might be utilised in any future mining operations. Various companies conducted mining historically and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

17. Project Infrastructure

Caerus has not conducted any technical studies into project infrastructure that might be required in any future mining operations. Various companies conducted mining historically and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

18. Market Studies and Contracts

Caerus has not conducted any market studies and or established any contracts. Various companies conducted mining historically and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

19. Environmental Studies, Permitting, and Social or Community Impact

Caerus has not conducted any environmental, permitting, and social or community impact studies. Various companies conducted mining historically and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

20. Capital and Operating Costs

Caerus has not conducted any capital and operating cost studies. Various companies conducted mining historically and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

21. Economic Analysis

Caerus has not conducted economic analysis on any future mining operations. Various companies conducted mining historically and when information is available this is recorded in Section 5 (History) and discussed under Section 24 (Interpretation and Conclusions).

22. Adjacent Properties

A map showing an overview of granted Prospecting Permits can be obtained by the author from Mines Service upon request on 2 October 2020 (Figure 69). The map shows outstanding applications but does not provide details about the ownership of permits, granted or otherwise. Thus, there is sound information about where is covered by granted permits, but little information about who controls the ground, other than from public domain sources.

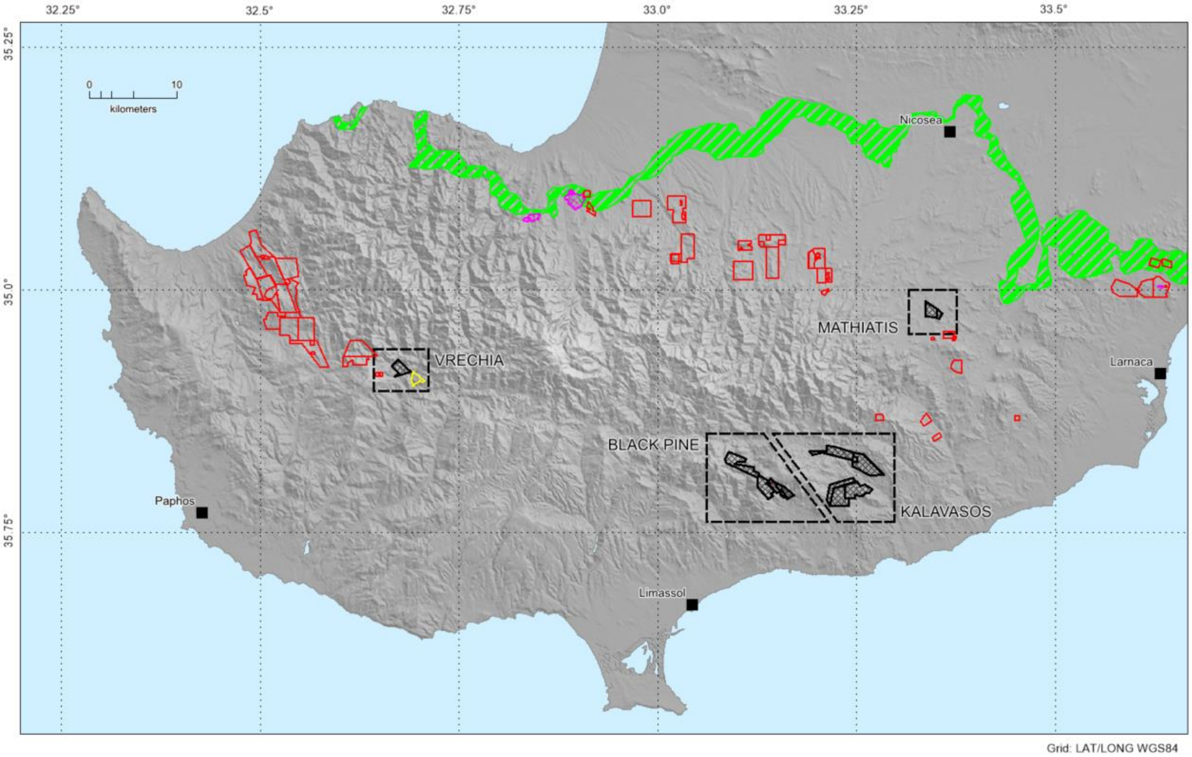

Figure 69 – *Distribution of Caerus's Prospecting Permits and approximate details for those granted to competitors (data obtained from Mines Service, 2 Oct 2020). Caerus permits – black; awarded permits – red; permit applications – yellow; mines (Skouriotissa) – pink. The UN Buffer zone is shown in green as well as major urban centres.*

This author prepared an independent technical report in Q2 2018 (Craig, 2018) for Chesterfield Resources plc (Chesterfield). At the time, Chesterfield had three project areas in Cyprus, comprising seven granted Prospecting Permits and six applications for Prospecting Permits, which were expected to be granted by the end of 2018. The project areas cover abandoned mines, known prospects with exposed mineralisation and other indicators of nearby massive sulphide systems. The following content is extracted from the Chesterfield website (Chesterfield, 2020).

Permits & Targets

Troodos West

Evlim

Evlim is new drill target identified between two historic abandoned mines, the Limni pit and Evloimeni Pit.

Records indicate that 90,400 tonnes of copper was mined from Limni from 1937 to 1979. However, taking into account extensive ancient mine workings, it is estimated that around 150,000 tons of copper may have been mined throughout the history of the Limni mine. Evlim comprises an approximate 1km^2 zone of prospective lavas and dykes that host the mineralisation mined at Limni.

At the southern end, is Evloimeni, a satellite deposit related to the Limni mine that was mined for copper and pyrite. During Q4 2018 the Company carried out drilling at Evloimeni and encountered significant zones of gold mineralisation including 29.8m @ 1.10g (from 13.2m) and 27.9m @ 0.97g (from 8.75m). This suggests that Evloimeni has gold mineralisation occurring beneath overlying copper and pyrite mineralisation.

An analysis of the drilling results at Evloimeni, combined with archive data and field mapping to identify geological controls, suggests this copper and gold system was faulted down and so continues at depth of about 50m at Evlim. Chesterfield commissioned an IP survey at Evlim to test the highly prospective zone.

The initial results of the IP survey are encouraging and indicate a potential extension of mineralisation west of Evloimeni in the downfaulted block. Combined with archival data, including one drill hole from 1983 that returned 0.84% Cu over 11m (from 45m to 56m depth), this has enabled the identification of a drill target likely to host copper and gold mineralisation in lavas.

KinValley

KinValley is another target recently prioritised for drilling. The Kinousa fault is a 15km long structure that runs to the South East of the historic Limni open pit mine occurring in two parallel trends. Chesterfield has carried out mapping, sampling, geophysics and drilling to build a high-quality database over the course of the past year.

This previously untested target is interpreted to be a shallowly buried VMS deposit formed within a 2nd order extensional graben within the down-thrown hanging wall of the fault and is preserved in favourable stratigraphy. KinValley is within the same trend as a cluster of the historically mined VMS deposits that include Kinousa and Uncle Charles. A geochemical survey (100m line space, 50m sample interval) was carried out and a total of 128 soil samples were taken resulting in a coincident copper anomaly.

The target is also supported by geophysics from a drone Mag survey indicative of a preserved VMS body. KinValley is permitted and is now being prepared for drilling

Further target areas of interest – Kinousa Fault

Chesterfield has identified the hanging wall of the Kinousa fault as a structure likely to host further massive sulphide deposits. A number of preliminary targets have been identified on the fault and work is ongoing to ascertain whether there is enough evidence to elevate these targets to drill targets.

Troodos North

Chesterfield's Troodos North Project comprises nine Prospecting Permits on the northern flanks of the Troodos Mountains. Troodos North is a historical copper and pyrites mining area due west of the capital Nicosia.

The Troodos North region includes the Skouriotissa copper mined approximately (294kt of copper) is still operational albeit with very low production and the Mavrovouni mine which produced nearly 750kt of copper until its closure in 1974.

Chesterfield's licences include prospective ground bordering the Skouriotissa mine and Mavrovouni mine.

In addition, recorded production in and adjacent to Chesterfield's Troodos North Project was:

Agrokipia A	*open cast**	*333kt @ 1.0% Cu*	*30-44% S*
Agrokipia B	*underground**	*74kt @ 4.0% Cu*	*40% S*
Memi pyrite	*open cast**		*2.1 Mt @ 26% S*
Kokkinoyia	*underground***	*481kt @ 2.0% Cu*	*30-40% S*
Alestos	*open cast***	*661kt @ 0.9% Cu*	
Kokkinopezoula pyrite	*open cast***		*5.5 Mt @ 24% S*

**in Chesterfield licences*
***adjacent to Chesterfield licences*

There is widespread direct evidence for copper mineralisation, such as outcrops of primary copper-pyrite-sulphide, malachite staining and ancient slag piles. The high-grade copper at the Agrokipia A & B and Kokkinoyia mines demonstrates grade potential, whereas the two large pyrite mines at Memi and Kokkinopezoula demonstrate the size potential in the area. There are potential extensions around known mines and prospects

Discovery South

Discovery South is an area south of the Troodos Mountains previously explored by the UN. Nine prospects have been identified by Chesterfield while archival data is currently being digitised. Desk studies and first pass field assessment started in 3Q 2019.

To explore its large licence areas, Chesterfield will focus on identifying the most favourable positions within the volcanic units to host VHMS deposits. In particular, the proximity to primary fault systems is considered important to form large VHMS systems. Another important consideration for targeting *the mineralisation is unravelling the post-volcanic deformation (rotation and tilting). Some basic exploration constraints for VHMS exploration in Cyprus can be highlighted:*

- *The largest and highest-grade deposits will be in volcanic rocks.*
- *The massive pyrite bodies are likely to be buried by later volcanic eruptions, so understanding the local eruption-hydrothermal cycle will constrain favourable stratigraphic intervals.*
- *Chemical sediments (umber, ochre) are direct proxies for a hydrothermal eruption but are deposited distal to associated massive pyrite bodies. They provide useful stratigraphic constraints.*
- *Ancient seafloor topography (e.g. rift valleys) would have greatly influenced the site of deposition and subsequent preservation of the massive pyrite bodies. It is critical to understand the rotation of fault blocks during sea-floor rifting.*
- *Alteration zones are expected in the footwall to massive pyrite bodies and may be prospective themselves.*
- *Larger alteration zones indicate larger, more persistent hydrothermal systems and should develop larger massive pyrite bodies.*
- *Identification of the primary rift faults is important given that Troodos was rotated ca. 90° counter- clockwise, such that the primary rift faults are now orientated north-south.*
- *Dolerite dyke intrusion should be broadly sub-parallel to the main rift faults.*
- *Later faulting has clearly shuffled the Troodos rocks such that deposits may have been translocated.*

The author understands that all other permits in Cyprus are held by private companies or individual prospectors.

As documented in Craig (2018), discussions with people working in Cyprus indicate that Hellenic Mining Company (owners of Skouriotissa Mine) and Eastern Mediterranean Mining (EMM; previously part of public company EMED Mining, now Atalaya Mining) have significant ground positions in Cyprus.

Since most of the ground is held in private hands there is little to no public information about recent exploration results. The work conducted and results, resources, reserves and operations on other properties is not necessarily indicative of the prospectivity of the Caerus Projects.

23. OTHER RELEVANT DATA AND INFORMATION

The author is not aware of any other relevant data or information other than that disclosed in the relevant sections of this Report.

24. INTERPRETATION AND CONCLUSIONS

24.1 Introduction

The following sub-sections provide a concise thematic summary of the Caerus Portfolio and available data from work completed to date.

24.2 Historical Exploration, Development and Mining

- Long and well documented history of mining dating back several thousand years.
- Recent mining in most of the permits should aid CSR matters with the local community understanding both the opportunity and the risk; albeit that addressing environmental concerns must be to the fore.
- The absence of systematic and well-funded exploration using the best modern techniques and analyses appear to be the reason for no present-day mining across Caerus's permit portfolio; however, the author is at a loss as to why such prospective ground in a stable jurisdiction has not received greater interest.
- Large amounts of data likely exist on exploration, development and mining. The challenge will be locating this information and assimilating it into one coherent piece of work (database and GIS) that can in turn be used to generate targets and aid Caerus in their exploration and development.
- Permit applications have been based on the weight of historical exploration and mining evidence and limited recent work by BMG.

24.3 Geology

- The geology appears to be generally well understood with stratigraphic and tectonic effects on the genesis of deposits and their subsequent displacement/bisection/alteration/ obscuration.
- Maximising the use of GIS in 2D and modelling and visualisation in 3D will be vital to understanding the complex geology.

- A great deal of exploration work has been completed with mapping, geophysics and drilling – all this data needs to be acquired, digitised and exploited.
- Deposits can appear at or near surface and are also potentially concealed near-surface under thin Miocene cover rocks.
- A range of well researched and understood alteration and stratigraphic vectors are present. Their location both laterally and vertically are important for locating prospective zones. Surface mapping in conjunction with remote sensing (with field validation) are likely to be complementary in localising prospective ground for selective and therefore economically astute allocation of geophysics and drilling funding.
- Caerus has however completed to date no detailed exploration; save for some rock-chip and grab samples.

24.4 Geophysics

- Airborne geophysical surveys may rapidly identify areas of localised interest for ground follow-up. The overall cost would need to be reconciled against slower and more localised surface methods, e.g. IP.
- Ground based geophysics would likely be cheaper and could be used to orientate and then define drill targets over know areas of mineralisation. Given the need to conduct a great deal of IP, there may be merit in examining the cost for buying the equipment outright and developing an in-country capability that might even be marketable to other companies.
- Favourable access should afford Caerus ample opportunity to maximise the return from investing in geophysical surveys, but a suitably qualified expert should be contracted early to advise on techniques, campaign planning, supervision of training and surveys, and data analysis and interpretation.

24.5 Imagery

- Commercial imagery (e.g. WorldView, Ikonos, etc.) can provide an invaluable base map on which to develop geological mapping and structural interpretation. A great wealth of free data are also now available (e.g. LANDSAT, STRM, etc.).
- Imagery derived DEMs will also assist and perhaps provide insight into some more subtle tectonic features that are not obvious in imagery or topographic mapping.
- LiDAR would be useful due to cm resolution but might be too expensive.
- High resolution imagery (sub-5 cm) with corresponding DEMs could be collected from drone (UAS) to support exploration and provide a baseline reference for environmental and CSR matters.

24.6 Topography

- Topography offers no major issues for exploration, albeit in some areas the relief is steep with access limited to narrow, vehicle forest tracks.
- Lightweight drilling rigs may offer an economic and low impact solution for scout drilling.

24.7 Infrastructure

- Infrastructure is good for exploration.
- Development and mining infrastructure will require astute engagement with the local community and government agencies but with careful planning can be tailored to add broader value to the local communities and might secure third-party funding in some areas.
- Renewable energy (wind and solar) consideration would likely be favourable by both the local community and government agencies.

24.8 Environmental

- Mining waste rock (waste and tailings) from VHMS projects invariably give rise to the risk of acid rock drainage (ARD). Indeed, several areas already exhibit such and therefore this will have to be addressed early in the long-term project strategy.
- This is a well-known issue and the public should be under no illusions as to what risks are associated with mining.
- Technological advances can reduce this risk and should be communicated early as part of the CSR strategy.
- Some of the licence areas will need additional work because of being classified as forest or Natura 2000, but procedures are well defined for acquiring approvals for access and drilling.

24.9 Licencing

- The licencing process is well defined and understood.
- To date, the registration and issue of permits has been quick, i.e. weeks to a few months.

- Personal relationships will play a major part in maintaining visibility over licence application process and Caerus already has this in place via Andrew Daniels.

24.10 Drilling

- Local service providers will need to be examined and assessed for best practice and safety records. There may indeed be an opportunity to work with local contractors to improve HSE standards.
- Given the likely ground conditions and mineralisation, potential drilling contractors should be evaluated on a) in-depth experience of triple-tube drilling and b) orientated core drilling.
- Historical drilling data is available but core is limited to those programmes over the last 5 years. Some re-logging and re-sampling would likely be advantageous.

24.11 Preliminary Risk Assessment

24.11.1 Country Risk

The Country Risk for Cyprus is assessed as LOW.

- Cyprus is a well-known European jurisdiction with a rich heritage in mining for copper and gold.
- A member of the European Union and with close links to the UK, the jurisdiction is deemed to be safe and is well ranked on the World Bank 2019 Ease of Doing Business Report (ranked 57 of 190) and a Transparency International 2017 Corruption Perception Index of 57 (ranked 42 of 180).
- It is economically stable (within a European context) and is ranked 36th globally on GDP PPP (purchasing power parity) per capita (2017 World Bank figures).
- Its Human Development Index is very high (32nd for 2018; up from 33rd in 2017).
- The country maintains good infrastructure and is well serviced by air and sea.
- The climate is well suited to year-round exploration and mining operations.
- The ongoing partition carries a small risk, largely because of politics on the Turkish mainland.
- Environmental concerns will likely focus on water use, flora and fauna (land and sea based) and impact on the existing rural economy.
- Noting the current uncertainty over how the COVID19 epidemic may evolve, whilst there may be a risk to international access from time to time, the overall impact to the company is rated as low to moderate.

24.11.2 Corporate Risk

The Corporate Risk is assessed as LOW.

- Those involved with Caerus are all experienced in the exploration, development and mining of a variety of deposit styles and commodities.
- Commercial, financial and board experience is both deep and broad within the extractive sector.
- Local knowledge and community engagement is already in-depth due to Andrew Daniels long-term residency in Cyprus.
- Ample local geology and mining talent exists or can be mentored and developed.
- Corporate structures in the UK and Cyprus are clear and maintained under transparent regulatory frameworks.

Note: no legal or commercial due diligence has been completed by Rocklore.

24.11.3 Commodity Risk

The Commodity Risk is assessed as LOW.

- Copper and gold remain in demand.
- The commodity focus is not on specialised or exotic materials.
- The previous two years have shown an upward trend in copper pricing.
- Gold prices have demonstrated growth over the past two years and aside from the spike over 2011 to 2012, have shown consistent growth since 2001. Recent global geopolitical risk, the COVID crisis and other factors have driven the gold price yet higher.
- S&P said it expected generally favourable commodity demand, primarily linked to its GDP growth forecasts for the US, the Eurozone, Latin America and China. Nevertheless, S&P lowered its zinc forecast for this year and next whilst commenting that the weaker sentiment for copper reflects a rising interest rate environment, relative strength of the US dollar and trade tensions (Mining Journal, 2018).
- Demand for cobalt, a key metal in the lithium-ion batteries used to power electric vehicles (EVs), is expected to surge in the next few years and many analysts are optimistic about its fundamentals.

Note: no detailed commodities forecasting, or price modelling has been completed by Rocklore.

24.11.4 Concession Risk

The Concession Risk is assessed as MEDIUM to LOW.

- Caerus's portfolio is comprised of early stage prospecting permits, albeit with local historical mining site; exploration/brown-field risk is highest at the early stage.
- The portfolio of permits is largely contiguous and highly prospective with numerous historical workings.
- Access and infrastructure is good at all projects.
- This style of mineralisation is well studied and for the most part well understood.
- The commodity focus is precious and base metals with cobalt; there are no exotic mineral products.
- Tailings from old mines may, after evaluation, provide short-term cash flow through re-processing and heap-leach extraction.

24.12 Conclusions

With Country, Corporate and Commodity risk being low, the greatest risk with Caerus is that of the Concession and its exploration/brown-field stage portfolio. The presence of mineralisation is not in question, and historical production and the style of mineralisation indicates the potential for as yet undiscovered resources.

Based on current data, it is not possible to project updated resources or reserved and consequently it is impossible to project the mine life of any prospective site.

Caerus's strategy is deemed to be appropriate for the portfolio of permits.

As exploration has yet to commence, it will be necessary to review this report in light of the results from the forthcoming programme.

25. Recommendations

The prospectivity indicated through the author's observations on the ground and through desk top research is sufficient to warrant methodical and comprehensive exploration across the portfolio of permits.

The Caerus exploration strategy will be phased across all projects. Section 8 has highlighted the work that is anticipated at each Project and each site of interest (mine or prospect) there-in.

On scheduling and noting that the climate should not impact heavily upon exploration, Table 20 illustrates a conceptual programme schedule.

The timing and synchronisation of all work elements will ultimately be dictated by overall corporate strategy and the availability and quantum of funding. Furthermore, the size of the team available will dictate whether work can be carried out sequentially versus concurrently. It is worth noting that there will be both similarities and differences between the work for green- and brown-field sites and so well-formed 'specialist' teams might move from site to site to focus on their strengths.

The prioritisation of work will only be possible once a comprehensive data review and collation has been completed. This will allow Caerus to prioritise work.

A large-scale aerial geophysical survey may prove to be of significant value but will be costly. An EM survey (VTEM most likely) would be the most appropriate technique. Ground based geophysics, notably Induced Polarisation (IP), may also be employed at a local level.

The use of hand-held (portable) XRF systems will be of great value both in field reconnaissance work, and in pre-screening samples ahead of dispatch to the laboratory for assay. An XRF system could also be used in soil survey work designed to search for obscured mineralisation. Caerus owns an Olympus InnovX Delta XRF.

Caerus must design, implement and maintain a rigorous and comprehensive QAQC regime for all samples being submitted for analysis and for all other data sets collected during exploration. This must include the use of CRMs, blanks and duplicate (coarse and pulp) samples; ideally with all three at a ratio of 1:20 during early exploration. CRMs should be matrix matched and there may be merit in developing in-house permit specific CRMs based on available material. This would of course require additional cost due to the round robin validation across at least six independent laboratories.

For drilling activity, Caerus must ensure that they have a competent contractor who can provide high quality orientated core and has high HSE standards. The final composition of type and amount of drilling required will be defined as targets develop and is beyond the scope of this report.

25.1 Scheduling

The Mediterranean climate affords year-round working and so Caerus has the opportunity to dynamically manage its exploration programme according to the results and the geological interpretations made.

Caerus has developed a programme schedule as outlined in Table 20. This is deemed to be appropriate for such a portfolio of Projects.

It is acknowledged that the COVID19 epidemic may impact upon scheduling, albeit such disruption may be limited due to the presence of a Cypriot exploration and development team. An adaptive and flexible programme can help mitigate further any loss of progress or momentum.

25.2 Budget

An eighteen-month budget from Caerus for work from the start of Q1 2021 to the end of Q2 2022 is presented in Table 21. Conditional to results, this is planned to take Caerus from exploration to drilling and preliminary resource modelling.

EUR-GBP FX rate €1.10 - £1.00.

This is deemed to be appropriate for such a portfolio of Projects.

25.3 Conclusions

- The portfolio of permits is undoubtedly prospective.
- Caerus comprises a competent and well-respected team.
- Caerus must seek to exploit an 'early-mover' advantage in what is perceived to be a recovering market.
- VHMS mineralisation is well documented and understood in Cyprus; a great deal of data and knowledge exists already, and its collation, synthesis and analysis are critical to successful exploration and the development of drilling targets.
- Fe-Cu-Ni-Co prospects offer energy mineral market interest but are a low priority at this time.
- Near-term cash flow generating opportunities might present in the form of extensive dumps and tailings.

