FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

TUNGSTEN WEST PLC

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Tungsten West Plc

("Tungsten West", the "Company" or the "Group")

Final Results for the year ended 31 March 2023 and Availability of Annual Report

Tungsten West (LON:TUN), the mining company focused on restarting production at the Hemerdon tungsten and tin mine ("Hemerdon" or the "Project") in Devon, UK, is pleased to announce its audited results for the year ended 31 March 2023.

Highlights for the Period

- Updated JORC compliant Ore Reserve Estimate to 101.2 million tonnes ("Mt"), making the Hemerdon deposit the second largest reported Committee for Mineral Reserves International Reporting Standards ("CRIRSCO") standard tungsten reserve globally
- An updated Feasibility Study highlighted strong project economics, including:
  - Average annual production of 2,900 tonnes of WO_3 in concentrate and 310 tonnes of Tin ("Sn") in concentrate
  - Life of Mine ("LOM") of 27 years and an annual average steady-state mining rate of 3.5 Mt per annum
    - The LOM model assumes stockpiling lower grade killas ore for processing from Year 17 onwards, significantly extending the mine life
- Key permits, including the Mining Waste Facility ("MWF") and Open Pit Water Abstraction Licence, granted by the Environment Agency
- Following the draw down of the Tranche A and Tranche B convertible loan notes, £6.95 million in total, there is not any current commitment from existing or new noteholders to purchase any Tranche C notes. If the Group fails to find purchasers for the Tranche C notes, then, in the absence of other new sources of finance, it would no longer be able to meet its liabilities as they fall due in November 2023
  - The Board continues to implement a cost reduction programme, is proactively engaging with loan note holders and is reviewing other sources of funding to address the short-term liquidity needs of the business

Post Period Highlights

- Production of legacy tungsten pre-concentrate and tin concentrate totalling 50 tonnes

- The Company entered into a strategic collaboration with the fusion energy company, Oxford Sigma
- Following the completion of Low Frequency Noise ("LFN") Trials, the Company made a formal submission to the Environment Agency to secure the Mineral Processing Facility ("MPF") permit
- The Company submitted a section 73 (variation of a condition of existing permission) application to vary the tonnage cap on truck movements from site
- Strengthening of the Board with new Non-Executive Directors

Copies of the Company's full Annual Report and Financial Statements for the financial year to 31 March 2023 will be made available to download from the Company's website at www.tungstenwest.com and will shortly be posted to shareholders.

Ends

For further information, please contact:

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Chairman's Statement

Overview of FY2023

I am pleased to report on the Group's audited results for the year ended 31 March 2023. The financial year began with the Board implementing a pause to the project so that the management team could evaluate alternative approaches to restarting mining operations, as the Group faced material inflationary pressures and uncertainty over costs. Despite this being a difficult decision, the Group prevented an unsustainable level of capital commitments and exposure to potentially unviable high operating costs.

In July 2022, development was restarted with the Group committing to detailed engineering design and re-commencing construction based on a new development plan (the "Plan"). The Group invited its preferred funding partner to independently scrutinise and review the new plan which culminated in a non-binding term sheet that would fully fund the restart.

Due to the changes required under the new Plan, the Group's funding partner requested an update to the Feasibility Study of March 2021. Within six months, the Group released the summary of results from its updated Feasibility Study ("2022 FS update"). The quality of work produced in the 2022 update is a reflection of the dedication and efforts by all employees involved for what was effectively a full re-run of the 2021 Feasibility Study, including a review of the re-engineering process and upgrade of the flowsheet which has significantly reduced the Capex and Opex of the project. This was a significant task and has demonstrated a robust and economically viable case for the mine.

Some of the key highlights from the 2022 FS update were:

- A post-tax Net Present Value ("NPV")$_{5\%}$ of £297 million (base case) with an Internal Rate of Return ("IRR") of 25%
- An Upside case post-tax NPV$_{(5\%)}$ of £415 million with an IRR of 32%
- Life of Mine ("LOM") of 27 years and an annual average steady-state mining rate of 3.5 million tonnes ("Mt") per annum

As outlined in the Company's announcement of 19 December 2022, we were also able to report an update to the 2021 Hemerdon deposit Mineral Resource Estimate ("MRE") due to changes in costs and processing assumptions, affecting the breakeven cut-off grade. The Group reported a 60% increase in ore tonnage and 10% increase in contained metal from previous 2021 Ore, taking the Hemerdon Ore Reserve to 101.2Mt. As a result the Hemerdon deposit is estimated to be the second largest reported CRIRSCO standard tungsten reserve globally. The lift in both the Ore Reserve and Mineral Resource could only be achieved from the work that has been undertaken this year as part of our work on updating the Feasibility Study, cost saving initiatives and operating efficiencies across the business.

Throughout the year, the Group continued to engage with their long-lead capital equipment suppliers, which included placing an order for the new semi-mobile primary and secondary crushing circuit which is being supplied by MO Group (Metso-Outotec of Finland). The seven ore sorters required for the plant upgrade have been delivered to the Hemerdon Mine. The construction of new screens and vibrating feeders provided by Vibramech was completed and these have been delivered to the Hemerdon Mine.

Inside our Mineral Processing Facility ("MPF"), a number of enhancements and upgrades have been taking place, designed to increase efficiency, reduce future downtime and reduce future maintenance, all of which were key factors that caused the previous operator to incur significant downtime. This enabled the refinery and magnetic separation end of the plant to be commissioned in April 2023 and produce approximately 50 tonnes of tin and tungsten concentrate from materials left