Table 20 – *Conceptual Programme Schedule*

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
KALAVASOS PROJECT						
REGIONAL EXPLORATION						
Review, Digitisation & Data Interpretation	■					
Topographic Surveys & Airborne Geophysics	■	■	■			
Exploration Inc Sampling & Assays	■	■	■			
DUMP EVALUATION & RECLAMATION						
Evaluation inc. Sampling and Drilling	■	■				
Mineral Resource Modeling & Scoping		■				
Metallurgical Test Work	■	■				
REMNANT RESOURCE ESTIMATION						
Review, Digitisation & Data Interpretation	■	■				
3D Modeling & Target Prioritisation	■	■				
Drilling & Analyses		■				
VRECHIA PROJECT (MALA)						
LOCAL EXPLORATION						
Topographic Surveys & Geophysical Surveys	■					
Sample Programmes, Drilling and Analyses		■	■			
DUMP EVALUATION & RECLAMATION						
Evaluation inc. Sampling and Drilling	■	■	■	■	■	■
Mineral Resource Modeling & Scoping			■	■	■	■
Metallurgical Test Work				■		■
KAMBIA PROJECT (NORTH MATHIATIS)						
LOCAL EXPLORATION						
Review, Digitisation, Data Interpretation & Geophysics	■	■				
DUMP EVALUATION & RECLAMATION						
Evaluation inc. Sampling and Drilling			■			
Mineral Resource Modeling & Scoping			■			
Metallurgical Test Work				■	■	

Table 21 – Caerus *Exploration & Development Budget*

Work Programme		Expenditure	% Total Expenditure
KALAVASOS PROJECT			
REGIONAL EXPLORATION			
Review, Digitisation & Data Interpretation	£	15,000.00	1.6%
Topographic Surveys & Airborne Geophysics	£	62,500.00	6.7%
Exploration Inc Sampling & Assays	£	40,000.00	4.3%
Sub-total	**£**	**117,500.00**	**12.6%**
DUMP EVALUATION & RECLAMATION			
Evaluation inc. Sampling and Drilling	£	44,000.00	4.7%
Mineral Resource Modeling & Scoping	£	6,300.00	0.7%
Metallurgical Test Work	£	31,000.00	3.3%
Sub-total	**£**	**81,300.00**	**8.7%**
REMNANT RESOURCE ESTIMATION			
Review, Digitisation & Data Interpretation	£	22,000.00	2.4%
3D Modeling & Target Prioritisation	£	2,700.00	0.3%
Drilling (1000 m DDH) & Analyses	£	135,000.00	14.5%
Sub-total	**£**	**159,700.00**	**17.1%**
Project Sub-total	**£**	**358,500.00**	**38.4%**
VRECHIA PROJECT (MALA)			
LOCAL EXPLORATION			
Topographic Surveys & Geophysical Surveys	£	1,350.00	0.1%
Sample Programmes, Drilling & Analyses	£	20,000.00	2.1%
Sub-total	**£**	**21,350.00**	**2.3%**
DUMP EVALUATION & RECLAMATION			
Evaluation inc. Sampling and Drilling (ca. 1500 m RAB; 1000 m DDH)	£	190,000.00	20.4%
Mineral Resource Modeling & Scoping	£	5,000.00	0.5%
Metallurgical Test Work	£	10,000.00	1.1%
Sub-total	**£**	**205,000.00**	**22.0%**
Project Sub-total	**£**	**226,350.00**	**24.3%**
KAMBIA PROJECT (NORTH MATHIATIS)			
LOCAL EXPLORATION			
Review, Digitisation, Data Interpretation & Geophysics	£	13,000.00	1.4%
Sub-total	**£**	**13,000.00**	**1.4%**
DUMP EVALUATION & RECLAMATION	£	-	0.0%
Evaluation inc. Sampling and Drilling	£	16,000.00	1.7%
Mineral Resource Modeling & Scoping	£	12,000.00	1.3%
Metallurgical Test Work	£	60,000.00	6.4%
Sub-total	**£**	**88,000.00**	**9.4%**
Project Sub-total	**£**	**101,000.00**	**10.8%**
ADMINISTRATIVE & CORPORATE (CYPRUS)			
Salaries & Wages	£	113,400.00	12.2%
Corporate Costs - Audit, Legal, Regulatory	£	18,000.00	1.9%
Administration (field office rental, transport and travel)	£	21,600.00	2.3%
Licence renewals	£	29,788.00	3.2%
Capital Items inc. vehicles	£	20,000.00	2.1%
Administrative & Corporate Sub-total	**£**	**202,788.00**	**21.7%**
Contingency (~5%)	**£**	**44,432.00**	**4.8%**
18 MONTH PROGRAMME - TOTAL	**£**	**933,070.00**	**100.0%**

Breakdown			
Review, Digitisation & Data Interpretation	£	50,000.00	5.4%
Topographic Surveys & Airborne Geophysics	£	63,850.00	6.8%
Exploration Inc Sampling & Assays (Regional)	£	40,000.00	4.3%
Sample Programmes, Drilling and Analyses	£	405,000.00	43.4%
Mineral Resource Modeling & Scoping	£	26,000.00	2.8%
Metallurgical Test Work	£	101,000.00	10.8%
Salaries, Corporate, Admin, HSEC & Capital Items	£	202,788.00	21.7%
Contingency (~5%)	£	44,432.00	4.8%
18 MONTH PROGRAMME - TOTAL	**£**	**933,070.00**	**100.0%**

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27. QP Certificates

Certificate of Andrew Craig, CEng.

I, Andrew Craig, MIMMM, CEng, of West Clandon, United Kingdom, do hereby certify that:

1. I am currently employed as a Principal Geologist with Rocklore Exploration Services Limited with an office at Ilex Cottage, The Street, West Clandon, Surrey, GU4 7TJ, United Kingdom;

2. This certificate applies to the technical report titled "Independent Technical Report – Caerus Mineral Resources plc Cyprus Exploration Portfolio" with an effective date of 18 December 2020, (the "Technical Report") prepared for Caerus Mineral Resources plc ("the Issuer");

3. I am a graduate of The Royal School of Mines, Imperial College (MSc, DIC, 1999) and the University of St Andrews (BSc (Hons), 1997). I am a Fellow in good standing of the Geological Society (Fellow #1013898) and a Professional Member in good standing of the Institute of Materials, Minerals & Mining (Member #50216) through which I am a registered Chartered Engineer (Registration #630752). I have practiced my profession continuously since 2001 and have been involved in mineral exploration and mine geology for a total of 18 years since my graduation from university. This has involved working in a range of jurisdictions and environments, including, but not limited to: Kazakhstan, Russia, Pakistan, Serbia, Turkey, Afghanistan and Canada. My experience is principally in exploration programme design and execution with oversight on database management, geological interpretation and project logistics. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101;

4. I have visited all properties during one visit: 30 October – 4 November 2018;

5. I am responsible for the whole Technical Report;

6. I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of the NI 43-101;

7. I have not had prior involvement with the property that is the subject of the Technical Report;

8. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1;

9. Rocklore Exploration Services Limited accepts responsibility for its report contained in Part III of the Prospectus dated 4 March 2021 issued by Caerus Mineral Resources plc (the "Prospectus") and all scientific and technical information contained therein as well as references to it and statements of information attributed to them or extracted from the report and included in the Prospectus in the form and context they appear. To the best of the knowledge of Rocklore Exploration Services Limited, the information in its report is in accordance with the facts and contains no omission likely to affect its import.

Effective Date: 18 December 2020 Signing Date: 4 March 2021
(original signed and sealed)

Andrew Craig, CEng, Principal Geologist, Rocklore Exploration Services Limited

PART IV

FINANCIAL INFORMATION ON THE COMPANY AND NCC

(A) ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION RELATING TO THE COMPANY

PKF
Accountants & business advisers

The Directors
Caerus Mineral Resources plc
Salisbury House
London Wall
London, EC2M 5PS

Dear Sirs

Introduction
We report on the financial information of the Company for the period from incorporation to 30 November 2019 which comprises the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cashflows, and the related notes. This financial information has been prepared for inclusion in the Prospectus of the Company dated 4 March 2021 on the basis of the accounting policies set out in note 2 to the financial information. The report is required by Annex 1, Section 18, Item 18.3.1 of the PR Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities
The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by 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 Annex 1, Section 1, Item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion
We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity'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 financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion
In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 4 March 2021, a true and fair view of the state of affairs of the Company as at 30 November 2019 and of the results, cash flows and changes in equity for the periods then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that 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 Prospectus in compliance with Annex 1, Section 1, Item 1.2 of the PR Regulation.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

15 Westferry Circus
Canary Wharf
London E14 4HD

4 March 2021

(B) HISTORICAL FINANCIAL INFORMATION ON CAERUS MINERAL RESOURCES PLC

STATEMENTS OF FINANCIAL POSITION

The Statements of Financial Position of the Company are stated below:

	Note	Audited as at 30 November 2019 £	Audited as at 30 November 2018 £
Assets			
Current assets			
Cash and cash equivalents		3,492	116,328
Other Receivables	5	-	9,733
Financial assets at fair value through profit and loss	6	42,618	44,478
Total assets		**46,110**	**170,539**
Equity and liabilities			
Capital and reserves			
Share capital	7	94,000	82,500
Share premium	7	322,665	269,165
Retained earnings		(582,757)	(192,716)
Total equity attributable to equity holders		**(166,092)**	**158,949**
Current liabilities			
Trade and other payables	9	212,202	11,590
Total liabilities		**212,202**	**11,590**
Total equity and liabilities		**46,110**	**170,539**

The notes form an integral part of this Historic Financial Information.

STATEMENTS OF COMPREHENSIVE INCOME

The Statements of Comprehensive Income of the Company are stated below:

	Note	Audited year ended 30 November 2019 £	Audited period ended 30 November 2018 £
Administrative expenses	10	(390,041)	(192,716)
Operating loss and loss before taxation		(390,041)	(192,716)
Income tax expense	12	-	-
Loss after taxation		(390,041)	(192,716)
Loss for the period		(390,041)	(192,716)
Other comprehensive income		-	-
Total comprehensive loss attributable to owners of the parent		(390,041)	(192,716)
Earnings per share:			
Basic and diluted (£)	13	(0.04)	(0.40)

The notes form an integral part of this Historic Financial Information.

STATEMENTS OF CHANGES IN EQUITY

The Statements of Changes in Equity of the Company is stated below:

	Share capital £	**Share Premium** £	**Retained earnings** £	**Total** £
On incorporation 1 November 2017	**-**	**-**	**-**	**-**
Comprehensive income				
Loss for the period	-	-	(192,716)	(192,716)
Total comprehensive income for the period	**-**	**-**	**(192,716)**	**(192,716)**
Transactions with owners recognised directly in equity				
Issue of shares	9,300	267,965	-	277,265
Issue of bonus shares	73,200	(73,200)	-	-
Capital contribution	-	74,400	-	74,400
Audited as at 30 November 2018	**82,500**	**269,165**	**(192,716)**	**158,949**
Comprehensive income	-	-	-	-
Loss for the year	-	-	(390,041)	(390,041)
Total comprehensive income for the year	**-**	**-**	**(390,041)**	**(390,041)**
Transactions with owners recognised directly in equity				
Issue of shares	11,500	53,500	-	65,000
Audited as at 30 November 2019	**94,000**	**322,665**	**(582,757)**	**(166,092)**

STATEMENTS OF CASH FLOWS

The Statements of Cash Flows of the Company is as follows:

	Notes	Audited year ended 30 November 2019 £	Audited period ended 30 November 2018 £
Cash flow from operating activities			
Loss for the period before taxation		(390,041)	(192,716)
Adjustments			
Expenses settled by capital contribution		-	74,400
Foreign exchange loss on financial assets	6	1,860	129
Operating cash flows before movements in working capital		**(388,181)**	**(118,187)**
Decrease/ (increase) in receivables	5	9,733	(9,733)
Increase in accounts payable and accrued liabilities	9	200,612	11,590
Net cash used in operating activities		**(177,836)**	**(116,330)**
Cash flow from investing activities			
Purchase of assets at fair value through profit and loss		-	(44,607)
Net cash used in investing activities		**-**	**(44,607)**
Cash flow from financing activities			
Proceeds from the issue of equity	7	65,000	277,265
Net cash inflow from financing activities		**65,000**	**277,265**
Net (decrease)/ increase in cash and cash equivalents		**(112,836)**	**116,328**
Cash and cash equivalent at beginning of period		116,328	-
Cash and cash equivalent at end of period		**3,492**	**116,328**

Significant non-cash transactions

There were no significant non-cash transactions during the year.

During the prior period, £74,400 of directors and consultancy fees were settled by way of capital contribution to the Company. The fees were payable to existing shareholders who agreed to a premium of 2.4p to be applied to their existing 3,100,000 shares. Notices of capital contribution were received and letters confirming that the capital contribution was to be applied against their fees.

NOTES TO THE COMPANY'S FINANCIAL INFORMATION

1. GENERAL INFORMATION

Caerus Mineral Resources plc ("the Company") is incorporated and domiciled in England and Wales with Registered Number 11043077 under the Companies Act 2006. The Company was incorporated on 1 November 2017 under the name Leopard Mineral Investments Limited as a private limited company and subsequently re-registered as a public limited company on 9 January 2018; and changed its name to Caerus Mineral Resources plc on 18 September 2018.

The principal activity of the Company is in mineral exploration and the development of appropriate exploration projects. The Company's registered office is at Salisbury House, London Wall, London, England, EC2M 5PS.

The Historic Financial Information covers the period from incorporation on 1 November 2017 to 30 November 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies

The principal accounting policies applied in the preparation of this Historical Financial Information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The Historical Financial Information of the Company has been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC Interpretations Committee ('IFRS IC') as adopted by the European Union. The Historic Financial Information has also been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. The Financial Information does not constitute statutory accounts.

The Historical Financial Information is presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

The preparation of Financial Information in conformity with IFRS's 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 Information are disclosed in Note 3.

Going concern

The Historical Financial Information has been prepared on the assumption that the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the Historical Financial Information.

Following the review of ongoing performance and cash flows, the Directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. The Directors have based the going concern assumption on the fact that the Company has secured the strategic financial backing of a Cornerstone Investor, EV Metals Group plc (EVM) and has received investment of £1,000,000 from EVM since the end of the financial year.

In addition, the Company is seeking additional working capital funding from an equity raise so as to have, sufficient funds, to maintain the Company and its exploration programme for a period of not less than 18 months, from an equity raise. This process is at an advanced stage and the Directors are confident of being able to raise additional funds in this regard.

The Board have also considered the consequences of Covid-19 and other event and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern as a result of the committed strategic funding from EVM.

Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Company

As of 1 December 2018 The Company has adopted IFRS 9 and IFRS 15.

The transition to IFRS 15 did not impact the Company as it is not yet revenue generating.

IFRS 9 became effective for all periods beginning on or after 1 January 2018 and as such is relevant for the year ended 31 November 2019. IFRS 9 impacts the recognition, classification, measurement and disclosures of financial instruments. The Company reviewed the financial assets and liabilities reported on its Statement of Financial Position and completed an assessment between IAS 39 and IFRS 9 to identify any accounting changes. The significant financial instruments held in the Company are Financial assets held at fair value through profit or loss and trade and other payables.

Financial assets at fair value through profit or loss
The Company's relevant financial assets are the current Loan Notes receivable. Under IFRS 9, current financial assets are held at fair value through profit or loss which is unchanged from the previous accounting treatment adopted by the Company.

Under IFRS 9 Financial assets measured at fair value through profit or loss are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The loan notes receivable are convertible at the option of the Company at any time prior to the repayment date. Under IFRS 9, as the contract is not a contract to buy or sell a non-financial item outside the scope of IFRS 9, the entire contract is considered to be a derivative and fair valued through profit or loss.

Trade and other payables
Under IFRS 9 trade payables should continue to be measured at amortised cost using the effective interest rate method.

There are no other new IFRS's or IFRIC interpretations that are effective that would be expected to have a material impact on the Company.

(b) New standards, amendments and interpretations not yet adopted by the Company

The standards and interpretations that are relevant to the Company, issued, but not yet effective, up to the date of the Historical Financial Information are listed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IFRS 16	Leases	1 January 2019
IAS 28 (Amendments)	Long term interests in associates and joint ventures	1 January 2019
Annual Improvements	2015 – 2017 Cycle	1 January 2019
IFRIC 23	Uncertainty over Income Tax treatments	1 January 2019
IFRS 3 (Amendments)	Business Combinations	1 January 2020

* Subject to EU endorsement

The Company has evaluated the impact of transition to the above standards and does not consider that there will be a material impact of transition on the Historical Financial Information. The Company does not have any leases and as such there is not expected to be an impact on the transition to IFRS 16 Leases.

Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Statement of Financial Position dates. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The financial assets held comprise cash and cash equivalents and other receivables. The other receivables are convertible in nature and the Company has designated these on inception as financial assets at fair value through profit and loss as a result of the conversion element and difficulty in separating this from the host contract.

Financial assets at fair value through profit and loss are recognised initially at fair value. Subsequent to initial recognition they are measured at fair value at each reporting period.

Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values for the Company's assets and liabilities are not materially different from their carrying values in the Historical Financial Information.

The following table presents the Company's financial assets that are measured at fair value:

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
30 November 2018 Loan Notes (Audited)	-	-	44,478	44,478
30 November 2019 Loan Notes (Audited)	-	-	42,618	42,618

The Company does not have any liabilities measured at fair value. There have been no transfers in to or transfers out of fair value hierarchy levels in the periods.

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. No investments are valued using level 1 quoted prices in the periods.

(ii) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No investments are valued using level 2 inputs in the periods.

(iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. As permitted under IFRS 13 the cost model has been used to fair value the investments if cost is considered to represent fair value. This is because there is a lack of sufficient appropriate information on which to base an alternative valuation technique for the investments. The income and market valuation models are not thought to be appropriate due to the type of investments. There is no evidence of impairment of any of the investments.

The following table presents the changes in level 3 instruments for the periods ended 30 November 2018 and 30 November 2019:

	Audited 2019	**Audited 2018**
	£	£
Opening balance	44,478	-
Additions in to level 3	-	44,607
Impairment losses recognised in profit and loss	-	-
Foreign currency loss recognised in profit and loss	(1,860)	(129)
Closing balance	**42,618**	**44,478**

Impairment of financial assets

The Company assesses at the end of each reporting year whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A Financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligator;
- A breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Income Statement.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the trade and other receivables credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

The Directors have considered the net present value of the future cash flows expected from the subsidiary NCC and expect them to be in excess of the value of this financial asset. They have also considered the impact of the Covid-19 pandemic on the operations in Cyprus and do not consider an impairment necessary as a result of being in this geographic region.

Financial liabilities

The Directors determine the classification of the Company's financial liabilities at initial recognition. The financial liabilities held comprise trade payables and accrued liabilities and these are classified as other financial liabilities.

Other financial liabilities

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of other financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short-term investments to be cash equivalents.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of a Company after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received net of direct issue costs.

Share capital represents the amount subscribed for shares at nominal value.

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

Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income, less dividends paid to the owners of the Company.

Warrants issued are for ordinary shares in the Company. The warrants issued during the period have not been separately valued as they were associated with the issue of new ordinary shares. The fair value of the warrant is considered to be inherent in the amount paid for the shares.

Current and deferred income tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the consolidated statement of financial position date, and any adjustment to tax in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting estimates will by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Fair value of financial assets – level 3

The Company reviews the fair value of its loan notes (see note 6) at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted Loan Notes in the absence of an active market. See note 2 for detail on the Level 3 valuation process. Management's significant judgement in this regard is that the fair value of the investments is their cost (as permitted by IFRS 13), as a result of a lack of other inputs or evidence to suggest an uplift or impairment of the value.

4. BUSINESS SEGMENTS

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of Directors. The Directors are of the opinion that the business of the Company comprises a single activity, being the identification and acquisition of target companies or businesses in Europe. As such the Historical Financial Information of the segment is the same as that set out in the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows.

5. RECEIVABLES

	Audited as at 30 November 2019 £	**Audited as at 30 November 2018 £**
Other receivables	-	9,733
Total receivables	**-**	**9,733**

Other receivables in the prior year consists of VAT receivable. This was written off in the current year, as it was not considered recoverable in the foreseeable future by the Directors. The Company is not currently registered for VAT.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Audited as at 30 November 2019 £	**Audited as at 30 November 2018 £**
Balance brought forward	44,478	-
Additions	-	44,607
Foreign Currency Revaluation	(1,860)	(129)
Balance carried forward	**42,618**	**44,478**

On 23 October 2018, the Company subscribed for Loan Notes totalling €50,000 (£44,607) issued by a private company on an interest-free basis. The loan notes are repayable on the sooner of 10 business days from Admission to trading on the Official List of the UK Listing Authority (with a deadline of no later than 30 September 2019), or 23 October 2020. This date has been extended by mutual agreement with no defined end date. The Company has the right to convert the Loan Notes in to ordinary shares of the loan note issuer

at any time prior to the repayment date. No adjustment has been made for the equity conversion element as it is considered to be immaterial.

7. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares - Ordinary	Share Capital	Share Premium	Total
		£	£	£
At incorporation	1	-	-	-
Issued 25 January 2018	5,500,000	5,500	98,000	103,500
Issued 14 September 2018	2,633,332	2,633	162,367	165,000
Bonus share issue 30 November 2018	73,199,997	73,200	(73,200)	-
Share consolidation	(73,199,997)	-	-	-
Issued 30 November 2018	116,667	1,167	7,598	8,765
Capital contribution by the equity holders	-	-	74,400	74,400
Audited as at 30 November 2018	**8,250,000**	**82,500**	**269,165**	**351,665**
Issued 18 May 2019	150,000	1,500	13,500	15,000
Issued 29 July 2019	1,000000	10,000	40,000	50,000
Audited as at 30 November 2019	**9,400,000**	**94,000**	**322,665**	**416,665**

On incorporation, the Company issued 1 ordinary share for consideration of £0.001 at nominal value.

On 25 January 2018, the Company issued 3,500,000 ordinary shares of £0.001 at nominal value.

On 25 January 2018, the Company issued 2,000,000 ordinary shares of £0.001 at £0.05 each.

On 14 September 2018, the Company issued 1,300,000 ordinary shares of £0.001 at £0.05 each.

On 14 September 2018, the Company issued 1,333,332 ordinary shares of £0.001 at £0.075 each.

On 30 November 2018, the Company issued 73,199,997 bonus ordinary shares of £0.001 each and then consolidated its share capital to 1 Ordinary share for every 10 Ordinary shares held.

On 30 November 2018, the Company issued 116,667 Ordinary shares of £0.01 at £0.075 each.

On 30 November, 2018 notices of Capital contribution were received from certain shareholders on the basis of 2.4 pence per Ordinary share in respect of a total of 3,500,001 Ordinary shares. The Capital contributions owing were offset against unpaid Directors fees and consultancy fees incurred during the period to 30 November 2018 totalling £74,400.

On 18 May 2019, the Company issued 150,000 ordinary shares of £0.01 at £0.10 each.

On 29 July 2019, the Company issued 1,000,000 ordinary shares of £0.01 at £0.05 each.

8. WARRANTS

	Number of warrants	Exercise price £	Expiry date
At incorporation	-	-	-
Issued 25 January 2018	4,200,000	0.05	3 years from the date of Admission
Issued 25 January 2018	3,300,000	0.05	2 years from the date of Admission
Issued 14 September 2018	1,333,332	0.10	2 years from the date of Admission
Audited as at 30 November 2018	**8,833,332**		
Reduction 16 February 2019	(2,100,000)		
Issued 29 July 2019	1,000,000	0.05	2 years from the date of Admission

Audited as at 30 November 2019	**7,733,332**

On 25 January 2018 the Company issued 4,200,000 Founders warrants with an exercise price of £0.05, expiring 3 years from the date that the Company's shares admitted to trading on the Official List of the UK Listing Authority.

On 25 January 2018 the Company issued 3,300,000 Seed warrants with an exercise price of £0.05, expiring 2 years from the date that the Company's shares admitted to trading on the Official List of the UK Listing Authority.

On 14 September 2018 the Company issued 1,333,332 Subscription warrants with an exercise price of £0.10, expiring 2 years from the date that the Company's shares admitted to trading on the Official List of the UK Listing Authority.

On 16 February 2019 the Company reduced the Founder Warrants by 50%. This reduced the total of Founder Warrants from 4,200,000 to 2,100,000.

On 29 July 2019 the Company issued 1,000,000 Subscription Warrants with an exercise price of £0.05, expiring 2 years from the date that the Company's shares admitted to trading on the Official List of the UK Listing Authority.

No Warrants expired or were exercised in the period. The weighted average exercise price of the Warrants issued in the year is £0.0586 (£0.0572).

On the 6 June 2020, the Company cancelled 2,333,332 Subscription Warrants issued to Wentworth Limited. This resulted in outstanding Warrants in issue of 5,400,000.

9. TRADE AND OHER PAYABLES

	Audited as at 30 November 2019 £	Audited as at 30 November 2018 £
Trade Payables	138,829	-
Directors Loans (note 14)	54,173	-
Accruals	19,200	11,590
Trade and other payables	**212,202**	**11,590**

10. EXPENSES BY NATURE

	Audited year ended 30 November 2019 £	Audited period ended 30 November 2018 £
Directors' remuneration (see note 11)	35,000	60,200
Legal and professional fees	349,510	86,881
Travel	7,197	22,049
Office Expenditure	4,230	2,973
Sundry expenditure	954	3,484
Foreign exchange movements	(10,895)	129
Regulatory fees	4,045	17,000
	390,041	**192,716**

	Audited year ended 30 November 2019 £	Audited period ended 30 November 2018 £
Directors' remuneration (see note 11)	35,000	60,200
Legal and professional fees	349,510	86,881
Travel	7,197	22,049
Office Expenditure	4,230	2,973
Sundry expenditure	954	3,484
Foreign exchange movements	(10,895)	129
Regulatory fees	4,045	17,000
	390,041	**192,716**

During the year the Company obtained the following services from the auditor:

	Audited year ended 30 November 2019 £	Audited period ended 30 November 2018 £
Fees payable to the Company's auditor in relation to the audit of the Company	12,000	10,000
Fees payable to the Company's auditor for other assurance services	-	2,400
	12,000	**12,400**

11. DIRECTOR'S EMOLUMENTS

	Audited year ended 30 November 2019 £	Audited period ended 30 November 2018 £
Director's remuneration	**35,000**	**60,200**

There were no post-employment benefits or other long-term benefits paid to Directors during the periods under review.

£55,200 of the Directors remuneration in the period ended 30 November 2018 was settled by way of capital contribution to the Company as described in note 7.

The Directors were the key management personnel. There were no other employees of the Company. The average number of employees of the Company for the year ended 30 November 2019 was 2 (prior period 3).

12. INCOME TAX

The Company is subject to income tax at a rate of 19 per cent., as at 30 November 2019 and 30 November 2018.

Tax charged:

	Audited as at 30 November 2019 £	**Audited as at 30 November 2018 £**
Current taxation	-	-
Deferred taxation	-	-
	-	-

	Audited as at 30 November 2019 £	**Audited as at 30 November 2018 £**
Loss before tax	(390,041)	(192,716)
Corporation tax at 19% (2018: 19%)	(74,108)	(36,616)
Disallowed expenses	24,623	14,040
Losses for which no deferred tax is recognised	49,485	22,576
Total tax charge	-	-

The Company has total tax losses of £379,272 to carry forward against future profits (2018: £118,823). No deferred tax asset has been recognised on the grounds of uncertainty as to when profits will be generated against which to relieve said amount.

13. EARNINGS PER SHARE

The calculation for earnings per Ordinary Share (basic and diluted) is based on the profit after income tax attributable to equity Shareholders for the year and is as follows:

	Audited as at 30 November 2019	**Audited as at 30 November 2018**
Loss attributable to equity Shareholders (£)	(390,041)	(192,716)
Weighted average number of Ordinary shares	8,670,274	482,809
Loss per Ordinary share (£)	(0.04)	(0.40)

Earnings and diluted earnings per Ordinary share are calculated using the weighted average number of Ordinary shares in issue during the period. There were no dilutive potential Ordinary shares outstanding during the periods.

14. RELATED PARTY TRANSACTIONS

The only related party transactions in the year were the remuneration to Directors as disclosed in note 11 above and the following loans made to the Company by the Directors. These loans are interest-free with no fixed repayment terms.

	Audited as at 30 November 2019 £	Audited as at 30 November 2018 £
Loans from Martyn Churchouse	1,000	-
Loans from Michael Johnson	53,173	-

15. COMMITMENTS

The Company had not entered into any material capital commitments as at 30 November 2019.

On 23 October 2018 the Company signed a Sale and Purchase agreement to purchase their entire share of New Cyprus Copper PA Limited for consideration of £1,000,000, (£150,000 in cash with the balance in shares). This acquisition was completed on the 13th November 2020.

16. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The Company is exposed through its operations to credit risk and liquidity risk. In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this Historical Financial Information.

Financial instruments

The financial instruments used by the Company, from which financial instrument risk arises, are cash and cash equivalents of £3,492 (2018: £116,328), loans receivable of £42,618 (2018: £44,478) and other payables of £212,202 (2018: £11,590).

The risk associated with the cash and cash equivalents is that the Company's bank will enter financial distress and be unable to repay the Company its cash on deposit. To mitigate this risk, cash and cash equivalents are only lodged with independent financial institutions designated with minimum rating "A".

The risk associated with the other payables is that the Company will not have sufficient funds to settle the liability when it falls due.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. Further details regarding these policies are set out below:

Credit risk

The Company's credit risk arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Liquidity risk

Liquidity risk arises from the Directors' management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

Funding, sufficient to maintain the Company and its exploration programme for a period of not less than 18 months will come from an Initial Public Offering with a target gross fundraise before costs of minimum £2,250,000 to be completed by the Company simultaneously with Admission to a recognised Stock Exchange. In addition to this funding, the Company has also secured the financial backing of a Cornerstone Investor, EV Metals Group plc (EVM), a company focussed on the production of high purity chemicals containing nickel, cobalt, manganese and other metals (including copper) required for rechargeable batteries for electric vehicles and energy storage facilities in high growth markets. As the Cornerstone Investor, EVM has committed to a total investment of not less than £1,000,000.

17. CAPITAL RISK MANAGEMENT

The Directors' 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. At the date of this Historical Financial Information, the Company had been financed from equity. In the future, the capital structure of the Company is expected to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

18. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no ultimate controlling party.

19. SUBSEQUENT EVENTS

On the 6 June 2020, the Company cancelled 2,333,332 Subscription Warrants issued to Wentworth Limited. This resulted in outstanding Warrants in issue of 5,400,000.

On 23rd July 2020, the Company signed a Share Purchase Agreement to acquire New Cyprus Copper P.A. Limited for a Purchase price of £1,000,000 which was satisfied by the payment of £150,000 in cash and the remainder in Consideration Shares. This was completed on the 13th November 2020 and NCC became a 100% owned subsidiary of the Company.

Since the end of the financial year, £1,000,000 has been received from EV Metals Group plc to continue to fund the operations and development of the Company.

The Covid-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken a number of measures to monitor and mitigate the effects of Covid-19, such as social distancing and working from home. At this stage, the impact on the business and results has not been significant and based on the experience to date the Company expects this to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will strive to continue operations in the best and safest way possible without jeopardising the health of employees or the communities within which the Company works.

(C) ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION RELATING TO NEW CYPRUS COPPER P.A. LTD

PKF

Accountants & business advisers

The Directors
Caerus Mineral Resources plc
Salisbury House
London Wall
London, EC2M 5PS

Dear Sirs

Introduction

We report on the financial information of the New Cyprus Copper PA Limited and its subsidiaries for the three year period ended 31 December 2019 which comprises the consolidated statement of financial position, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cashflows, and the related notes. This financial information has been prepared for inclusion in the Prospectus of the Company dated 4 March 2021 on the basis of the accounting policies set out in note 3 to the financial information. The report is required by Annex 1, Section 18, Item 18.3.1 of the PR Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company and New Cyprus Copper PA Limited are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by 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 Annex 1, Section 1, Item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity'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 financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the financial information set out below gives, for the purposes of the Prospectus dated 4 March 2021, a true and fair view of the state of affairs of NCC as at 31 December 2017, 2018 and 2019 and of the results, cash flows and changes in equity for the years then ended in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that 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 Prospectus in compliance with Annex 1, Section 1, Item 1.2 of the PR Regulation.

Yours faithfully

PKF Littlejohn LLP
Reporting Accountant

15 Westferry Circus
Canary Wharf
London E14 4HD

4 March 2021

(D) HISTORICAL FINANCIAL INFORMATION RELATING TO NEW CYPRUS COPPER P.A. LTD

Consolidated Statement of Comprehensive Income

The statements of comprehensive income of the Group from 1 January 2017 to 31 December 2019 is set out below:

	Notes	**2019** **€**	**2018** **€**	**2017** **€**
Other operating income	8	-	30,000	250,000
Administration expenses	10	(123,077)	(105,969)	(108,897)
Other expenses	9	-	(693)	-
Loss on impairment of intangible asset	10	(165,941)	-	-
Operating (loss)/profit		(289,018)	(76,662)	141,103
Finance income		9	5,448	75
Finance costs		(5,711)	(5,307)	(7,794)
Net finance (costs)/income	11	(5,702)	141	(7,719)
(Loss)/profit before taxation		(294,720)	(76,521)	133,384
Taxation	12	(3)	(5)	(23)
Net (loss)/ profit for the year		(294,723)	(76,526)	133,361
Other comprehensive income		-	-	-
Total comprehensive (loss)/profit for the year		(294,723)	(76,526)	133,361
Net (loss)/profit for the year attributable to:				
Equity holders of the parent		(240,486)	(71,536)	139,186
Non-controlling interests		(54,237)	(4,990)	(5,825)
Net (loss)/profit for the year		(294,723)	(76,526)	133,361
Total comprehensive loss for the year attributable to:				
Equity holders of the parent		(240,486)	(71,536)	139,186
Non-controlling interests		(54,237)	(4,990)	(5,825)
Total comprehensive (loss)/profit for the year		(294,723)	(76,526)	133,361
Earnings per share basic and diluted (€)	19	(0.018)	(0.006)	0.014

Consolidated Statement of Financial Position

The statement of financial position of the Group as at 31 December 2019, 2018 and 2017 is set out below:

	Notes	As at 31 December 2019 €	As at 31 December 2018 €	As at 31 December 2017 €
ASSETS				
Non-current assets				
Tangible fixed assets	16	-	-	5,314
Intangible assets	17	1,219,604	1,346,248	1,308,178
		1,219,604	1,346,248	1,313,492
Current assets				
Trade and other receivables	15	4,007	2,542	6,552
Cash and cash equivalents	18	22,550	24,066	108,061
		26,557	26,608	114,613
Total assets		1,246,161	1,372,856	1,428,105
EQUITY AND LIABILITIES				
Equity				
Share capital	19	13,250	13,250	10,000
Retained earnings		581,479	821,965	893,501
Total equity attributable to shareholders of NCC		594,729	835,215	903,501
Non-controlling interests		312,478	366,715	371,704
Total equity		907,207	1,201,930	1,275,205
Non-current liabilities				
Borrowings	20	-	50,000	-
Trade and other payables	21	54,128	600	600
Total non-current liabilities		54,128	50,600	600
Current liabilities				
Trade and other payables	21	182,030	67,530	70,985
Borrowings	20	102,796	52,796	81,315
		284,826	120,326	152,300
Total liabilities		338,954	170,926	152,900
Total equity and liabilities		1,246,161	1,372,856	1,428,105

Consolidated Statement of Changes in Equity

The statement of changes in equity of NCC from 1 January 2017 to 31 December 2019 is set out below:

	Note	Share capital €	Retained earnings €	Total €	Non-controlling interests €	Total €
Balance at 1 January 2017		**10,000**	**754,315**	**764,315**	**377,529**	**1,141,844**
Comprehensive loss						
Net profit for the year		-	139,186	139,186	(5,825)	133,361
Balance at 31 December 2017		**10,000**	**893,501**	**903,501**	**371,704**	**1,275,205**
Comprehensive loss						
Net loss for the year		-	(71,536)	(71,536)	(4,990)	(76,526)
Transactions with owners						
Issue of share capital	19	3,250	-	3,250	-	3,250
Balance at 31 December 2018		**13,250**	**821,965**	**835,215**	**366,714**	**1,201,929**
Comprehensive loss						
Net loss for the year		-	(240,486)	(240,486)	(54,237)	(294,723)
Balance at 31 December 2019		**13,250**	**581,479**	**594,729**	**312,477**	**907,206**

Consolidated Statement of Cash Flows

The cash flow statement of NCC from 1 January 2017 to 31 December 2019 is set out below:

	Notes	Year ended 31 December 2019 €	Year ended 31 December 2018 €	Year ended 31 December 2017 €
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) before taxation		(294,720)	(76,521)	133,384
Adjustments for:				
Depreciation of plant and equipment		-	-	3,837
Loss from the sale of plant and equipment		-	693	-
Loss on impairment of intangible assets	17	165,941	-	-
Interest income	11	(9)	(18)	(75)
Interest expense	11	4,004	4,160	6,160
		(124,784)	(71,686)	143,306
Changes in working capital:				
(Increase)/decrease in trade and other receivables	15	(1,465)	4,010	(3,402)
Increase/(decrease) in trade and other payables		168,028	(3,454)	(6,463)
Cash generated from/ (used in) operations		41,779	(71,130)	133,441
Taxation paid		(3)	(5)	(23)
Net cash generated from/ (used in) operating activities		**41,776**	**(71,135)**	**133,418**
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of plant and equipment	16	-	4,621	-
Exploration and evaluation expenditure	17	(39,297)	(38,070)	(39,727)
Interest received		9	18	75
Net cash used in investing activities		**(39,288)**	**(33,431)**	**(39,652)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital		-	3,250	-
Repayments of borrowings		-	(31,315)	-
Proceeds from borrowings		-	50,000	-
Interest paid		(4,004)	(1,364)	(6,160)
Net cash (used in)/generated from financing activities		**(4,004)**	**20,571**	**(6,160)**
Net decrease in cash and cash equivalents		(1,516)	(83,995)	87,606
Cash and cash equivalents at beginning of the year		24,066	108,061	20,455
Cash and cash equivalents at end of the year	18	22,550	24,066	108,061

Notes to the Historical Financial Information

1. Incorporation and principal activities

Country of incorporation

New Cyprus Copper P.A. Ltd ("NCC") was incorporated in Cyprus on 07th August 2015 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 10 Tyrnavou Street, Quality Tower C, 3rd Floor, Flat / Office C32, P.C. 6037 Larnaca, Cyprus.

Principal activity

The principal activity of the Group is in the business of investing in and developing minerals exploration projects.

Basis of preparation

The financial information has been presented in Euro (€), being the functional currency of the Company.

This financial information of the Company has been prepared for the sole purpose of publication within this Prospectus. It has been prepared in accordance with the requirements of the Listing Rules for Companies of the London Stock Exchange plc and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the financial information. The financial information does not constitute statutory accounts.

The Financial Information has been prepared under the historical cost convention

2. Adoption of new or revised standards and interpretations

During 2019 the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019.

IFRS 9 became effective for all periods beginning on or after 1 January 2018. IFRS 9 will impact both the recognition, classification and measurement and disclosures of financial instruments. The financial instruments held in the Group are the trade and other receivables and payables and borrowings. Under IFRS 9 the trade payables/ receivables and borrowings should continue to be measured at amortised cost and as such there is no changes in the numbers presented under the old standards. Similarly, the borrowings will continue to be held at amortised cost and there is no effect on the financial information.

IFRS 15 became effective for all periods beginning on or after 1 January 2018. IFRS 15 will not impact the Group as it is not currently revenue generating.

IFRS 16 became effective for all periods beginning on or after 1 January 2019. IFRS 16 will not impact the Group as the Group has no material leases.

The adoption of these standards did not have a material effect on the accounting policies of the Group.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of this historical financial information are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Going concern basis

The Financial Information has been prepared on a going concern basis. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Information. NCC was acquired by Caerus Mineral Resources Plc on 13 November 2020, as described in note 26. Caerus Mineral Resources Plc is seeking additional working capital funding from an equity raise so as to have sufficient funds, to maintain the Company and its exploration programme for a period of not less than 18 months, from an equity raise. This process is at an advanced stage and the Directors are confident of being able to raise additional funds in this regard.

Basis of consolidation

The Group consolidated historical financial information comprise the financial information of the parent company New Cyprus Copper P.A. Limited and the financial information of its subsidiary, namely Treasure Development Limited (TDL).

NCC acquired 70% of the shares of TDL on 14 April 2016, with the balance held by BMG Resources Limited. Treasure Development Limited is a company incorporated in Cyprus. NCC holds no other subsidiary companies.

The historical financial information of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Group's historical financial information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The historical financial information is presented in Euro (€), which is the Group's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Taxation

Income tax expense represents the sum of the taxation currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the historic financial information. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Dividends

Dividend distribution to NCC's shareholders is recognised in the Group's historical financial information in the year in which they are approved by NCC's shareholders.

Financial instruments

Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at Amortised Cost (“AC”) and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets". Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the consolidated statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the consolidated statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

Additionally, the Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 5, Credit risk section for a description of how the Group determines low credit risk financial assets.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

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

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Tangible assets

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

Plant and machinery	20%
Motor vehicles	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets - Exploration and evaluation expenditure

Acquisition costs

The fair value of all consideration paid to acquire an unproven mineral interest is capitalised, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and evaluation expenditures

All costs incurred prior to legal title are expensed in the Consolidated Statement of Comprehensive Income in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognised and capitalised, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Group, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the Consolidate Statement of Comprehensive Income.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

Non-current liabilities represent amounts that are due more than 12 months from the reporting date.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in 2019.

4. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the reporting periods and which the Group has not early adopted, as follows:

(i) Issued by the IASB and adopted by the European Union

Amendments

IFRS Interpretations Committee

- *Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) (effective for annual periods beginning on or after 1 January 2020).*
- *Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after 1 January 2020)*
- *Amendment to IFRS 3 Business Combinations (issued on 22 October 2018) (effective for annual periods beginning on or after 1 January 2020)*

(ii) Issued by the IASB but not yet adopted by the European Union

New standards

- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021).*

Amendments

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020) (effective for annual periods beginning on or after 1 January 2022).*
- *IFRS 10 (Amendments) and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely).*

The above are expected to have no significant impact on the Group's consolidated historical financial information when they become effective.

5. Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk, litigation risk and reputation risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

5.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. NCC's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2019	**2018**	**2017**
	€	**€**	**€**
Variable rate instruments			
Financial assets	22,550	24,059	111,013
Financial liabilities	-	-	(13)
	22,550	**24,059**	**111,000**

Sensitivity analysis

An increase of 100 basis points in interest rates at each reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Profit or loss		
	2019	**2018**	**2017**
	€	**€**	**€**
Variable rate instruments	226	241	1,0811

5.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and deposits with banks and financial institutions.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Group to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- credit commitments

- financial guarantees.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Group and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting periods.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Low credit risk

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. (Note: there is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due, unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. IFRS 7 para 35F(d) how it determined that financial assets are credit-impairment financial assets.)

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written-off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Group's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Cash and cash equivalents

The Group assesses, on a Group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2019, 31 December 2018 and 31 December 2017:

Group internal credit rating	External credit rating	2019 €	2018 €	2017 €
Performing	Caa1	22.550	24.066	108,061

The Group does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the periods that are subject to enforcement activity.

5.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2019	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €
Unsecured, interest bearing, convertible promissory notes	102,796	106,000	-	106,000	-	-
Trade and other payables	164,599	164,599	-	164,599	-	-
Payables to related parties	59,477	59,477	-	5,349	-	54,128
	326,872	**330,076**	**-**	**275,948**	**-**	**54,128**

31 December 2018	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €

Unsecured, interest bearing, convertible promissory notes	102,796	104,796	-	54,796	50,000	-
Trade and other payables	49,271	49,271	-	49,271	-	-
Payables to related parties	6,949	6,949	-	6,349	-	600
	159,016	**161,016**	**-**	**110,416**	**50,000**	**600**

31 December 2017	**Carrying amounts**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**
	€	**€**	**€**	**€**	**€**	**€**
Loan notes	81,315	82,449	82,449	-	-	-
Bank overdrafts	13	13	13	-	-	-
Trade and other payables	54,700	54,700	-	54,700	-	-
Payables to related parties	10,600	10,600	-	10,000	-	600
	146,628	**147,762**	**82,462**	**64,700**	**-**	**600**

5.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

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

	Liabilities			**Assets**		
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	€	**€**	**€**	**€**	**€**	**€**
Australian Dollars	(50,014)	(49,271)	(54,700)	-	-	-

The following significant exchange rates have been applied during the year.

	Average rate			**Year-end spot rate**		
	2019	**2018**	**2018**	**2019**	**2018**	**2017**
Euro	**€**	**€**	**€**	**€**	**€**	**€**
AUD	-	-	-	1.5979	1.6220	1.46100

Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at year end dates would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity and profit or loss		
	2019	**2018**	**2017**
	€	**€**	**€**
Australian Dollars	(4,446)	(4,380)	(4,973)

5.5 Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

5.6 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Group.

5.7 Litigation risk

Litigation risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

5.8 Reputation risk

The risk of loss of reputation arising from the negative publicity relating to The Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group applies procedures to minimize this risk.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

6. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

  The Directors judge that it is appropriate to prepare the consolidated historical financial information on the going concern basis.

- **Calculation of loss allowance**

  When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Intangible assets**

An annual review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise and carry forward project costs in relation to that area of interest. Accumulated capitalised project costs in relation to (i) an expired permit, (ii) an abandoned area of interest and / or (iii) a joint venture over an area of interest which is now ceased, will be written off in full as an impairment to the statement of income in the year in which (i) the permit expired, (ii) the area of interest was abandoned and / or (iii) the joint venture ceased.

Critical judgements in applying the Group's accounting policies

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 5, Credit risk section.

7. Segmental analysis

2019	**Investing in and developing minerals exploration projects**
	€
Loss before taxation	(294,720)
Assets	1,246,161
Liabilities	338,954

2018	**Investing in and developing minerals exploration projects**
	€
Loss before taxation	(76,521)
Assets	1,372,856
Liabilities	170,926

2017	Investing in and developing minerals exploration projects
	€
Profit before taxation	133,384
Assets	1,428,105
Liabilities	152,900

8. Other operating income

	2019	2018	2017
	€	€	€
Call option purchase fees	-	30,000	250,000

9. Other expenses

	2019	2018	2017
	€	€	€
Loss on disposal of plant and equipment	-	693	-

10. Expenses by nature

	2019	2018	2017
	€	€	€
Depreciation	-	-	3,837
Auditor's remuneration	4,500	4,366	3,047
Loss on disposal of plant and equipment	-	693	-
Consultancy services and expenses	91,119	6,500	6,500
Annual levy	980	980	770
Exploration and evaluation expenditure write-off	165,941	-	-
Other professional fees	11,955	6,411	18,990
Non charitable donations	-	300	300
Directors remuneration and expenses	11,550	84,524	74,907
Legal fees	2,473	1,888	-
Accounting fees	500	1,000	-
Other expenses	-	-	546
Total expenses	289,018	106,662	108,897

11. Finance income/(costs)

	2019	2018	2017
	€	€	€
Finance income			
Bank interest	9	18	75
Unrealised foreign exchange profit	-	5,430	-
	9	5,448	75
Finance costs			
Interest expense			
Bank overdraft interest		-	-
Interest on unsecured, interest bearing, convertible promissory notes	4,000	4,160	6,160
Sundry finance expenses			
Bank charges	963	1,147	1,634
Net foreign exchange losses			
Unrealised foreign exchange loss	744	-	-
	5,711	5,307	7,794

12. Taxation

	2019	2018	2017
	€	€	€
Defence contribution	3	5	23
Charge for the year	3	5	23

The taxation on the Group's results before taxation differs from theoretical amount that would arise using the applicable tax rates as follows:

	2019	2018	2017
	€	€	€
(Loss) / profit before taxation	(294,720)	(76,521)	133,384
Taxation calculated at the applicable tax rates	(36,840)	(9,565)	16,673
Tax effect of allowances and income not subject to taxation	34,533	2,811	(22,992)
Tax effect of tax loss for the year	2,307	6,754	6,319
Defence contribution current year	3	5	23
Tax charge	3	5	23

The corporation tax rate is 12.5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

13. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2019	Financial assets at amortised cost €
Assets as per consolidated statement of financial position:	
Cash and cash equivalents	22,550

	Borrowings and other financial liabilities at amortised cost €
Liabilities as per consolidated statement of financial position:	
Borrowings	102,796
Trade and other payables	224,076
Total	326,872

31 December 2018	Financial assets at amortised cost €
Assets as per consolidated statement of financial position:	
Cash and cash equivalents	24,066

	Borrowings and other financial liabilities at amortised cost €
Liabilities as per consolidated statement of financial position:	
Borrowings	102,796
Trade and other payables	56,220
Total	159,016

31 December 2017	Financial assets at amortised cost €
Assets as per consolidated statement of financial position:	
Cash and cash equivalents	108,061

	Borrowings and other financial liabilities at amortised cost €
Liabilities as per consolidated statement of financial position:	
Borrowings	81,315
Trade and other payables	71,585
Total	152,900

14. Investments in subsidiaries

On 14th April 2016, NCC (in the capacity of a “Buyer”), entered into a Shares Sale and Purchase Agreement (SPA), with BMG Resources Limited (a publicly listed Australian Company, in the capacity of a “Seller”), for the sale of equity-shares, in Treasure Development Limited (TDL).

15. Trade and other receivables

	2019 €	2018 €	2017 €
Deposits and prepayments	-	-	3,600
Directors’ current accounts – debit balances (see note 21.2)	-	-	900
Refundable VAT	4,007	2,542	2,052
	4,007	2,542	6,552

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 5 of the historical financial information.

16. Tangible fixed assets

	Plant and machinery €	Motor vehicles €	Total €
Cost	-	-	-
As at 1 January 2017	11,683	7,500	19,183
As at 31 December 2017	**11,683**	**7,500**	**19,183**
Disposals	(11,683)	(7,500)	(19,183)
As at 31 December 2018	**-**	**-**	**-**
As at 31 December 2019	**-**	**-**	**-**
Depreciation	-	-	-
As at 1 January 2017	4,673	5,359	10,032
Charge for the year	2,337	1,500	3,837
As at 31 December 2017	**7,010**	**6,859**	**13,869**
Disposals	(7,010)	(6,859)	(13,869)
As at 31 December 2018	**-**	**-**	**-**
As at 31 December 2019	**-**	**-**	**-**
Net book amount	-	-	-
As at 31 December 2017	**4,763**	**641**	**5,314**
As at 31 December 2018	**-**	**-**	**-**
As at 31 December 2019	**-**	**-**	**-**

In the Consolidated Statement of Cash Flows, proceeds and loss from the sale of plant and equipment comprise:

	2019 €	2018 €	2017 €
Net book value at disposal	-	5,314	-
Proceeds from disposal of plant and equipment	-	4,621	-
Loss from sale of plant and equipment	-	(693)	-

17. Intangible assets

	Total €
Cost	-
As at 1 January 2017	1,268,451
Exploration costs	39,727
As at 31 December 2017	**1,308,178**
Exploration costs	38,070
As at 31 December 2018	**1,346,248**
Exploration costs	39,297
Exploration and evaluation expenditure write-off	(165,941)
As at 31 December 2019	**1,219,604**

18. Cash and cash equivalents

	2019 €	2018 €	2017 €
Cash in hand	-	7	-
Cash at bank	2,546	3,876	88,061
Notice accounts	20,004	20,183	20,000
	22,550	24,066	108,061

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2019 €	2018 €	2017 €
Cash at bank and in hand	22,550	24,066	108,061

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the historical financial information.

19. Share capital

	Number of shares – Ordinary Authorised	Number of shares - Ordinary Issued	Share Capital €	Total €
As at 1 January 2017	**20,000,000**	**10,000,000**	**10,000**	**10,000**
As at 31 December 2017	**20,000,000**	**10,000,000**	**10,000**	**10,000**
Issued 20 April 2018	20,000,000	3,250,000	3,250	3,250
As at 31 December 2018	**20,000,000**	**13,250,000**	**13,250**	**13,250**
As at 31 December 2019	**20,000,000**	**13,250,000**	**13,250**	**13,250**

Issued capital

On 20th April 2018, NCC issued to the, at that time, subscribers of its Memorandum of Association, 3,250,000 ordinary shares of € 0.001 each at par.

Earnings per share

The calculation for earnings per Founder Share (basic and diluted) for the relevant period is based on the profit / (loss) after income tax attributable to equity Shareholders for the period and is as follows:

	2019 €	2018 €	2017 €
(Loss) / profit attributable to equity Shareholders (€)	(240,486)	(71,536)	139,186
Weighted average number of Ordinary shares	13,250,000	11,625,000	10,000,000
(Loss) / profit per Ordinary share (€)	(0.018)	(0.006)	0.014

Earnings and diluted earnings per Ordinary share are calculated using the weighted average number of Ordinary shares in issue during the period. There were no dilutive potential Ordinary shares outstanding during any periods.

20. Borrowings

	Total	Non-current	Current
	€	€	€
As at 1 January 2017	81,315	-	81,315
As at 31 December 2017	**81,315**	**-**	**81,315**
Issue of Convertible Loan Notes	50,000	50,000	-
Repayment	(31,315)	-	(31,315)
Interest accrued	2,796	-	2,796
As at 31 December 2018	**102,796**	**50,000**	**52,796**
Movement from non-current to current	-	(50,000)	50,000
As at 31 December 2019	**102,796**	**-**	**102,796**

Maturity of non-current borrowings:

	2019	2018	2017
	€	€	€
Between one to two years	-	50,000	-

The weighted average effective interest rates at the reporting date were as follows:

	2019	2018	2017
	%	%	%
Unsecured, interest bearing, convertible promissory notes	0.00% - 8.00%	0.00% - 8.00%	0.00% - 8.00%

The Group borrowings are denominated in the following currencies:

	2019	2018	2017
	€	€	€
Euro	102,796	102,796	81,315

21. Trade and other payables

	2019	2018	2017
	€	€	€
Trade payables	50,014	49,271	54,700
Directors' current accounts - credit balances (Note 21.2)	5,349	6,349	10,000
Shareholders' current / loan accounts - credit balances (Note 23.2)	600	600	600
Accruals	12,082	11,910	6,285
Other creditors	114,585	-	-
Payables to related entities (Note 23.1)	53,528	-	-
	236,158	68,130	71,585
Less non-current payables	(54,128)	(600)	(600)
Current portion	182,030	67,530	70,985

22. Operating Environment of the Group

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID- 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

Following robust growth in 2016-2018 averaging about 5% annually, economic expansion in Cyprus continued into 2019 at a slowing pace. The deceleration was driven by slowing activity in the traditional sectors including tourism and construction. From the demand side the slowdown was driven by a deteriorating external imbalance. Excluding registrations of ships, net exports have been contributing negatively to real GDP growth in 2019. Government consumption surged in the first half and fixed investment other than transport equipment which fluctuates with ship registrations, increased significantly driven by construction related activities.

This operating environment may have an impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

NCC's Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Group.

On the basis of the evaluation performed, the Group's management has concluded that no provisions or impairment charges are necessary. NCC's Management believes that it is taking all the necessary measures to maintain the viability of the Group and the smooth conduct of its operations in the current business and economic environment.

23. Related party balances and transactions

Until 17th November 2017, NCC was controlled by Guricon Corporate Services Limited, incorporated in Cyprus, which owned 100% of NCC's shares, on behalf of non-resident, ultimate beneficial owners. As from that date onwards and until 20th April 2018, NCC was jointly controlled by Guricon Corporate and Trustee Services Limited and O.V.& S. Secretarial Ltd, both incorporated in Cyprus, each of which owned 50% of NCC's shares, on behalf of non-resident, ultimate beneficial owners. From 20th April, 2018 until 13th November 2020, NCC was jointly controlled by Guricon Corporate and Trustee Services Limited and O.V.& S. Secretarial Ltd, both incorporated in Cyprus, owning 43.4% and 52.8%, respectively of NCC's shares, on behalf of non-resident, ultimate beneficial owners. The remaining 3.8%, was then owned by Dominic John Majendie, a resident of Qatar. As from 13th November, 2020, NCC has been controlled by Caerus Mineral Resources Plc., incorporated in the United Kingdom. Caerus owns 100% of NCC’s shares.

The related party balances and transactions are as follows:

23.1 Transactions with and payables to related parties (Note 19)

Name	Nature of transactions	2019 €	2018 €	2017 €
PM Ploutonic Metals Ltd	Trade	53,528	-	-

PM Ploutonic Metals Limited is a related party due to the directorships of OV & S Secretarial Limited During the year, PM Ploutonic Metals Limited provided consultancy services totalling €91,109 (2018: €Nil; 2017: €Nil).

The outstanding balance is interest free, and there was no specified repayment date, but instead, it is destined for waiver and capitalisation by the Group, upon completion of the shares acquisition deal, with Caerus Mineral Resources Plc.

23.2 Directors'/shareholders' current accounts - credit balances (Note 18 and 19)

	2019	2018	2017
	€	€	€
Indo – European Mining PR Limited	-	-	10,000
BMG Resources Limited (ex. Brazilian Metals Group Limited)	600	600	600
Harold Andrew Daniels	5,349	6,349	-
	5,949	6,949	10,600

The Directors'/shareholder's current accounts are interest free, and have no specified repayment date.

Amounts totalling €11,550, €84,524, €74,907 were paid to the directors during 2019, 2018 and 2017 respectively for their services and reimbursement of expenditure.

23.3 Directors'/shareholders' current accounts - debit balances

	2019	2018	2017
	€	€	€
Harold Andrew Daniels	-	-	
			900

The Directors' current accounts are interest free and have no specified repayment date.

24. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2019.

The Group has deposited in favour of the Mines Service, a bank guarantee of € 20,000 (reduced to € 16,000, as from June 2020), in order to cover any obligation to restore land / any site restoration duties and potential penalties in case of default. The Board of Directors is not anticipating that material liability will arise from this.

25. Commitments

Minimum expenditure commitments

According to the Second Schedule of The Mines and Quarries Regulations (Regulations 4, 6, 7, 8, 9, 27, 33, 34 and 35), of the Republic of Cyprus, the Group may be obliged for committing itself into minimum, annual expenditure for Prospecting Class A Permits and Reconnaissance Licenses. The possibility of occurrence of the financial outcome of this obligation is not sufficiently certain. However, in case the need for such regulatory conformity is realised, given the current state of affairs of the Group, it may be supposed to incur minimum, yearly expenditure of circa € 472,130 (2018: € 475,075, 2017: € 526,325).

26. Events after the reporting period

On 23rd July 2020, Caerus Mineral Resources plc signed a Share Purchase Agreement to acquire the Group for a Purchase price of £1,000,000 which was to be satisfied by the payment of £150,000 in cash and the remainder in Consideration Shares. This was completed on the 13th November 2020 when the Group became a 100% owned subsidiary of Caerus Mineral Resources Plc.

Following the acquisition of the absolute controlling interests of NCC, by Caerus Mineral Resources plc, a promissory notes balance, stated at € 50,000, as at the reporting date and a balance of € 114,585, for the injection of working capital, included in other creditors, as at the reporting date, became payable to Caerus Mineral Resources plc.

The Covid-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken a number of measures to monitor and mitigate the effects of Covid-19, such as social distancing and working from home. At this stage, the impact on the Company business and results has not been significant and based on the experience to date this is expected to remain the case. The Company will continue to follow the various government policies and advice and, in parallel, will strive to continue operations in the best and safest way possible without jeopardising the health of employees or the communities in which it operates.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the historical financial information.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's profitability position.

(E) UNAUDITED INTERIM FINANCIAL INFORMATION OF THE COMPANY

Statement of Financial Position

	Note	As at 31 May 2020 (unaudited) £	As at 30 November 2019 (audited) £
Assets			
Current assets			
Cash and cash equivalents		683	3,492
Financial assets at fair value through profit or loss	3	44,935	42,618
Total assets		**45,618**	**46,110**
Equity and liabilities			
Capital and reserves			
Share capital	5	94,000	94,000
Share premium	5	322,665	322,665
Retained earnings		(624,601)	(582,757)
Total equity attributable to equity holders		**(207,936)**	**(166,092)**
Current liabilities			
Trade and other payables	4	253,554	212,202
Total liabilities		**253,554**	**212,202**
Total equity and liabilities		**45,618**	**46,110**

Statement of Comprehensive Income

	Note	Six months to 31 May 2020 (unaudited) £	Six months to 31 May 2019 (unaudited) £
Administrative expenses		(41,844)	(219,779)
Operating loss and loss before taxation		**(41,844)**	**(219,779)**
Income tax expense		-	-
Loss after taxation		(41,844)	(219,779)
Loss for the period		(41,844)	(219,779)
Other comprehensive income		-	-
Total comprehensive loss for the period		**(41,844)**	**(219,779)**
Earnings per share:			
Basic and diluted (£)	7	(0.004)	(0.03)

All activities relate to continuing operations.

Statement of Changes in Equity

Unaudited

	Share capital £	Share Premium £	Retained earnings £	Total £
As at 30 November 2018	**82,500**	**269,165**	**(192,716)**	**158,949**
Loss for the period	-	-	(219,779)	(219,779)
Total comprehensive loss for the period	**-**	**-**	**(219,779)**	**(219,779)**
Transactions with owners recognised directly in equity				
Issue of shares	1,500	13,500	-	15,000
As at 31 May 2019	**84,000**	**282,665**	**(412,495)**	**(45,830)**
Loss for the period	-	-	(170,262)	(170,262)
Total comprehensive loss for the period	**-**	**-**	**(170,262)**	**(170,262)**
Transactions with owners recognised directly in equity				
Issue of shares	10,000	40,000	-	50,000
As at 30 November 2019	**94,000**	**322,665**	**(582,757)**	**(166,092)**
Loss for the period	-	-	(41,844)	(41,844)
Total comprehensive loss for the period	**-**	**-**	**(41,844)**	**(41,844)**
Transactions with owners recognised directly in equity				
Issue of shares	-	-	-	-
As at 31 May 2020	**94,000**	**322,665**	**(624,601)**	**(207,936)**

Statement of Cash Flows

	Note	Six months to 31 May 2020 (unaudited) £	Six months to 31 May 2019 (unaudited) £	Year ended 30 November 2019 (audited) £
Cash flow from operating activities				
Loss for the period before taxation		(41,844)	(219,779)	(390,041)
Adjustments				
Foreign exchange (gain)/loss on financial assets	3	(2,317)	-	1,860
Operating cash flows before movements in working capital		**(44,161)**	**(219,779)**	**(388,181)**
Decrease in receivables		-	-	9,733
Increase in accounts payable and accrued liabilities		41,352	89,235	200,612
Net cash used in operating activities		**(2,809)**	**(130,544)**	**(177,836)**
Cash flow from financing activities				
Proceeds from the issue of equity		-	15,000	65,000
Net cash inflow from financing activities		**-**	**15,000**	**65,000**
Net decrease in cash and cash equivalents		**(2,809)**	**(115,544)**	**(112,836)**
Cash and cash equivalent at beginning of period		3,492	116,328	116,328
Cash and cash equivalent at end of period		**683**	**784**	**3,492**

Notes to the condensed interim financial information

1. GENERAL INFORMATION

The principal activity of the Company is in mineral exploration and the development of appropriate exploration projects. The Company's registered office is at Salisbury House, London Wall, London, England, EC2M 5PS.

2. BASIS OF PREPARATION

This condensed interim financial information is for the six months ended 31 May 2020 and is presented in Pounds Sterling (£), which is the Company's functional currency. The Company has chosen not to adopt IAS 34 "Interim Financial Reporting" in preparing this interim financial information. It does not include all of the information required in annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 30 November 2019.

The interim financial information set out above does not constitute statutory accounts. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. Statutory financial statements for the year ended 30 November 2019 were approved by the Board of Directors on 18 November 2020 and delivered to the Registrar of Companies. The report of the independent auditor on those financial statements was unqualified.

The interim financial information has been approved for issue by the Board of Directors on 20 November 2020. The interim financial information has not been audited by the Company's auditor, PKF Littlejohn LLP.

The interim financial information has been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended 30 November 2019, as included in Part IV Section (B).

Going concern

The Directors consider that adequate financial resources exist for the Company to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed interim financial information for the period ended 31 May 2020. The Board has also considered the consequences of Covid-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern as a result of the committed strategic investment by EV Metals Group plc.

Risks and uncertainties

The Directors continuously assess and monitor the key risks of the business. The key risks that could affect the Company's medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Company's most recent annual financial statements for the year ended 30 November 2019.

Critical accounting estimates

The preparation of condensed interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Company's most recent annual financial statements for the year ended 30 November 2019. The nature and amounts of such estimates have not changed during the interim period.

Changes in accounting policies and disclosures

(b) New standards, amendments and interpretations adopted by the Company

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. Where the amendments and revisions were applicable for the period ended 31 May 2020 they did not result in any material changes to the financial statements of the Company.

During the period ended 31 May 2020, the Company adopted IFRS 16 Leases, which supersedes IAS 17 and is effective for periods commencing on or after 1 January 2019. The Company has reviewed its contracts and agreements and has not identified any material leases. The impact of IFRS 16 is nil as a result.

(b) New standards, amendments and interpretations not yet adopted by the Company

The standards and interpretations that are relevant to the Company, issued, but not yet effective, up to the date of the interim Financial Statements are listed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IFRS 3 (Amendments)	Business Combinations	1 January 2020
IAS 1 (Amendments)	Presentation of Financial Statements	1 January 2020
IAS 8 (Amendments)	Accounting policies, Changes in Accounting Estimates	1 January 2020

The Directors are actively considering the effects upon the Financial Statements and at the time of approval do not consider that the interim financial statements will be subject to material changes.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The financial assets held comprise cash and cash equivalents and other receivables. The other receivables are convertible in nature and the Company has designated these on inception as financial assets at fair value through profit or loss as a result of the conversion element and difficulty in separating this from the host contract. Financial assets at fair value through profit or loss are recognised initially at fair value. Subsequent to initial recognition they are measured at fair value at each reporting period.

Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values for the Company's assets and liabilities are not materially different from their carrying values in the financial statements.

The following table presents the Company’s financial assets that are measured at fair value:

31 May 2020:	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
Loan Notes	-	-	44,935	44,935

The Company does not have any liabilities measured at fair value. There have been no transfers into, or transfers out, of fair value hierarchy levels in the period.

(iv) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. No investments are valued using level 1 quoted prices in the period.

(v) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. No investments are valued using level 2 inputs in the period.

(vi) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. As permitted under IFRS 13 the cost model has been used to fair value the investments if cost is considered to represent fair value. This is because there is a lack of sufficient appropriate information on which to base an alternative valuation technique for the investments. The income and market valuation models are not thought to be appropriate due to the type of investments. There is no evidence of impairment of any of the investments.

The following table presents the changes in level 3 instruments for the period ended 31 May 2020.

	2020
	£
Opening balance	42,618
Foreign currency loss recognised in profit or loss	2,317
Closing balance	44,935

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one of more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligator;
- A breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Income Statement.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the trade and other receivables credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

The Directors have considered the net present value of the future cash flows expected from the subsidiary NCC and expect them to be in excess of the value of these current financial assets. They have also considered the impact of the Covid-19 pandemic on the operations in Cyprus and do not consider an impairment necessary as a result of being in this geographic region.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 May 2020 £	As at 30 November 2019 £
Current asset – Loan note		
Balance brought forward	42,618	44,478
Foreign Currency Revaluation	2,317	(1,860)
Balance carried forward	**44,935**	**42,618**

On 23 October 2018, the Company subscribed for Loan Notes totalling €50,000 (£44,607) issued by New Cyprus Copper P.A. Limited ("NCC") on an interest free basis

4. TRADE AND OTHER PAYABLES

	As at 31 May 2020 £	As at 30 November 2019 £
Trade Payables	155,663	138,829
Directors Loans (note 8)	73,843	54,173
Accruals	24,048	19,200
Trade and other payables	**253,554**	**212,202**

5. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares - Ordinary	Share Capital £	Share Premium £	Total £
As at 30 November 2018	**8,250,000**	**82,500**	**269,165**	**351,665**
Issued 18 May 2019	150,000	1,500	13,500	15,000
As at 31 May 2019	**8,400,000**	**84,000**	**282,665**	**366,665**
Issued 29 July 2019	1,000,000	10,000	40,000	50,000
As at 30 November 2019	**9,400,000**	**94,000**	**322,665**	**416,665**
As at 31 May 2020	**9,400,000**	**94,000**	**322,665**	**416,665**

6. WARRANTS

	Number of warrants	Exercise price £	Expiry date
At incorporation	-	-	-
Issued 25 January 2018	4,200,000	0.05	3 years from the date of Admission
Issued 25 January 2018	3,300,000	0.05	2 years from the date of Admission
Issued 14 September 2018	1,333,332	0.10	2 years from the date of Admission
As at 30 November 2018	**8,833,332**		
Reduction 16 February 2019	(2,100,000)		
As at 31 May 2019	**6,733,332**		
Issued 29 July 2019	1,000,000	0.05	2 years from the date of Admission
As at 30 November 2019	**7,733,332**		
As at 31 May 2020	**7,733,332**		

No warrants expired or were exercised in the interim period.

On the 6 June 2020, the Company cancelled 2,333,332 Subscription Warrants issued to Wentworth Limited. This resulted in outstanding Warrants in issue of 5,400,000.

7. EARNINGS PER SHARE

The calculation for earnings per Ordinary Share (basic and diluted) is based on the profit after income tax attributable to equity Shareholders for the period and is as follows:

	Six months to 31 May 2020	**Six months to 31 May 2019**	**Year ended 30 November 2019**
Loss attributable to equity Shareholders (£)	(41,844)	(219,779)	(390,041)
Weighted average number of Ordinary shares	9,400,000	8,260,000	8,670,274
Loss per Ordinary share (£)	(0.004)	(0.03)	(0.04)

Earnings and diluted earnings per Ordinary share are calculated using the weighted average number of Ordinary shares in issue during the period. There were no dilutive potential Ordinary shares outstanding during the period.

8. RELATED PARTY TRANSACTIONS

The only related party transactions in the period were the remuneration to Directors of £10,000 and the following loans made to the Company by the Directors. These loans are interest-free with no fixed repayment terms.

	As at 31 May 2020 £	As at 30 November 2019 £
Loans from Martyn Churchouse	1,000	1,000
Loans from Michael Johnson	72,843	53,173

9. SUBSEQUENT EVENTS

On the 6 June 2020, the Company cancelled 2,333,332 Subscription Warrants issued to Wentworth Limited. This resulted in outstanding Warrants in issue of 5,400,000.

On 23rd July 2020, the Company signed a Share Purchase Agreement to acquire New Cyprus Copper P.A. Limited for a Purchase price of £1,000,000 which was satisfied by the payment of £150,000 in cash and the remainder in Consideration Shares. This was completed on the 13th November 2020 and NCC became a 100% owned subsidiary of the Company.

The Company has not yet completed a full purchase price allocation exercise under IFRS3 to assess the value of goodwill arising from the difference between the Consideration (including any Contingent Consideration) of the purchase and the fair value of the business acquired.

£1,000,000 had been received post period end, from EV Metals Group plc to continue to fund the operations and development of the Company.

The Covid-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Company has taken a number of measures to monitor and mitigate the effects of Covid-19, such as social distancing and working from home. At this stage, the impact on the business and results has not been significant and based on experience to date it is expected that this will remain the case. The Company will continue to follow the various government policies and advice and, in parallel, it will strive to continue operations in the best and safest way possible without jeopardising the health of employees or the communities within which we work.

(F) UNAUDITED INTERIM FINANCIAL INFORMATION OF NCC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months to 30 June 2020 (unaudited) €	Six months to 30 June 2019 (unaudited) €
Administrative expense		**(108,993)**	(20,321)
Loss on impairment of intangible assets	7	**(27,706)**	-
Operating loss		**(136,699)**	(20,321)
Finance income		**1,117**	5
Finance costs		**(2,611)**	(487)
Net finance costs		**(1,494)**	(482)
Loss before taxation		**(138,193)**	(20,803)
Taxation		**-**	-
Net loss for the period		**(138,193)**	(20,803)
Other comprehensive income		**-**	-
Total comprehensive loss for the period		**(138,193)**	(20,803)
Net loss for the period/period attributable to:			
Equity holders of the parent		**(127,687)**	(18,771)
Non-controlling interests		**(10,506)**	(2,033)
Net loss for the period		**(138,193)**	(20,803)
Total comprehensive loss for the period attributable to:			
Equity holders of the parent		**(127,687)**	(18,771)
Non-controlling interests		**(10,506)**	(2,033)
Total comprehensive loss for the period		**(138,193)**	(20,803)
Earnings per share:			
Basic and diluted (€)	10	(0.010)	(0.001)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2020 (unaudited) €	As at 31 December 2019 (audited) €
ASSETS			
Non-current assets			
Intangible assets	7	**1,208,856**	1,219,604
		1,208,856	1,219,604
Current assets			
Trade and other receivables	8	**4,007**	4,007
Cash and cash equivalents	9	**19,036**	22,550
		23,043	26,557
Total assets		**1,231,899**	1,246,161
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**13,250**	13,250
Retained earnings		**453,792**	581,479
Total equity attributable to shareholders of NCC		**467,042**	594,729
Non-controlling interests		**301,971**	312,478
Total equity		**769,013**	907,207
Non-current liabilities			
Trade and other payables	12	**142,447**	54,128
		142,447	54,128
Current liabilities			
Trade and other payables	12	**215,654**	182,030
Borrowings	11	**104,785**	102,796
		320,439	284,826
Total liabilities		**462,886**	338,954
Total equity and liabilities		**1,231,899**	1,246,161

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of NCC				
	Share capital	**Retained earnings**	**Total**	**Non-Controlling interests**	**Total**
	€	**€**	**€**	**€**	**€**
Balance at 1 January 2019	**13,250**	**821,965**	**835,215**	**366,714**	**1,201,929**
Comprehensive loss					
Net loss for the period	-	(18,771)	(18,771)	(2,033)	(20,803)
Balance at 30 June 2019	**13,250**	**803,194**	**816,444**	**364,681**	**1,181,126**
Comprehensive loss					
Net loss for the period	-	(221,715)	(221,715)	(52,204)	(273,920)
Balance at 31 December 2019	**13,250**	**581,479**	**594,729**	**312,477**	**907,206**
Comprehensive loss					
Net loss for the period	-	(127,687)	(127,687)	(10,506)	(138,193)
Balance at 30 June 2020	**13,250**	**453,792**	**467,042**	**301,971**	**769,013**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months to 30 June 2020 (unaudited)	**Six months to 30 June 2019 (unaudited)**
	€	**€**
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(138,193)**	(20,803)
Adjustments for:		
Loss on impairment of intangible asset	**27,706**	-
Interest income	**(1,117)**	(5)
Interest expense	**2,611**	487
	(108,993)	(20,321)
Changes in working capital:		
(Increase) / decrease in trade and other receivables	**-**	(36,179)
Increase / (decrease) in trade and other payables	**33,624**	2,132
Cash used in operations	**(75,369)**	(54,368)
Taxation paid	**-**	-
Net cash used in operating activities	**(75,369)**	(54,368)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**1,117**	5
Exploration expenditure	**(16,958)**	(31,009)
Net cash (used in) / generated from investing activities	**(15,841)**	(31,004)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(2,611)**	(487)
Increase in loans and borrowings	**90,308**	81,976
Net cash used in financing activities	**(87,697)**	81,489
Net decrease in cash and cash equivalents	**(3,514)**	(3,883)
Cash and cash equivalents at beginning of the period	**22,550**	24,066
Cash and cash equivalents at end of the period	**19,036**	20,183

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1. Incorporation and principal activities

Country of incorporation

New Cyprus Copper P.A Ltd ("NCC") was incorporated in Cyprus on 7 August 2015 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 10 Tyrnavou Street, Quality Tower C, 3rd Floor, Flat / Office C32, P.C. 6037 Larnaca, Cyprus.

Principal activity

The principal activity of the Group is investing in and developing minerals exploration projects.

Basis of preparation

These condensed interim financial statements are for the six months ended 30 June 2020 and are presented in Euro's (€), which is NCC's functional currency. NCC has chosen not to adopt IAS 34 "Interim Financial Reporting" in preparing this interim financial information. They do not include all of the information required in annual financial statements and should be read in conjunction with the financial information for the year ended 31 December 2019, as included in Part IV Section (D).

The interim financial information set out above does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. It has been prepared on a going concern basis in accordance with the recognition and measurement criteria of IFRS as adopted by the European Union. Individual company statements for NCC and its subsidiary, Treasure Development limited, for the year ended 31 December 2019 were approved by the Board of Directors on 26 November 2020. The report of the independent auditor on those financial statements was unqualified.

These statements have not been audited by the Company's auditor, G. Kalopetrides & Partners Limited.

2. Adoption of new or revised standards and interpretations

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2020. This adoption did not have a material effect on the accounting policies of the Group, as included in Part IV Section (D).

3. Significant accounting policies

The interim financial information has been prepared in accordance with the accounting policies adopted in NCC's most recent annual financial statements for the year ended 31 December 2019, as included in Part IV Section (D). These accounting policies have not been reproduced here

Going concern basis

The Financial Information has been prepared on a going concern basis. The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Information.

4. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the condensed interim financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Group has not early adopted, as follows:

(i) Issued by the IASB but not yet adopted by the European Union

Amendments

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or*

Non-current (issued on 23 January 2020) (effective for annual periods beginning on or after 1 January 2022).

- *IFRS 10 (Amendments) and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely).*

The above are expected to have no significant impact on the Group's condensed interim financial statements when they become effective.

5. Financial risk management

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk, litigation risk and reputation risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

5.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. NCC's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2020	**2019**
	€	**€**
Variable rate instruments		
Financial assets	**19,036**	22,550

Sensitivity analysis

An increase of 100 basis points in interest rates at 30 June 2020 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Equity		**Profit or loss**	
	2020	**2019**	**2020**	**2019**
	€	**€**	**€**	**€**
Variable rate instruments	**-**		**190**	
		-		226

5.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and deposits with banks and financial institutions.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Group has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Group to reduce its credit risk significantly the Group's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below.

Cash and cash equivalents

The Group assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 30 June 2020 and 31 December 2019:

Group internal credit rating	**External credit rating**	**30 June 2020**	**31 December 2019**
		€	**€**
Performing	Caa1	**19,036**	22,550

The Group does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the period that are subject to enforcement activity.

5.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

30 June 2020	**Carrying amounts**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-2 periods**	**2-5 periods**
	€	**€**	**€**	**€**	**€**	**€**
Unsecured, interest bearing, convertible promissory notes	104,785	106,000	-	106,000	-	-
Trade and other payables	183,982	183,982	-	183,982	-	-
Payables to related parties	152,931	152,931	-	10,484	-	142,447
	441,698	**442,913**	**-**	**300,466**	-	**142,447**

31 December 2019	**Carrying amounts**	**Contractual cash flows**	**3 months or less**	**3-12 months**	**1-2 periods**	**2-5 periods**
	€	**€**	**€**	**€**	**€**	**€**
Unsecured, interest bearing, convertible promissory notes	102,796	104,785	-	104,785	-	-
Trade and other payables	164,599	164,599	-	164,599	-	-
Payables to related parties	59,477	59,477	-	5,349	-	54,128
	326,872	328,861	-	274,733	-	54,128

5.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

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

	Liabilities		**Assets**	
	30 June 2020	**31 December 2019**	**2020**	**2019**
	€	**€**	**€**	**€**
Australian Dollars	**(48,897)**	(50,014)	**-**	-

The following significant exchange rates have been applied during the period.

	Average rate		**Period-end spot rate**	
	2020	**2019**	**2020**	**2019**
Euro	**€**	**€**	**€**	**€**
AUD	**-**	-	**1.6344**	1.5979

<u>Sensitivity analysis</u>

A 10% strengthening of the Euro against the following currencies at 30 June 2020 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		**Profit or loss**	
	2020	**2019**	**2020**	**2019**
	€	**€**	**€**	**€**
Australian Dollars	**(4,346)**	(4,446)	**(4,346)**	(4,446)

5.5 Operational risk

Operational risk is the risk that derives from the deficiencies relating to the Group's information technology and control systems as well as the risk of human error and natural disasters. The Group's systems are evaluated, maintained and upgraded continuously.

5.6 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Group.

5.7 Litigation risk

Litigation risk is the risk of financial loss, interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequentially of lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

5.8 Reputation risk

The risk of loss of reputation arising from the negative publicity relating to The Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The Group applies procedures to minimize this risk.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

6. Critical accounting estimates, judgments and assumptions

The preparation of condensed interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Company's most recent annual financial statements for the year ended 31 December 2019, as shown in Part IV Section (D). The nature and amounts of such estimates have not changed during the interim period.

7. Intangible assets

	Total
	€
Cost	-
As at 1 January 2019	1,346,248
Exploration costs	31,009
As at 30 June 2019	**1,377,257**
Exploration costs	8,288
Impairment	(165,941)
As at 31 December 2019	**1,219,604**
Exploration costs	16,958
Impairment	(27,706)
As at 30 June 2020	**1,208,856**

8. Trade and other receivables

	30 June 2020 €	31 December 2019 €
Refundable VAT	**4,007**	4,007
Total	**4,007**	4,007

9. Cash and cash equivalents

	30 June 2020 €	31 December 2019 €
Cash at bank	**3,036**	2,546
Notice accounts	**16,000**	20,004
Total	**19,036**	22,550

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	30 June 2020 €	31 December 2019 €
Cash at bank and in hand	**19,036**	22,550

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the condensed interim Financial Statements.

10. Share capital

	2020 Number of shares	2020 €	2019 Number of shares	2019 €
Authorised				
Ordinary shares of € 0.001 each	**20,000,000**	**20,000**	20,000,000	20,000
Issued and fully paid				
Balance at 1 January	**13,250,000**	**13,250**	13,250,000	13,250
Balance at 30 June/31 December	**13,250,000**	**13,250**	13,250,000	13,250

Earnings per share

The calculation for earnings per Ordinary Share (basic and diluted) for the relevant period is based on the loss after income tax attributable to equity Shareholders for the period and is as follows:

	Six months to 30 June 2020 €	Six months to 30 June 2019 €	Year ended 31 December 2019 €
Loss attributable to equity Shareholders (€)	(127,687)	(18,771)	(240,486)
Weighted average number of Ordinary shares	13,250,000	13,250,000	13,250,000
Loss per Ordinary share (€)	(0.010)	(0.001)	(0.018)

Earnings and diluted earnings per Ordinary share are calculated using the weighted average number of Ordinary shares in issue during the period. There were no dilutive potential Ordinary shares outstanding during any periods.

11. Borrowings

	30 June 2020 €	31 December 2019 €
Current borrowings		
Unsecured, interest bearing, convertible promissory notes	**104,785**	102,796

The weighted average effective interest rates at the reporting date were as follows:

	2020 %	2019 %
Unsecured, interest bearing, convertible promissory notes	**0,00% - 8,00%**	0,00% - 8,00%

12. Trade and other payables

	30 June 2020 €	31 December 2019 €
Trade payables	**48,897**	50,014
Directors' current accounts - credit balances	**10,484**	5,349
Shareholders' current / loan accounts - credit balances	**600**	600
Accruals	**21,188**	12,082
Other creditors	**135,085**	114,585
Payables to related entities	**141,847**	53,528
	358,101	236,158
Less non-current payables	**(142,447)**	(54,128)
Current portion	**215,654**	182,030

13. Related party balances and transactions

Until 17th November 2017, NCC was controlled by Guricon Corporate Services Limited, incorporated in Cyprus, which owned 100% of NCC's shares, on behalf of non-resident, ultimate beneficial owners. As from that date onwards and until 20th April 2018, NCC was jointly controlled by Guricon Corporate and Trustee Services Limited and O.V.& S. Secretarial Ltd, both incorporated in Cyprus, each of which owned 50% of NCC's shares, on behalf of non-resident, ultimate beneficial owners. From 20th April, 2018 until 13th November 2020, NCC was jointly controlled by Guricon Corporate and Trustee Services Limited and O.V.& S. Secretarial Ltd, both incorporated in Cyprus, owning 43.4% and 52,8%, respectively, of NCC's shares, on behalf of non-resident, ultimate beneficial owners. The remaining 3.8%, was then owned by Dominic John Majendie, a resident of Qatar. As from 13th November, 2020, NCC has been controlled by Caerus Mineral Resources Plc., incorporated in the United Kingdom. Caerus owns 100% of NCC's shares.

The related party balances and transactions are as follows:

13.1 Payables to related parties

Name	Nature of transactions	30 June 2020 €	31 December 2019 €
PM Ploutonic Metals Ltd	Trade	**141,847**	53,528

The payable to the above related party was provided interest-free, and there was no specified repayment date, but instead, it is destined for waiver and capitalization by the Group, upon completion of the shares acquisition deal, with Caerus Mineral Resources Plc.

13.2 Directors'/shareholders' current accounts - credit balances

	30 June 2020 €	31 December 2019 €
BMG Resources Limited (ex. Brazilian Metals Group Limited)	**600**	600
Harold Andrew Daniels	**10,484**	5,349
	11,084	5,949

The Directors'/shareholder's current accounts are interest free, and have no specified repayment date.

14. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2020.

The Group has deposited in favour of the Mines Service, a bank guarantee of € 16,000 (2019: € 20,000), in order to cover any obligation to restore land / any site restoration duties and potential penalties in case of default. The Board of Directors is not anticipating that material liability will arise from this.

15. Commitments

Minimum expenditure commitments

According to the Second Schedule of The Mines and Quarries Regulations (Regulations 4, 6, 7, 8, 9, 27, 33, 34 and 35), of the Republic of Cyprus, the Group may be obliged for committing itself into minimum, annual expenditure for Prospecting Class A Permits and Reconnaissance Licenses. The possibility of occurrence of the financial outcome of this obligation is not sufficiently certain. However, in case the need for such regulatory conformity is realised, given the current state of affairs of the Group, it may be supposed to incur minimum, periodical expenditure in the estimated vicinity of € 419,060 (2019: € 472,130).

16. Events after the reporting period

On 23rd July 2020, the NCC signed a Share Purchase Agreement for the acquisition of NCC by Caerus Mineral Resources Plc for a Purchase price of £1,000,000 to be satisfied by the payment of £150,000 in cash and the remainder in Consideration Shares. This was completed on the 13th November 2020 when NCC became a 100% owned subsidiary of Caerus Mineral Resources Plc.

Following the acquisition of the absolute controlling interests of NCC, by Caerus Mineral Resources Plc., a promissory notes balance, stated at € 50,000, as at the reporting date and a balance of € 135,085, for the injection of working capital, included in other creditors, as at the reporting date, became payable to this ultimate parent entity.

(G) UNAUDITED PROFORMA CONSOLIDATED STATEMENT OF NET ASSETS AND PROFORMA INCOME STATEMENT OF THE ENLARGED GROUP

Set out below are an unaudited pro forma statement of net assets and pro forma income statement as at 31 May 2020, and for the 6 months ended 31 May 2020 respectively ("the Unaudited Pro Forma Information") of Caerus Mineral Resources Plc (the "Company" or "Caerus") and New Cyprus Copper P.A Ltd ("NCC") (together "the Enlarged Group").

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared on the basis set out in the notes below in accordance with item 18.4.1 of Annex I of the PR Regulation, and in accordance with the accounting policies applied by the Company in its interim financial statements for the period ending 31 May 2020, to illustrate the effect on the Company of the Placing, the Subscription and Acquisition of NCC as if it took place on 31 May 2020.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group's actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group's financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The Unaudited Pro Forma Financial Information is based on the unaudited net assets of the Company as at 31 May 2020 and unaudited interim financial information of NCC as at 30 June 2020 as shown in Part IV Section (E) and (F) (*Historical Financial Information*) respectively. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 May 2020, being the date of the last published balance sheet of the Company, and since 30 June 2020 for NCC.

The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part.

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Unaudited pro forma statement of net assets as at 31 May 2020

	The Company	**NCC**	**Issue of the Placing and Subscription shares net of costs**	**Acquisition adjustments**	**Unaudited pro forma adjusted aggregated net assets of the Enlarged Group**
	Net assets as at 31 May 2020	**Net assets as at 30 June 2020**	**Shares**		
	(Note 1)	**(Note 2)**	**(Note 3)**	**(Note 4)**	
	£	**£**	**£**	**£**	**£**
Assets					
Non-current assets					
Intangible assets	-	1,095,971	-	-	1,095,971
	-	1,095,971	-	-	1,095,971
Current assets					
Cash and cash equivalents	683	17,258	1,923,000	-	1,940,941
Trade and other receivables	-	3,633	-	-	3,633
Financial assets at fair value through profit and loss	44,935	-	-	(44,935)	-
	45,618	20,891	1,923,000	(44,935)	1,944,574
Total assets	**45,618**	**1,116,862**	**1,923,000**	**(44,935)**	**3,040,545**
Liabilities					
Current liabilities					
Trade and other payables	(253,554)	(195,516)	-	-	(449,070)
Loans and borrowings	-	(95,000)	-	44,935	(50,065)
	(253,554)	(290,516)	-	44,935	(499,135)
Noncurrent liabilities					
Trade and other payables	-	(129,145)	-	-	(129,145)
	-	(129,145)	-	-	(129,145)
Total liabilities	**(253,554)**	**(419,661)**	**-**	**44,935**	**(628,280)**
Total assets less total liabilities	**(207,936)**	**697,201**	**1,923,000**	**-**	**2,412,265**

Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The net assets of the Company as at 31 May 2020 have been extracted without adjustment from the unaudited interim financial information referred to in Part IV Section (E) of this document.

2. The net assets of NCC as at 30 June 2020 have been extracted without adjustment from the unaudited interim financial information to which is set out in Part IV Section (F) of this document and converted to GBP at the closing rate on 30 June 2020 of €1.10 to £1.

3. An adjustment has been made to reflect the proceeds of a placing and subscription of 22,500,000 Ordinary Shares of the Company at an issue price of £0.1 per Ordinary Share net of an adjustment to reflect the payment in cash of total admission costs estimated at approximately £327,000.

4. A proforma adjustment has been made to reflect the initial accounting for the Acquisition of NCC by the Company. The Company's loan note receivable £44,935 issued by NCC has been eliminated in conjunction with the corresponding liability shown within the liabilities in NCC totalling £44,935.

   The Company will need to determine the fair value of the net assets acquired pursuant to the proposed acquisition within 12 months of the acquisition date in accordance with IFRS 3. This process, known as a Purchase Price Allocation exercise may result in reduction of goodwill, which may be material. The Purchase Price Allocation process will require a valuation of identifiable intangible assets acquired. The approach adopted by the Directors of the Company is permissible and appropriate, as IFRS 3 allows a measurement period of 12 months for the finalisation of the PPA and calculation of goodwill.

5. No adjustments have been made to the historical results of any entities within the Enlarged Group to reflect the trading or other transactions other than described above of:
   i. The Company since 31 May 2020; and
   ii. NCC since 30 June 2020.

6. As at 3 March 2021 (the latest practical date prior to the publication of the Prospectus) the exchange rate between the EUR (€) and GBP (£) was €1.14 to £1.

7. The pro forma statement of net assets does not constitute financial statements.

UNAUDITED PRO FORMA INCOME STATEMENT OF THE ENLARGED GROUP

Unaudited pro forma income statement for the unaudited 6 months ended 31 May 2020

	The Company	**NCC**			**Unaudited pro forma adjusted aggregated income statement of the Enlarged Group**
	Income statement for the 6 months to 31 May 2020	**Income statement for the 6 months to 30 June 2020**	**Placing and Subscription costs**	**Acquisition adjustments**	
	(Note 1)	**(Note 2)**	**(Note 3)**		
	£	**£**	**£**	**£**	**£**
Administrative expenses	(41,844)	(95,608)	(327,000)	-	(464,452)
Operating loss	**(41,844)**	**(95,608)**	**(327,000)**	**-**	**(464,452)**
Other gains and losses	-	(24,304)	-	-	(24,304)
Net finance charge	-	(1,311)	-	-	(1,311)
Loss before tax	**(41,844)**	**(121,222)**	**(327,000)**	**-**	(490,066)
Tax credit	-	-	-	-	-
Loss from continuing operations	**(41,844)**	**(121,222)**	**(327,000)**	**-**	**(490,066)**

Notes

The pro forma income statement has been prepared on the following basis:

1. The unaudited income statement of the Company for the 6-month period to 31 May 2020 has been extracted without adjustment from the interim financial information which is set out in Part IV Section (E) this document.
2. The unaudited income statement of NCC for the six-month period to 30 June 2020 have been extracted without adjustment from the unaudited interim financial information to which is set out in Part IV Section (F) of this document and converted to GBP at the six-month average rate for the period to 30 June 2020 of £1 to €1.14.
3. An adjustment has been included to show the Placing and Subscription costs of £327,000.
4. No adjustments have been made to reflect the trading or other transactions of the Enlarged Group other than described above of:

   i. The Company for the six months to 31 May 2020; and

   ii. NCC for the six months to 30 June 2020
5. The adjustments above are one off adjustments and do not have an ongoing impact on the issuer.

(H) ACCOUNTANTS REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS AND STATEMENT OF INCOME

PKF
Accountants & business advisers

The Directors
Caerus Mineral Resources plc
Salisbury House
London Wall
London, EC2M 5PS

Dear Sirs

Introduction

We report on the unaudited pro forma statement of net assets at 31 May 2020 and pro forma income statement for the period ended 31 May 2020 ('the Pro Forma Financial Information') set out in Part IV (G) of the Company's Prospectus dated 4 March 2021, which has been prepared on the basis described in Part IV (G) of this document, for illustrative purposes only, to provide information about how the Acquisition, Placing, Subscription and Admission might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the period ended 31 May 2020. This report is required by Annex 1, Section 18, Item 18.4.1 of the PR Regulation and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex I, Section 18, Item 18.4.1 of the PR Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you in accordance with Annex 1, Section 18, Item 18.4.1 of the PR Regulation.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by 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 Annex 1, Section 1, Item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. The work that we have performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, Section 1, Item 1.2 of the PR Regulation.

Yours faithfully

PKF Littlejohn LLP **Reporting Accountant**	15 Westferry Circus Canary Wharf London E14 4HD

4 March 2021

PART V

TAXATION

1. GENERAL

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring holding or disposing of the Ordinary Shares. They are based on current UK tax legislation and what is understood to be the current published practice of HMRC as at the date of this Document, both of which may change at any time, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than in an individual savings account or a Self-Invested Personal Pension) and who are the absolute legal and beneficial owner of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Ordinary Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

1.1 TAXATION OF DIVIDENDS

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

UK resident individual Shareholders

An individual Shareholder receiving a dividend from the Company whose total income from dividends in the relevant financial year does not exceed £2,000 (the ‘‘Tax Free Dividend Allowance’’) will not pay any income tax on such dividend.

Based on current law at the date of this Document, an individual Shareholder receiving a dividend from the Company whose total income from dividends in the relevant tax year does exceed £2,000 will be taxed as follows:

(a) the individual Shareholders will not pay income tax on the first £2,000 of dividend income in any tax year;

(b) to the extent that the individual’s Total Income (as defined below) exceeds the personal allowance but does not exceed the basic rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 7.5 per cent.;

(c) to the extent that the individual’s Total Income (as defined below) exceeds the basic rate band but does not exceed the higher rate tax band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 32.5 per cent.;

(d) to the extent that the individual’s Total Income (as defined below) falls within the additional rate band for that tax year, the individual will be liable to income tax on the Excess Dividend (as defined below) at the rate of 38.1 per cent.;

(e) ‘‘**Total Income**’’ means the total of the individual’s dividend income and other taxable income for a tax year; and

(f) ‘‘**Excess Dividend**’’ means the total of that individual’s dividend income in that tax year less £2,000.
For the year 2018/19 in England and Wales, the basic rate band is the first £37,500 of income in excess of any personal allowance, the higher rate band is income between £37,500 and £150,000 in excess of any available personal allowance and the additional rate band applies to income in excess of £150,000 (these bands differ slightly in Scotland).

Where an individual’s taxable income exceeds £100,000, their personal allowance is abated by £1 for every £2 of income such that individuals with income equal to or in excess of £125,000 will have no personal allowance.
Trustees of interest in possession trusts and representatives of deceased persons receiving dividends from shares are also liable to account for income tax at a rate of 7.5 per cent., unless the dividends are mandated directly to beneficiaries, in

which case only the beneficiaries need to account for the income. In either case, the beneficiaries will be taxable at the rates detailed above. Trustees of other trusts will be liable to income tax at a rate of 7.5 per cent on the first £1,000 of income, and 38.1 per cent on all dividend income in excess of this amount. Trustees and personal representatives do not qualify for the £2,000 dividend allowance available to individuals.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on dividends (including dividends from the Company) so long as the dividends fall within an exempt class and certain conditions are met. In general, dividends paid on shares that are ''ordinary share capital'' for UK tax purposes and are not redeemable, and dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital) are examples of dividends that generally fall within an exempt class.

1.2 TAXATION OF DISPOSALS

For the purpose of UK tax on chargeable gains, the purchase of Ordinary Shares on a placing will be regarded as an acquisition of a new holding in the share capital of the Company. To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so acquired will, for the purpose of tax on chargeable gains, be treated as acquired on the date of the purchase becoming unconditional.

The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

A disposal of all or any of the Ordinary Shares may, depending on the circumstances of the relevant Shareholder give rise to a liability to UK taxation on chargeable gains. Shareholders will normally be subject to UK taxation of chargeable gains, unless such holders are not UK tax resident.

Individuals

Where an individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption (£12,300 for 2020/21) and after taking account of any exemptions and reliefs available to the individual.

For individuals, the starting rate for capital gains tax is 10 per cent. This rate applies where the individual's income and gains are less than the upper limit of the income tax basic rate band after taking into account the individual's personal allowance. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the upper limit of the income tax basic rate band, capital gains tax will be charged at 20 per cent.

For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount (for 2020/21, £12,300 for personal representative of deceased persons and trustees for disabled persons and £6,150 for other trustees) will be charged at a flat rate of 20 per cent.

Where an individual Shareholder disposes of the Ordinary Shares at a loss, the loss may be available to offset against other current year chargeable gains or carried forward to offset against future chargeable gains.

Companies

Where a Shareholder is within the charge to UK corporation tax, a disposal of Ordinary Shares may give rise to corporation tax on a chargeable gain (or allowable loss) for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemption or relief. Corporation tax is charged on chargeable gains at the rate applicable to that company which is currently 19 per cent.

Non-UK resident Shareholders

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Ordinary Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty (''Treaty non-resident'') and who disposes of all or part of their Shares during that period may be liable to capital gains tax on their return to the UK if the temporary non-residence rules are met, subject to any available exemptions or reliefs.

1.3 STAMP DUTY AND STAMP DUTY RESERVE TAX (''SDRT'')

The Placing and the Subscription

The issue of Ordinary Shares direct to persons acquiring Ordinary Shares pursuant to the Placing and the Subscription will not generally give rise to stamp duty or SDRT. They are intended only as a general guide and (except to the extent stated) do not relate to persons such as market makers, brokers, dealers, intermediaries or persons connected with depositary arrangements or clearance services, to whom special rules may apply.

Subsequent Transfers

Stamp duty at the rate of 0.5 per cent (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. As noted above, an exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, or the instrument is otherwise exempt, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee.

Ordinary Shares transferred through paperless means including CREST

Paperless transfers of Ordinary Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5 per cent of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system. The charge is generally borne by the purchaser. Under the CREST system, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the system unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent) will arise.

Ordinary Shares held through Clearance Systems or Depositary Receipt Arrangements

Special rules apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent. Following litigation HMRC has confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. This view is currently being challenged in further litigation.
Accordingly, specific professional advice should be sought before incurring a 1.5 per cent. stamp duty or stamp duty reserve tax charge in any circumstances.

The statements in this section apply to any holders of Ordinary Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

1.4 INHERITANCE TAX ("IHT")

Individual and trustee Shareholders domiciled or deemed to be domiciled in any part of the UK may be liable on occasions to IHT on the value of any Ordinary Shares held by them. IHT may also apply to individual Shareholders who are not domiciled in the UK although relief under a double tax convention may apply to those in this position.

Under current law, the chief occasions on which IHT is charged are on the death of the Shareholder, on any gifts made during the seven years prior to the death of the Shareholder and on certain lifetime transfers, including transfers to trusts or appointments out of trusts to beneficiaries, save in very limited and exceptional circumstances.

Any person who is in any doubt as to his tax position or who may be subject to tax in any other jurisdiction should consult his professional adviser.

PART VI

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENTS

1.1 The Directors, whose names, business address and functions appear on page 33 of this Document and the Company accept responsibility, both collectively and individually, for the information contained in this Document. To the best of the knowledge of the Directors and the Company, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

1.2 PKF Littlejohn LLP accepts responsibility for the financial information it has prepared contained in Part IV of this Document. To the best of the knowledge of PKF Littlejohn LLP, the information contained in Part IV of this Document it has prepared is in accordance with the facts and does not omit anything likely to affects its import.

1.3 Rocklore Exploration Services Limited accepts responsibility for its report contained in Part III of this Document and all scientific and technical information contained therein as well as references to it and statements of information attributed to them or extracted from the report and included in this Document in the form and context they appear. To the best of the knowledge of Rocklore Exploration Services Limited, the information in its report is in accordance with the facts and contains no omission likely to affect its import.

2. INCORPORATION AND STATUS

2.1 The Company was incorporated and registered in England and Wales where it remains domiciled on 1 November 2017 with registered company number 11043077 as private limited company under the Act with the name Leopard Mineral Investments Limited.

2.2 On 8 January 2018, the Company was re-registered as a public limited company under the Act and accordingly changed its name to Leopard Mineral Investments plc.

2.3 On 18 September 2018 the Company changed its name to Caerus Mineral Resources plc.

2.4 The legal and commercial name of the Company is Caerus Mineral Resources plc.

2.5 The Company's registered office is at Salisbury House, London Wall, London EC2M 5PS. The telephone number of the Company is 020 7216 5532. The Company's principal activity is that of an exploration and mining development company.

2.6 As at the date of this Document the Company has the following direct and indirect subsidiaries, each of which are incorporated and remain domiciled in Cyprus:

Name	Issued Share Capital	Ownership
New Cyprus Copper P.A. Ltd	13,250,000 ordinary shares of €0.001 each	100% owned directly by the Company
Treasure Development Limited	5,000 ordinary shares of €1.71 each	NCC owns 3,500 of these shares (70%)

2.7 The principal legislation under which the Company was incorporated and operates is the Act and the regulations made there under.

2.8 The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.

2.9 The address of the Company's website is www.caerusmineralresources.com

2.10 The accounting reference date of the Company is 30 November and will remain so on Admission.

2.11 The Company's auditors during the period covered by the accountants' report set out in Part IV of this Document were PKF Littlejohn LLP, who are members of the Institute of Chartered Accountants of England and Wales.

2.12 The Company has, since the date of its incorporation, operated in conformity with its constitution and with the law of England.

3. SECURITIES BEING ADMITTED

3.1 The Ordinary Shares are fully paid ordinary shares in the capital of the Company of 1p each. The ISIN of the Ordinary Shares is GB00BMDQ4L78. The SEDOL of the Ordinary Shares is BMDQ4L7.

3.2 The Ordinary Shares may be held in certificated form or under the CREST system. CREST is a paperless settlement procedure enabling securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the CREST Regulations. The Registrars are responsible for keeping the Company's register of members

3.3 The Ordinary Shares have no redemption or conversion provisions.

4. SHARE CAPITAL HISTORY

4.1 The Company's Ordinary Shares are in registered form and are capable of transfer in both certificated form and uncertificated form. The register of members for the Company is maintained by Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR.

4.2 In accordance with the provisions of the Act the Company does not have an authorised share capital.

4.3 The following is a summary of the changes in the issued share capital of the Company from incorporation to the date of this Document:

a) On incorporation, Michael Johnson was the sole shareholder of Company and held 1 ordinary share of £0.001 which he subscribed for at par value;

b) On 25th January 2018, the Company issued and allotted 3,500,000 ordinary shares of £0.001 each for cash at 2.5p per share (following a subsequent capital contribution) to the Founders and 4,200,000 warrants to the Founders to subscribe for Ordinary Shares at an exercise price of 5p per share (2,100,000 of these warrants were subsequently cancelled on 16 February 2019, further details of which are set out at paragraph 4.9 below);

c) On 25th January 2018, the Company issued and allotted 2,000,000 ordinary shares of £0.001 each for cash at 5p per share and 2,000,000 warrants to the Seed Investors to subscribe for Ordinary Shares at an exercise price of 5p per share (1,000,000 of these warrants were subsequently cancelled on 8 June 2020, further details of which are set out at paragraph 4.10 below);

d) On 14th September 2018, the Company issued and allotted 1,300,000 ordinary shares of £0.001 each for cash at 5p per share and 1,300,000 warrants to the Seed Investors to subscribe for Ordinary Shares at an exercise price of 5p per share;

e) On 14th September 2018, the Company issued and allotted 1,333,332 ordinary shares of £0.001 each for cash at 7.5p per share and 1,333,332 warrants to Wentworth Limited to subscribe for Ordinary Shares at an exercise price of 10p per share (these 1,333,332 warrants were subsequently cancelled on 8 June 2020, further details of which are set out at paragraph 4.10 below);

f) On 30 November 2018, the Company issued and allotted 73,199,997 ordinary shares of £0.001 as bonus shares and all of the ordinary shares of £0.001 each were consolidated on the basis of 10 ordinary shares of £0.001 each for each new Ordinary Share of £0.01 each;

g) On 30 November 2018, the Company issued and allotted 116,667 Ordinary Shares for cash at 7.5p per share;

h) On 18 May 2019, the Company issued and allotted 150,000 Ordinary Shares for cash at 10p per share;

i) On 29 July 2019, the Company issued and allotted 1,000,000 Ordinary Shares for cash at 5p per share and 1,000,000 warrants to the July 2019 Investors to subscribe for Ordinary Shares at an exercise price of 5p per share;

j) On 13 November 2020, the Company issued and allotted 8,500,000 Ordinary Shares for non-cash consideration at 10p per share to pursuant to the Acquisition Agreement, and 6,000,000 Ordinary Shares for cash at 10p per share; and

k) On or around 4 March 2021, the Company issued and allotted 4,000,000 Ordinary Shares for cash at 10p per share.

4.4 On 31 May 2020 (the date to which the last unaudited accounts were made up) there were 9,400,000 Ordinary Shares in issue.

4.5 The Company has agreed to issue conditional upon Admission, 21,000,000 Placing Shares pursuant to the Placing Agreement, and 1,500,000 Subscription Shares pursuant to the Subscription Letters.

4.6 The Company has also conditionally agreed to issue 2,000,000 Deferred Consideration Shares pursuant to the Acquisition Agreement. The terms on which the Deferred Consideration Shares will be issued are set out in paragraph 10.10 of Part VI of this Document.

4.7 By a Special Resolution passed on 30 November 2018, it was resolved to authorise the Directors generally and unconditionally to exercise all the powers of the Company to allot shares and to grant such placing and conversion rights as are contemplated by section 551 of the Act up to an aggregate nominal amount of £1,000,000, such authority to expire, unless renewed, revoked or varied by the Company, at the conclusion of the first annual general meeting of the Company, but so as to enable the Company before such date to make offers or agreements which would or might require relevant securities to be allotted after such date and to enable the Directors to allot relevant securities in pursuance of such offers or agreements as if the authority conferred thereby had not expired, such authority to be in substitution for all existing authorities granted to the Directors in respect of the allotment of relevant securities, without prejudice to any allotments made pursuant to the terms of such authorities.

4.8 By a Special Resolution passed on 30 November 2018, in accordance with section 570 of the Act, it was resolved to empower the Directors until the conclusion of the first annual general meeting of the Company, unless renewed, varied or revoked by the Company, to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authorities referred to in paragraph 4.7 of Part VI of this Document as if section 561(1) of the Act did not apply to any such allotment, such power being limited to:

a) the allotment of equity securities in connection with the offer of equity securities to the holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Board otherwise consider necessary; and

b) the allotment (other than pursuant to the power referred to in paragraph 4.8(a) of Part VI of this Document) of equity securities up to an aggregate nominal amount of £1,000,000,

save that the Company may, before expiry of that authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities pursuant to any such offers or agreements as if such authority had not expired;

4.9 On 16 February 2019, the Board resolved to reduce the number of Founder Warrants from 4,200,000 to 2,100,000, subject to consent from each of the Founders by way of a signed consent notice, such signed consent notices having been received as at the date of this Document.

4.10 On 8 June 2020, the Board resolved to cancel 2,333,332 warrants as referred to at paragraphs 4.3(c) and 4.3(e) above following agreement with Wentworth Limited, the warrantholder. As agreed with Wentworth Limited, no compensation was sought, paid or appropriate.

4.11 By an ordinary resolution passed on 2 April 2020, the Company resolved that in substitution for all existing and unexercised authorities, the Directors of the Company were generally and unconditionally authorised for the purpose of section 551 of the Act to exercise all or any of the powers of the Company to allot Relevant Securities (as defined in this resolution) up to a maximum nominal amount of £1,000,000 provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire on the earlier of the conclusion of the next annual general meeting of the Company or 15 months after the passing of this resolution, unless renewed or extended prior to such time except that the Directors of the Company may before the expiry of such period make an offer or agreement which would or might require Relevant Securities to be allotted after the expiry of such period and the Directors of the Company may allot Relevant Securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. In this resolution, "Relevant Securities" means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company ("Shares") but does not include the allotment of Shares or the grant of a right to subscribe for Shares in pursuance of an employee's share scheme or the allotment of Shares pursuant to any right to subscribe for, or to convert any security into, Shares.

4.12 By a Special Resolution passed on 2 April 2020, the Company resolved that in substitution for all existing and unexercised authorities and subject to the passing of the resolution set out above, the Directors of the Company were empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred upon them by the resolution above as if section 561(1) of the Act did not apply to any such allotment provided that the power conferred by this resolution, unless previously revoked or varied by special resolution of the Company in general meeting, shall be limited to:

a) the allotment of ordinary shares of 1p each in the capital of the Company arising from the exercise of options and warrants outstanding at the date of this resolution;

b) the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all such shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held by them subject only to such exclusions or other arrangements as the Directors of the Company may consider appropriate to deal with fractional entitlements or legal and practical difficulties under the laws of, or the requirements of any recognised regulatory body in, any territory; and

c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) above) of equity securities up to an aggregate nominal amount of £1,000,000;

and shall expire on the earlier of the date of the next annual general meeting of the Company or 15 months from the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

4.13 By a resolution of the Board passed on or around 4 March 2021 it was resolved, conditionally only upon Admission occurring on or before 19 March 2021, to allot 21,000,000 new Ordinary Shares pursuant to the Placing, and 1,500,000 new Ordinary Shares pursuant to the Subscription, for cash at the Placing Price.

4.14 The table below represents the fully paid share capital of the Company as at the date of this Document, and as it will be on Admission following completion of the Placing and the Subscription:

LR 2.2.4 (2)

	Number
As the date of this Document:	
Ordinary Shares	27,900,000
As at Admission:	
Ordinary Shares	50,400,000

4.15 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

4.16 Save as disclosed in Part IV of this Document, the Company has not issued any convertible loan notes.

4.17 Save as disclosed in paragraphs 4.3 and 4.16 above and the Ordinary Shares proposed to be issued pursuant to the Placing and the Subscription:

a) no share or loan capital of the Company has been issued or been agreed to be issued fully or partly paid, either for cash or for consideration other than cash and no issue is now proposed; and

b) neither has the Company, conditionally or unconditionally, granted any options, warrants or convertible loan notes over its shares or loan capital which remains outstanding.

4.18 The Placing Shares and the Subscription Shares will be allotted fully paid in registered form and may be held in either certificated or in uncertificated form. Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on the Official List of the FCA (by way of a Standard Listing under Chapter 14 of the Listing Rules published by the FCA under section 73A of FSMA as amended from time to time) and to the London Stock Exchange to be admitted to trading on the Main Market.

4.19 The Placing Shares and the Subscription Shares were created under and are subject to the provisions of the Act and are issued in sterling.

4.20 The Act does not allow the Company to hold any shares in itself and accordingly the Company holds no shares in itself.

4.21 Save for the Deferred Consideration Shares to be issued pursuant to the Acquisition Agreement, the Placing Shares to be issued pursuant to the Placing, the Subscription Shares to be issued pursuant to the Subscription, the issue of up to 8,760,000 Ordinary Shares pursuant to the potential exercise of the Warrants, further details of which are set out in paragraphs 10.1 to 10.6 and 10.10 of Part VI of this Document, there are no agreements or undertakings pursuant to which the Company has agreed to issued Ordinary Shares.

4.22 Save as disclosed in paragraph 4.21 above, no person has any rights to purchase any unissued share capital of the Company.

4.23 On completion of the Placing and the Subscription, the issued share capital of the Company shall be increased by approximately 44.64 per cent. resulting in an immediate dilution of approximately 55.36 per cent. in aggregate to existing shareholders excluding the potential exercise of the Warrants referred to in paragraph 4.21 above.

4.24 All the Ordinary Shares rank *pari passu* and no shareholders in the Company enjoy different or enhanced voting rights.

4.25 The Placing Price of 10p per Placing Share and per Subscription Share is payable in full on Admission.

4.26 The Placing Shares and the Subscription Shares will on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions hereafter declared, paid or made on the ordinary share capital of the Company.

4.27 The Existing Ordinary Shares are, and the Placing Shares and the Subscription Shares will be, in registered form and may be held in either certificated form or uncertificated form. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares in CREST. Accordingly, it is intended that following the Admission the settlement of transactions in the Placing Shares and the Subscription Shares may take place in CREST if the relevant Shareholders so wish. The records in respect of Ordinary Shares held in uncertificated form will be maintained by Euroclear and the Registrars. Otherwise than pursuant to the Placing and the Subscription, none of the Ordinary Shares have been sold, or are available in whole or in part, to the public in conjunction with the application for the entire issued share capital to be admitted to trading on the Main Market.

4.28 There are no listed or unlisted securities of the Company not representing share capital.

4.29 Other than the current application for Admission, the Ordinary Shares are not being admitted to dealings on any recognised investment exchange, nor has any application for such admission been made, nor are there intended to be any other arrangements in place for there to be such dealings in the Ordinary Shares.

4.30 No Existing Ordinary Shares are currently in issue and no Ordinary Shares will be in issue on Admission with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

5. DIRECTORS' AND OTHER INTERESTS IN ORDINARY SHARES

5.1 The interests of each of the Directors and their respective connected persons in the ordinary share capital of the Company (all of which are beneficial) as at the date of this Document and on Admission are as follows:

Name	*Number of Ordinary Shares as at the date of this Document*	*% of the Ordinary Share Capital as at the date of this Document*	*Number of Ordinary Shares on Admission*	*% of the Enlarged Share Capital on Admission*	*Number of Ordinary Shares if the Deferred Consideration Shares are issued*	*% of the Enlarged Share Capital if the Deferred Consideration Shares are issued*	*Number of Warrants*
Michael Johnson	1,750,001[1]	6.27%	1,750,001[1]	3.47%	1,750,001[1]	3.34%	1,200,000[1]
Martyn Churchouse	850,000	3.04%	850,000	1.68%	850,000	1.62%	350,000
Andrew Daniels[2]	4,490,550	16.09%	4,490,550	8.90%	5,547,150	10.59%	nil
Total	7,090,551[1]	25.40%	7,090,551[1]	14.05%	8,147,151	15.55%	1,550,000[1]

1 300,000 of the Ordinary Shares and 300,000 of the warrants set out against Michael Johnson's name are held in the name of his wife, Helen Johnson;

2 These shares are registered in the name of O.V. & S. Secretarial Ltd as trustee for PM Ploutonic Metals Limited, of which Andrew Daniels is the ultimate beneficial owner.

5.2 In addition to the interests of the Directors described at paragraph 5.1 above, as at the date of this Document, the Company is aware of the following persons who hold, or will on Admission hold (through participation in the Placing and the Subscription), directly or indirectly, voting rights representing 3 per cent. or more of the issued share capital of the Company (being the threshold set out in Chapter 5 of the Disclosure Guidance and Transparency Rules):

	As at the date of this Document			**On Admission**		
Name	Number of Existing Ordinary Shares	Percentage of the Existing Ordinary Shares	Warrants	Number of Ordinary Shares	Percentage of the Enlarged Share Capital	Warrants
EV Metals	10,000,000	35.84%	nil	10,000,000	19.84%	nil
Guricon Corporate and Trustee Services Ltd as trustee for Indo-European Mining PR Ltd[1]	3,689,000	13.22	nil	3,689,000	7.31%	nil
Wentworth Limited[2]	1,333,332	4.77%	nil	2,333,332	4.62%	nil
Stephen Catterson	1,000,000	3.58%	nil	1,000,000	1.98%	nil
Bank of New York Nominees Ltd	-	-	-	7,470,000	14.82%	nil
ISI Nominees Limited	-	-	-	5,500,000	10.91%	nil
JIM Nominees Limited	-	-	-	2,800,000	5.55%	nil

5.3 Save as disclosed in paragraph 5.2 above, as at the date of this Document, so far as the Company is aware, there are no persons who are interested, directly or indirectly, in 3 per cent. or more of the Company's Existing Ordinary Shares or who will be interested, directly or indirectly, in 3 per cent. or more of the Company's Enlarged Share Capital on Admission. Any person who is directly or indirectly interested in 3 per cent. or more of the Company's issued share capital, will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the DTRs, and such interests will be notified by the Company to the public.

5.4 The Company's share capital consists of one class of Ordinary Shares with equal voting rights (subject to the Articles). All Shareholders have the same voting rights and no major Shareholder has any different voting rights from the other Shareholders.

5.5 Save as disclosed in paragraph 5.1 above, as at the date of this Document, the Directors do not have any interests in options or warrants or in the Existing Ordinary Shares.

5.6 As at the date of this Document, the Directors hold approximately 25.41 per cent of the Existing Ordinary Shares. On Admission, the Directors' shareholding will be diluted and the Directors will hold approximately 14.07 per cent of the Enlarged Share Capital.

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[1] The ultimate beneficial owner of the Ordinary Shares held by Guricon Corporate and Trustee Services Ltd as trustee for Indo-European Mining PR Ltd is Pierre Jules Richard.

[2] David Williams is the ultimate beneficial owner of Wentworth Limited.

5.7 Save as disclosed in paragraph 5.2, the Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally, Control over the Company.

5.8 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a Change of Control of the Company.

5.9 There are no parties or individuals connected or acting in concert with any of the Directors or Major Shareholders. As there are no parties or individuals connected or acting in concert with any of the Directors or Major Shareholders, there is therefore no influence from such parties over the Company.

6. ARTICLES OF ASSOCIATION

The following is a description of the rights attaching to the Ordinary Shares based on the Articles and English law. This description does not purport to be complete and is qualified in its entirety by the full terms of the Articles. In accordance with the Act the objects of the Company are unrestricted.

(a) Voting Rights

Subject to the provisions of the Act and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles, upon a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative and in each case entitled to vote shall have one vote and every proxy present who has been duly appointed by a member shall have one vote and upon a poll every member present in person or by proxy and entitled to vote shall have one vote for every share held by him.

No member shall, unless the directors otherwise determine, be entitled to be present or to vote if any calls or other moneys due and payable by him to the Company in respect of those shares remain unpaid.

The directors may determine that a member who has been served with a notice under section 793 of the Act in respect of specified shares shall not be entitled, in respect of those shares, to attend or be counted in the quorum or vote either personally or by proxy at any general meeting or at any separate meeting of the holders of any class of shares or upon any poll or to exercise any other right or privilege in relation to any general meeting or any meeting of the holders of any class of shares if the Company has not received the information required in the notice in respect of any of the specified shares within fourteen days after such notice was sent or supplied.

(b) Redemption and Conversion of Shares

Subject to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and conditions and in such manner as shall be provided by the Board prior to the date on which such shares were allotted.

There are no conversion rights attached to any of the shares in the Company pursuant to the Articles or otherwise.

(c) Variation of Rights

If at any time the capital is divided into different classes of shares all or any of the rights or privileges attached to any class may, subject to the provisions of the Act, be varied or abrogated, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class, but not otherwise.

To every such separate general meeting all of the provisions of the Articles relating to general meetings shall *mutatis mutandis* and so far as applicable, apply provided that:

(i) the necessary quorum at such meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy; and

(ii) any holder of shares of the class in question present in person or by proxy and entitled to vote at the meeting may demand a poll.

(d) Transfer of Shares

Title to any securities of the Company may be evidenced and title to and interests in securities may be transferred without a written instrument in accordance with statutory regulations from time to time made under the Statutes, and the board shall have power to implement any arrangements it may think fit for such evidencing and transfer which accord with those regulations. All transfers of certificated shares may be effected by transfer in writing in any usual or common form or in such other form as shall be approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor (and in the case of a partly paid share, by the transferee) and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of it.

The Directors may in their absolute discretion and without giving any reason refuse to register any instrument of transfer:

(i) unless it is in respect of a fully paid share;

(ii) unless it is in respect of a share on which the Company does not have a lien;

(iii) unless it is in respect of only one class of shares;

(iv) if it is in favour of more than four joint holders as transferees;

(v) to an entity which is not a natural or legal person;

(vi) to a minor, to a person in respect of whom a receiving order or adjudication order in bankruptcy has been made which remains undischarged or to a person who is then suffering from a mental disorder; and

(vii) unless the following conditions have been satisfied. Every instrument of transfer must be left at the registered office of the company (duly stamped if necessary), or at such other place as the Directors may from time to time determine, accompanied by the certificate for the shares to which it relates and such evidence as the Directors may reasonably require to prove the title of the transferor and the due execution by him of the transfer.

(e) Return of capital on a winding up

The liquidator on any winding up of the Company, (whether voluntary or compulsory) may with the authority of a special resolution, divide among the members in kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purpose may set such value as he deems fair upon 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 but so that if any such division shall be otherwise than in accordance with the existing rights of the members, every member shall have the same right of dissent and other ancillary rights as if such resolution were a special resolution passed in accordance with Section 110 of the Insolvency Act 1986.

(f) Pre-emption

The provisions of section 561 of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employee's share scheme as defined in section 1166 of the Act) will apply to the extent not dis-applied by a special resolution of the Company.

(g) Alteration of Share Capital

There are no conditions in the Articles governing changes in capital which are more stringent than is required by law.

Subject to the provisions of the Statute, the Company may from time to time by special resolution reduce its share capital, any capital redemption reserve fund and any share premium account in any manner authorised by law.

(h) Dividends and other Distributions

The Company in general meeting may declare a dividend to be paid to the members according to their respective rights and interests, but no such dividend shall exceed the amount recommended by the Directors. The Directors may from time to time declare and pay an interim dividend to the Shareholders and may also pay the fixed dividends payable on any shares of the Company half yearly or otherwise on fixed dates.

Subject to the rights of the holders of any shares entitled to any priority preference or special privilege (if any), all dividends shall be declared and paid to the Shareholders in proportion to the amounts paid up on the shares in respect whereof the dividend is paid. Subject as aforesaid all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

All dividends unclaimed for a period of 12 years after the date the dividend became due for payment shall be forfeited and shall revert to the Company.

The Directors may offer the holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid up, instead of cash, in respect of all or part of such dividend or dividends as may be declared by the Company. The Directors shall not, *inter alia*, exercise their powers under the Articles in respect of a particular dividend unless the Company in general meeting has authorised the exercise of those powers in respect of that dividend or in respect of dividends (including that dividend) to be declared or paid during or in respect of a specified period.

(i) General Meetings

The Directors shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Statutes at such time and place as may be determined by the Directors.

The Directors may convene a general meeting of the Company whenever they think fit and general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Act.

An Annual General Meeting shall be called by not less than 21 days' notice in writing; all other general meetings shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and hour of meeting and, in case of special business, the general nature of such business. The notice shall be given to all the members, other than those members who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive notice of the meeting, and to the Directors and to the auditors.

A general meeting shall, notwithstanding that it is called by shorter notice than that specified above, be deemed to have been duly called if consent to short notice is given in accordance with the Statutes.

Save as otherwise provided in the Articles the quorum for a general meeting shall be two members present in person or by proxy and entitled to vote.

(j) Directors

(i) Appointment of Directors

Unless and until otherwise determined by the Company in general meeting the number of Directors shall be not less than two and until so fixed there shall be no maximum number of Directors.

Subject to the provisions of the Act the Directors may from time to time appoint one or more of their body to be a managing director or joint managing directors of the Company or as an executive director, to hold such other executive office in relation to the management of the business of the Company as they may decide and upon such terms and for such period as they may determine and, without prejudice to the terms of any service agreement entered into in any particular case, may at any time revoke any such appointment and appoint another or others in his or their place or places.

Without prejudice to the power of the Company to appoint Directors pursuant to the Articles the Directors shall have power at any time to appoint any person either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles. Subject to the provisions of the Act and of these Articles, any Director so appointed shall retire from office at the annual general meeting of the Company next following such appointment and will then be eligible for election during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the rotation of retirement of Directors at such meeting.

(ii) Remuneration

The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as the Directors may from time to time determine.

The Directors shall also be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors including any expenses incurred in attending meetings of the Board or of committees of the Board or general meetings and if in the opinion of the Directors it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid such reasonable additional remuneration and expenses therefor as the Directors may from time to time determine.

The salary or remuneration of any Managing Director or Executive Director of the Company shall, subject as provided in any service agreement, be such as the Directors may from time to time determine and may either be a fixed sum of money, or may be determined in whole or in part by reference to the business done or profits made, or may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Directors determine.

(iii) Retirement and removal of Directors

At each annual general meeting one-third of the Directors shall retire from office. A retiring Director shall be eligible for reappointment. The Directors to retire by rotation in each year shall be those who have been longest in office since their last appointment or reappointment but as between persons who became or were last reappointed on the same day those to retire shall, (unless the Directors otherwise agree among themselves), be determined by lot.

The Company may by ordinary resolution, of which special notice has been given in accordance with the provisions of the Statutes, remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

(iv) Directors' interests and conflicts

A Director may hold office as a director or other officer of or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and unless otherwise agreed shall not be liable to account to the Company for any remuneration or other benefits receivable by him as a director or officer of, or by virtue of his interest in, such other company.

Without prejudice to the requirements of the Statutes, a Director, including an alternate Director, who is in any way whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Board.

The Board of Directors may, subject to the quorum and voting requirements set out in the Articles, authorise any matter which would otherwise involve a Director breaching his duty under the Act to avoid conflicts of interest.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to be counted in the quorum and to vote in respect of any resolution concerning any of the following matters namely: the giving of any guarantee, security or indemnity to him in respect of money lent by or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings insofar as the Act permits; or the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; or any proposal concerning an offer of shares or debentures or other securities (including options and warrants) of or by the Company or any of its subsidiary undertakings for placing or purchase in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting thereof, or any contract, arrangement, transaction or other proposal concerning any other body corporate in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances); or any contract, arrangement, transaction or other proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board or HMRC for taxation purposes or which does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; or any contract, arrangement, transaction or proposal concerning the adoption, modification or operation of any scheme for enabling employees including full time executive directors of the Company and/or any subsidiary to acquire shares of the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits in a similar manner to employees and which does not accord to any Director as such, any privilege or advantage not generally accorded to the employees to whom such scheme relates; or any proposal concerning any insurance which the Company proposes to purchase and/or maintain for or for the benefit of any Director or for the benefit of persons who include Directors.

(v) Powers of the Directors

The business of the Company shall be managed by the Directors who in addition to the powers and authorities expressly conferred upon them, by the Articles or otherwise, may exercise all such powers and do all such acts and things as may be exercised or done by the Company, and as are not by the Statutes or by the Articles required to be exercised or done by the Company in general meeting, subject nevertheless to such directions as may be given by the Company in general meeting provided that no direction given by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such direction had not been given, and the provisions contained in the Articles as to any specific power of the Directors shall not be deemed to abridge or restrict the general powers hereby given.

The Directors may exercise all the powers of the Company to borrow money and subject (in the case of any security convertible into shares) to Section 551 of the Act to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, 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.

(k) Change of Control

There is nothing contained in the Articles which would have an effect of delaying, deferring or preventing a change in control of the Company.

(l) Ownership Threshold

There is nothing contained in the Articles which governs the ownership threshold above which member ownership must be disclosed.

For the purposes of this paragraph 6, 'Statutes' means the Act, the Uncertificated Securities Regulations 2001 (as amended from time to time) and every statute or subordinate legislation for the time being in force concerning companies and affecting the Company.

7. ADDITIONAL INFORMATION ON THE DIRECTORS

7.1 The Directors have no 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 taken as a whole and which was effected by the Company during the current financial year, or since incorporation, and which remains in any respect outstanding or unperformed.

7.2 Mr Daniels is beneficially interested as a vendor of NCC shares under the Acquisition Agreement, save in that respect Mr Daniels has no 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 taken as a whole and which was effected by the Company during the current financial year, or since incorporation, and which remains in any respect outstanding or unperformed.

7.3 The Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Document in addition to their directorships of the Company:

Director	*Current directorships and partnerships*	*Previous directorships and partnerships*
Michael Johnson	-	Raven Resources plc Exploration Minerals Limited
Martyn Churchouse	-	Georgian Mining Corporation Limited

Director	*Current directorships and partnerships*	*Previous directorships and partnerships*
Andrew Daniels	New Cyprus Copper P.A. Ltd P.M. Ploutonic Metals Ltd. P.R. Ploutonic Resources Ltd. Treasure Development Ltd. Minexia Canada Ltd. Resource Intelligence Inc. T.R. Troulli Mining Ltd	New Cyprus Copper Company Limited

7.4 None of the Directors has:

a) any convictions in relation to fraudulent offences within the previous five years prior to the date of this Document;

b) been declared bankrupt or has been a director of a company or been a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years prior to the date of this Document which has entered into any bankruptcy, receivership or liquidation proceedings;

c) been the subject of any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) within the previous five years prior to the date of this Document;

d) been disqualified by a court from acting as a director of any company or as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conduct of the affairs of a company within the previous five years prior to the date of this Document;

e) any family relationship with any of the other Directors;

f) had any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by or to the Company, or any such interest in any contract or arrangement subsisting at the date of this Document and which is significant to the business of the Company; and

g) any conflict of interest in performing his duties as director of the Company, save that neither the Chairman nor Mr Daniels is required to commit their full time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments.

7.5 Save as disclosed in paragraph 7 of Part II and in paragraph 6(j)(iv) of this Part VI, there are no conflicts of interest between any duties to the Company of the Directors and their private interests and or other duties.

8. DIRECTORS' TERMS OF APPOINTMENT

Save as referred to in this Document, there are no service agreement or letters of appointment, existing or proposed between any Director and the Company that have been entered into or varied within six months prior to the date of this Document. There are no existing or proposed service agreements or letters of appointment between the Company and any of the Directors which do not expire or are not determinable by the Company without payment of compensation within 12 months immediately preceding the date of this Document.

8.1 Professor Johnson was appointed as a director of the Company on 1st November 2017 holding the position of non-Executive Chairman. Pursuant to the terms of a letter of appointment dated 17 October 2020 either party may terminate the appointment upon three months' written notice. Professor Johnson's appointment is subject to the Company's Articles and the usual rules on the rotation of Directors. His removal, cessation or retirement in accordance with the constitution of the Company will not give him any right to compensation or damages and no fee will be payable to him for any period after such removal, cessation or retirement. Professor Johnson will not receive any Director's fees or salary.

8.2 Martyn Churchouse was appointed as a Chief Executive Officer of the Company on 1st December 2017. Pursuant to the terms of a service contract dated 19 October 2020 either party may terminate the appointment upon six months' written notice. Mr Churchouse's appointment is subject to the Company's Articles and the usual rules on the rotation of directors. His removal, cessation or retirement in accordance with the constitution of the Company will not give him any right to compensation or damages and no fee will be payable to him for any period after such removal, cessation or retirement. Mr Churchouse will paid an annual salary of £75,000 per annum.

8.3 Andrew Daniels was appointed as a non-Executive Director of the Company on 13 November 2020. Pursuant to the terms of a letter of appointment dated 19 October 2020, the appointment will continue for a minimum period of two years. Mr Daniels can resign upon three months' written notice, the Company can terminate with immediate effect in certain customary situations. Mr Daniels' appointment is subject to the Company's Articles and the usual rules on the rotation of Directors. Mr Daniels will not receive any Director's fees.

8.4 Andrew Daniels will be re-appointed as a director of NCC from Admission. Pursuant to the terms of a service agreement dated 22 October 2020, the appointment will continue for a period of two years, and thereafter until terminated by either party giving not less than three months prior written notice. Mr Daniels will be entitled to receive professional fees of Euros 85,000 per annum.

8.5 Remuneration of £60,200 and £35,000 has been paid to the Directors in the years to 30 November 2018 and 30 November 2019 respectively. As previously noted, the Mr Daniels is beneficially interested as a seller in the Acquisition Agreement and, if issued, 1,056,600 Deferred Consideration Shares.

8.6 The amounts payable to the Directors by the Company under the arrangements in force from Admission as at 31 May 2020 is £73,843.

9. EMPLOYEES

As at the date of this Document, in addition to the Directors, the Company has no employees.

10. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the two years immediately preceding the date of this Document and are, or may be material:

10.1 *Novum Warrant Instrument*

On 4 March 2021 and in connection with the Novum Engagement Letter detailed at paragraph 10.2 below, the Company executed a warrant instrument creating the Novum Warrants. The warrants entitle Novum to subscribe for new Ordinary Shares at an exercise price of 12.5p. The warrants are capable of being exercised for a period of two years from the date they were granted.

10.2 *Novum Engagement Letter*

On 2 October 2020, the Company engaged Novum as its broker and placing agent in connection with Admission. In consideration of Novum's services as broker, the Company agreed to pay:

a) A broker flotation fee of £25,000, payable in Ordinary Shares at the placing price. In the event the Company raises at least £1.125 million, Novum will sign a 12 month orderly market agreement.

b) An annual broking retainer of £25,000 plus VAT, payable annually in advice, to be deducted from the placing proceeds or payable in new Ordinary Shares as part of the placing, at the Company's discretion.

c) Novum is targeting a minimum fund raise of £1.125 million with at least £550,000 from existing Novum clients at 6% commission, with the balance calculated at a rate of 10% of the gross aggregate value of the funds raised from investors introduced by Novum.

d) Warrants are to be granted to Novum giving Novum the right to acquire shares equivalent to 20% of the gross aggregate value of funds raised by Novum at a 25% premium to the placing price.

e) A sales commission of 5% of the gross aggregate value of any funds raised by the Company pursuant to the exercise of any placing warrants issued under the Novum engagement letter by investors introduced by Novum.

f) Novum's legal fees in connection with the placing up to £5,000.

The agreement commenced on the date of signing the engagement letter and can be terminated by either party on not less than three months prior written notice, which can only be given by the Company after 9 months following Admission.

10.3 *July 2019 Investors Warrant Instrument*

On 29th July 2019, the Company executed a warrant instrument creating the July 2019 Investors' Warrants. The warrants entitle the July 2019 Investors to subscribe for new Ordinary Shares at an exercise price of 5p. The warrants are capable of being exercised for a period of two years from Admission.

10.4 *Lock-In Agreements*

The Locked-In Shareholders have each entered into a lock-in agreement with the Company pursuant to which they have undertaken to the Company that, subject to Admission, they shall not, except in certain specified circumstances, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held at Admission prior to the first anniversary of Admission (being the initial lock-in period). The Lock-In Agreements also contain orderly market provisions which apply for a further 12 month period after the expiry of the initial lock-in period.

10.5 *Placing Agreement*

The Company and the Directors have entered into a placing agreement with Novum dated 4 March 2021, pursuant to which Novum has been appointed as agents of the Company for the purpose of managing the Placing. Novum has agreed to use reasonable endeavours to procure Placees to subscribe for Placing Shares at the Placing Price. Pursuant to the Placing Agreement, the Company and the Directors have given certain warranties and indemnities to Novum regarding, inter alia, the accuracy of the information in this Document.

The Placing Agreement is conditional upon Admission occuring not later than 19 March 2021 or such later date as the Company and Novum may agree, but in any even not later than 31 March 2021.

Under the Placing Agreement, the Company has agreed to pay Novum placing commissions, together with all costs and expenses and VAT thereon, where appropriate.

10.6 *Subscription Letters*

Pursuant to the Subscription Letters, each Subscriber has agreed to subscribe for the number of Subscription Shares set out in the relevant Subscription Letter at the Placing Price. The obligations to subscribe are irrevocable and conditional only upon Admission becoming effective.

10.7 *Founder Warrant Instrument*

On 25 January 2018, the Company constituted up to 4,200,000 Founder Warrants on the terms of a deed under which the Company issued 4,200,000 Founder Warrants to the Founders. Each Founder Warrant entitles the holder to subscribe for one Ordinary Share at the exercise price of 5p per share. The Founder Warrants are exercisable at any time from the date of Admission until the third anniversary of Admission. The Founder Warrants are exercisable into Ordinary Shares equal to approximately 4.17 per cent. of the Enlarged Share Capital. The Founder Warrants are unlisted, fully transferable and are exercisable in whole or in part. The terms and conditions of the Founder Warrant Instrument were amended by a board resolution dated 16 February 2019, subject to signed consent notices from each of the Founders, such signed consent notices having been received at the date of this Document, to the effect that 2,100,000 Founder Warrants were constituted from the Founder Warrant Instrument in place of the original number of 4,200,000 Founder Warrants.

10.8 *Seed Investor Warrant Instrument*

On 25 January 2018, the Company constituted up to 3,300,000 Seed Investor Warrants on the terms of a deed under which the Company issued 3,300,000 Seed Investor Warrants to the Seed Investors. Each Seed Investor Warrant entitles the holder to subscribe for one Ordinary Share at the exercise price of 5p per share. The Seed Investor Warrants are exercisable at any time from the date of Admission until the second anniversary of Admission. The Seed Investor Warrants are exercisable into Ordinary Shares equal to approximately 6.55 per cent. of the Enlarged Share Capital. The Seed Investor Warrants are unlisted, fully transferable and are exercisable in whole or in part. 1,000,000 of the Seed Investor Warrants were cancelled on 8 June 2020.

10.9 *Deed of Cancellation*

On 6 June 2020, a deed of cancellation was entered into between the Company and Wentworth Limited, pursuant to which it was agreed between the parties to cancel 2,333,332 warrants that had been issued to Wentworth Limited. As agreed with Wentworth Limited, no compensation was sought, paid or appropriate.

10.10 *Acquisition Agreement*

Pursuant to a Share Purchase Agreement dated 23rd July 2020, and completed 13 November 2020, between Guricon Corporate and Trustee Services Limited, O.V. & S. Secretarial Limited and Dominic Majendie (1), the Company (2) and NCC (3), the Company agreed to acquire the entire issued share capital of NCC for consideration of £1,000,000 satisfied by a cash payment of £150,000 payable by 30 September 2020, and the issue, at completion, credited as fully paid, of the Consideration Shares (being 8,500,000 ordinary shares of 1p each in the capital of the Company).

Completion of the sale and purchase was conditional: on no material adverse change having occurred since in the business, operations, assets, liabilities, financial or trading position or prospects of NCC or the Company; the Company having phased and accumulated funding available for an agreed and budgeted work programme for the period to 31 October 2020 totalling €200,000 (to be made available to NCC as reasonably requested); any third party, regulatory or tax consents or approvals necessary or desirable for the sale and purchase received by the Company remaining in full force and effect; and no government or other person having commenced or threatened any proceedings or investigation with the purpose of prohibiting or challenging the sale and purchase, having taken or threatened any action resulting from or in anticipation of the sale and purchase that would be materially inconsistent with any of the warranties or having enacted or proposed any legislation which would prohibit, materially restrict or materially delay the implementation of the sale and purchase, and such conditions being satisfied, or waived, before 6pm on 30 September 2020. The Consideration Shares rank *pari passu* with the existing ordinary shares of the Company.

The Acquisition Agreement provides for further consideration to be satisfied by the issue of the Deferred Consideration Shares to the value of £200,000 on a 30-day volume weighted average price for the 30 trading days prior to the Deferred Consideration Shares becoming due and issuable. The Deferred Consideration Shares become due and issuable upon the publication of a JORC–complaint resource of not less than 2Mt (million tonnes) at a minimum grade of 1% copper equivalent.

The Acquisition Agreement contains warranties in respect of various matters including, inter alia, capacity, solvency, the sale shares, accounting matters, the licences, environmental matters and tax which are subject to limitations as to time (6 years from completion in respect of tax warranties and 24 months for other warranties) and amount (the amount of the consideration) and indemnities on behalf of the Vendors and warranties by the Company relating to, inter alia, due incorporation, capacity, solvency and the Consideration Shares.

The Acquisition Agreement includes a right of the Vendors to appoint a non-Executive Director to the board of the Company for a period of two years. This right shall be waived by the Vendors if NCC is acquired or merges with another company in a reverse takeover, but the Vendors will retain the right to appoint a director to the board of the subsidiary, Treasure Developments Limited.

Each of the Vendors has undertaken that he will not, save in limited circumstances, dispose of any interests in the Consideration Shares until the first anniversary of Admission, and given an orderly market undertaking for the following twelve months.

11. RELATED PARTY TRANSACTIONS

Save for the issue of share capital and warrants to the Directors as disclosed in paragraph 5 of Part VI of this Document (and, insofar as the Mr Daniels is interested in it, the Acquisition) and remuneration paid to Directors, the Company has not been a party to any related party transactions.

12. LITIGATION

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Company and/or the Group's financial position or profitability.

13. WORKING CAPITAL

The Company is of the opinion, that taking into account the Net Proceeds, the working capital available to the Group is sufficient for its present requirements, that is for at least 12 months from the date of this Document.

14. SIGNIFICANT CHANGES

14.1 Save as disclosed in paragraph 14.2 of this Part VI below, there has been no significant change in the financial performance or financial position of the Group since 31 May 2020, being the date to which the latest unaudited financial information of the Group, as set out in Section E and F of Part IV of this Document, has been published.

14.2 On 13 November 2020, the Company entered into the Acquisition Agreement under which the Company acquired the entire issued share capital of NCC for £1,000,000, satisfied by the payment of £150,000 in cash and the issue of the Consideration Shares. The Company has also issued 10,000,000 Ordinary Shares in aggregate to EV Metals Group plc at a price of £0.10 per share. The Company has paid expenses in connection with the Placing, the Subscription and Admission amounting to approximately £327,000. The Company intends to issue

21,000,000 Placing Shares and 1,500,000 Subscription Shares on Admission raising net proceeds of approximately £1,923,000.

15. CONSENTS

15.1 Novum has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which they appear.

15.2 PKF Littlejohn LLP of 15 Westferry Circus, Canary Wharf, London E14 4HD have been appointed as the auditors of the Company and has given and not withdrawn its written consent to the inclusion, in this Document, of its accountants' report on the historical financial information of the Company and NCC and its accountants' report on the unaudited pro forma statement of net assets of the Group set out in Parts IV (A), (C) and (H) respectively of this Document in the form and context in which they are included and has authorised the contents of these reports for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules. In addition, PKF Littlejohn LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which they appear.

15.3 Rocklore Exploration Services Limited (in its capacity as competent person) of Ilex Cottage, The Street, West Clandon, Guildford GU4 7TJ has given and not withdrawn its written consent to the inclusion in this Document of the Competent Person's Report it has produced, and has authorised the contents of such parts of this Document as comprise the Competent Person's Report it has produced for the purposes of Rule 5.3.2R(2)(f) of the Prospectus Regulation Rules.

16. TAKEOVER CODE, MANDATORY BIDS, SQUEEZE-OUT AND SELL-OUT RULES RELATING TO ORDINARY SHARES

16.1 The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

a) a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

b) a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company, acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquiror or its concert parties during the previous 12 months.

16.2 Compulsory acquisition rules

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on holder of shares notifying them of their sell-out rights. If a holder of shares exercises his rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

17. GENERAL

17.1 The gross proceeds of the Placing and the Subscription are £2,250,000. The total costs and expenses relating to the Placing, the Subscription and Admission are payable by the Company and are estimated to amount to approximately £327,000. Therefore the Net Proceeds are expected to be approximately £1,923,000.

17.2 No commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this Document relates or of his procuring or agreeing to procure placings for such securities.

17.3 No payment (including commissions) or other benefit has been or is to be paid or given to any promoter of the Company.

17.4 Temporary documents of title will not be issued in connection with the Placing Shares or the Subscription Shares. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the register of members of the Company.

17.5 The Directors are unaware of any exceptional factors that have influenced the Company's activities.

17.6 The Directors are not aware of any patents, licences or other intellectual property rights, industrial, commercial or financial contracts or new manufacturing processes which are or may be of material importance to the business or profitability of the Company.

17.7 Save as disclosed in relation to the Placing, the Subscription and Admission, the Company does not hold any capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

17.8 The Directors are not aware of:

a) any significant trends that impacted upon the Company during the period commencing on incorporation and ending on the date of this Document; or

b) any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for the current financial year.

17.9 As at the date of this Document, the Company has no existing or planned tangible fixed assets.

17.10 The Placing and the Subscription will result in the Ordinary Shares held by existing shareholders being diluted from 100 per cent. so as to constitute approximately 55.36 per cent. of the Enlarged Share Capital.

17.11 There have been no public takeover bids by third parties in respect of the Ordinary Shares during the period from incorporation to the date of this Document.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company from the date of this Document up to the expiry of one month after Admission:

18.1 the Articles;

18.2 the accountants' report and related historical financial information on the Company contained in Parts IV (A) and IV (B) of this Document;

18.3 the accountants' report and related historical financial information on NCC contained in Parts IV (C) and IV (D) of this Document;

18.4 the unaudited pro forma statement of net assets and income statement of the Group and accountants' report on the unaudited pro forma statement of net assets and income statement of the Group contained in Parts IV (G) and IV (H) of this Document;

18.5 the letters of appointment and service contracts of the Directors referred to in paragraph 8 of Part VI of this Document;

18.6 the material contracts referred to in paragraph 10 of Part VI of this Document;

18.7 the letters of consent referred to in paragraph 15 of this Part VI of this Document; and

18.8 this Document.

In addition, this Document will be published in electronic form and be available and free to download from the Company's website from Admission: www.caerusmineralresources.com.

PART VII

NOTICE TO INVESTORS

The distribution of this Document may be restricted by law in certain jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Document or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA and of the Prospectus Regulation. No arrangement has however been made with the competent authority in any other EEA state (or any other jurisdiction) for the use of this Document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Document may be prohibited in countries other than those in relation to which notices are given below. This Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

For the Attention of EEA investors

Pursuant to Prospectus Regulation, an offer to the public of Ordinary Shares may only be made once the prospectus has been passported in an EEA Member State in accordance with the Prospectus Regulation. For any other EEA Member State, an offer to the public in that EEA Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that EEA Member State:

a) to any legal entity which is a Qualified Investor, within the meaning of Article 2(e) of the Prospectus Regulation;
b) to fewer than 150 natural or legal persons (other than Qualified Investors, within the meaning of Article 2(e) of the Prospectus Regulation) in such EEA Member State subject to obtaining prior consent of the Company for any such offer; or
c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed with Novum and the Company that it is a "Qualified Investor" within the meaning of Article 2(e) of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer to the public" in relation to any offer of Ordinary Shares in any EEA Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, and the expression "Prospectus Regulation means Regulation (EU) 2017/1129.

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 about and observe any such restrictions.

For the Attention of UK investors

This Document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

DEFINITIONS

The following definitions apply throughout this Document, unless the context requires otherwise.

"£" or "sterling"	UK pound sterling, the lawful currency of the UK;
"Acquisition"	the acquisition of the entire issued share capital of NCC pursuant to the Acquisition Agreement;
"Acquisition Agreement"	the agreement summarised in paragraph 10.10 of Part VI of this Document;
"Act"	the Companies Act 2006;
"Admission"	the admission of the Ordinary Shares to the Official List, by way of a Standard Listing, and to trading on the Main Market becoming effective;
"Articles"	the articles of association of the Company further details of which are set out in Part VI of this Document;
"ASX"	the Australian Securities Exchange;
"Audit Committee"	the audit committee of the Company;
"Black Pine Project"	the project of that name, further details of which are set out at Part I and Part III of this Document;
"BMG"	BMG Resources Limited, a company incorporated in Australia with ACN 107 118 678 and listed on the ASX (ASX: BMG);
"Board" or "Directors"	the Directors of the Company as at the date of this Document where names are set out at page 33 of this Document;
"Broker" or "Novum"	Novum Securities Limited, a company incorporated in England and Wales under company number 05879560 and authorised and regulated by the FCA and, at the date of this Document, the Company's broker;
"certificated" or "in certificated form"	an Ordinary Share which is not in uncertificated form;
"Change of Control"	the acquisition of Control of the Company by any person or party (or any group of persons or parties who are acting in concert);
"Company" or "Caerus"	Caerus Mineral Resources plc, a company incorporated in England and Wales with company number 11043077;
"Competent Person's Report" or "CPR"	the report of Rocklore Exploration Services Limited which is reproduced in full in Part III of this Document;
"Completion"	completion of the Placing, the Subscription and Admission;
"Consideration Shares"	the 8,500,000 new Ordinary Shares issued, credited or fully paid, pursuant to the Acquisition Agreement;
"Control"	an interest, or interests, in Ordinary Shares carrying in aggregate 30 per cent. or more of the Voting Rights of a company, irrespective of whether such interest or interests give *de facto* control;
"Corporate Governance Code"	the UK corporate governance code published by the Financial Reporting Council and as amended from time to time;

"CREST"	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended by the Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009 (SI 2009/1889);
"Cyprus"	The Republic of Cyprus;
"Deferred Consideration Shares"	the 2,000,000 new Ordinary Shares which may be issued credited as fully paid by way of deferred consideration pursuant to the Acquisition Agreement;
"Directors"	the directors of the Company from time to time;
"Disclosure Guidance and Transparency Rules" or "DTRs"	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time;
"Document"	this prospectus issued by the Company in connection with Admission;
"EEA"	the European Economic Area;
"Enlarged Group"	the Company, NCC and TDL;
"Enlarged Share Capital"	the 50,400,000 issued Ordinary Shares upon Admission, comprising the Existing Ordinary Shares, the Placing Shares and the Subscription Shares;
"EU"	the European Union;
"Euroclear"	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales;
"EUWA"	European Union (Withdrawal Agreement) Act 2020;
"EV Metals"	EV Metals Group PLC, a company incorporated in England and Wales with company number 09145944 and registered as a foreign company in Australia with ARBN 629 730 909 whose registered office is at Salisbury House, London Wall, London EC2M 5PS, United Kingdom and principal office is at Level 9, 256 Adelaide Terrace, Perth, Western Australia 6000;
"Exchange Act"	the US Securities Exchange Act of 1934, as amended;
"Existing Ordinary Shares"	the 27,900,000 Ordinary Shares in issue immediately prior to Admission;
"FCA"	the UK Financial Conduct Authority;
"Founders"	Michael Johnson, Martyn Churchouse, Dominic Traynor and Christopher Eadie;
"Founder Warrants"	the 2,100,000 warrants to subscribe for new Ordinary Shares at the exercise price of 5p per share from the date of Admission until the third anniversary of Admission, created pursuant to the Founder Warrant Instrument;
"Founder Warrant Instrument"	a warrant deed dated 25 January 2018 setting out the terms of the Founder Warrants, details of which are set out in paragraph 10.7 of Part VI of this Document, as amended by a board resolution dated 16 February, 2019 and signed consent notices from each of the Founders to reduce the number of Founder Warrants constituted by the Founder Warrant Instrument from 4,200,000 to 2,100,000;
"FSMA"	the Financial Services and Markets Act 2000 (as amended);
"FTSE"	Financial Times Stock Exchange;

"Group"	the Company and its subsidiaries from time to time;
"HMRC"	Her Majesty's Revenue and Customs;
"IFRS"	International Financial Reporting Standards as adopted by the EU;
"ISIN"	International Securities Identification Number;
"July 2019 Investors"	investors who subscribed for 1,000,000 Ordinary Shares on or around 29 July 2019 at 5p per share;
"July 2019 Investors' Warrant Instrument"	a warrant instrument constituting the July 2019 Investors' Warrants;
"July 2019 Investors' Warrants"	the 1,000,000 warrants to subscribe for new Ordinary Shares at the exercise price of 5p per share from the date of Admission until the second anniversary of Admission, created pursuant to the July 2019 Investors' Warrant Instrument;
"Kalavasos Project"	the project of that name, further details of which are set out at Part I and Part III of this Document;
"Listing Rules"	the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time;
"Lock-In Agreements"	the lock-in agreements executed by the Locked-in Shareholders, particulars of which are set out in paragraph 10.4 of Part VI of this Document;
"Locked-In Shareholders"	Michael Johnson and Martyn Churchouse (being both Founders and Directors), Helen Johnson, EV Metals Group plc and the Vendors;
"London Stock Exchange" or "LSE"	London Stock Exchange plc;
"Main Market"	LSE's main market for listed securities;
"Market Abuse Regulation"	Regulation EU 596/2014 of the European Parliament and the Council of the European Union on market abuse;
"Mathiatis Project"	the project of that name, further details of which are set out at Part I and Part III of this Document;
"Member States"	Member States of the European Union (EU);
"Mineral Resource"	any concentration or occurrence of material of intrinsic economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction;
"Mines Service"	the Mines Service of Cyprus;
"Net Proceeds"	The funds received in relation to the Placing and the Subscription less Transaction Costs;
"NCC"	New Cyprus Copper P.A. Ltd, a company incorporated in Cyprus with registered number HE346027;
"NCC Portfolio"	the portfolio of assets, licences and projects owned and operated by NCC;
"Official List"	the Official List of the FCA;

"Ordinary Shares" or "Shares"	fully paid ordinary shares of £0.01 each in the capital of the Company from time to time;
"Ordinary Share Capital"	the issued ordinary share capital of the Company as at the date of this Document;
"Overseas Shareholder"	a Shareholder in a territory other than the UK;
"Placees"	the subscribers to the Placing;
"Placing"	the conditional Placing of the Placing Shares by the Placees pursuant to the terms of the Placing Agreement;
"Placing Agreement"	the conditional placing agreement dated 4 March 2021 between (1) Novum; (2) the Company; and (3) the Directors, further details of which are set out at paragraph 10.5 of Part VI of this Document;
"Placing Letter"	the letters from potential investors dated on or around 8 February 2021 making irrevocable conditional applications for the Placing Shares;
"Placing Price"	10p per Placing Share;
"Placing Shares"	21,000,000 Ordinary Shares to be issued at the Placing Price by the Company pursuant to the Placing;
"Premium Listing"	a Premium Listing in accordance with Chapter 6 of the Listing Rules;
"Proposed Work Programme"	the proposed work programme of the Company relating to the licences further details of which are set out in paragraph 4 of Part I of this Document;
"Prospecting Permit"	a permit which allows all typical exploration work, including surface sampling, geophysics and drilling, subject to approval of specific programmes granted by the Mines Service.
"Prospecting Permit Applications"	four applications for Prospecting Permits made by Ploutonic Metals Limited, a company associated with Mr Andrew Daniels, further details of which are set out in Table 1 of Part III of this Document;
"Prospectus"	a prospectus required under the Prospectus Regulation and prepared in accordance with the Prospectus Regulation Rules;
"Prospectus Regulation"	Regulation (EU) 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC;
"Prospectus Regulation Rules"	the prospectus regulation rules made by the FCA pursuant to section 73A of the FSMA, as amended from time to time;
"PR Regulation"	the UK version of Regulation number 2019/980 of the European Commission, which is part of UK law by virtue of the EUWA;
"QCA"	the Quoted Companies Alliance;
"QCA Code"	the QCA Corporate Governance Code published by the QCA;
"Registrars" or "Share Registrars"	Share Registrars Limited of The Courtyard, 17 West Street, Farnham, Surrey, GU9 7DR;
"Remuneration Committee"	the remuneration committee of the Company;
"Reverse Takeover"	a transaction defined as a reverse takeover in Listing Rule 5.6.4;

"Securities Act"	the US Securities Act of 1933, as amended;
"Seed Investors"	the holders of 3,300,000 Ordinary Shares issued at a price of 5p per share in January and September 2018;
"Seed Investor Warrants"	the 3,300,000 warrants to subscribe for new Ordinary Shares at the exercise price of 5p per share from the date of Admission until the second anniversary of Admission, created pursuant to the Seed Investor Warrant Instrument;
"Seed Investor Warrant Instrument"	a warrant deed dated 25 January 2018 setting out the terms of the Seed Investor Warrants, details of which are set out in paragraph 10.8 of Part VI of this Document;
"Shareholder"	holders of Ordinary Shares;
"Special Resolution"	a special resolution within the meaning of the Act;
"Standard Listing"	a Standard Listing in accordance with Chapter 14 of the Listing Rules;
"Subscribers"	the subscribers who entered into Subscription Letters for the Subscription;
"Subscription"	the conditional subscription of 1,500,000 new Ordinary Shares at the Placing Price pursuant to the Subscription Letters;
"Subscription Letter"	the subscription letters between the Company and the Subscribers set out in paragraph 10.6 of Part VI of this Document;
"Subscription Shares"	1,500,000 Ordinary Shares to be issued at the Placing Price by the Company pursuant to the Subscription;
"Wentworth Limited"	Wentworth Limited, a company incorporated in Jersey and whose registered office is Surville, Rutette Pinel, St Helier, Jersey JE2 3HF;
"subsidiary"	shall be construed in accordance with the definition of that term in Section 1157 of the Act;
"TDL"	Treasure Development Limited, a company incorporated in Cyprus with registered number C144115;
"Takeover Code"	the UK City Code on Takeovers and Mergers;
"TIDM"	Tradable Instrument Display Mnemonic;
"Transaction Costs"	approximately £327,000, being the costs incurred by the Company as a result of the Acquisition, the Placing, the Subscription and Admission;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"uncertificated" or "in uncertificated form"	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"US" or "United States"	the United States of America, each state thereof, its territories and possessions and the District of Columbia and all other areas subject to its jurisdiction;
"VAT"	UK value added tax;
"Vendors"	Guricon Corporate and Trustee Services Limited, O.V. & S. Secretarial Limited and Dominic Majendie;

"Voting Rights"	all the voting rights attributable to the capital of the Company which are currently exercisable at a general meeting;
"Vrechia Project"	the project of that name, further details of which are set out at Part I and Part III of this Document; and
"Warrants"	the Founder Warrants, the Seed Investor Warrants, the July 2019 Investors' Warrants and the Novum Warrants.

All monetary figures included in this Document are in sterling unless shown to the contrary.

Any reference to any statute, statutory provision or to any order or regulation shall be construed as a reference to that statute, provision, order or regulation as extended, modified, amended, replaced or re-enacted from time to time (whether before or after the date of this Document) and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

In this Document any reference to any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an "**EU Matter**") which forms part of domestic law by application of the European Union (Withdrawal) Act 2018 shall be read as reference to that EU Matter as it forms (by virtue of the European Union (Withdrawal) Act 2018) part of domestic law and as modified by domestic law from time to time. For the purposes of this paragraph, (i) '**domestic law**' shall have the meaning given in the European Union (Withdrawal) Act 2018; and (ii) any other words and expressions shall, unless the context otherwise provides, have the meanings given in the European Union (Withdrawal) Act 2018.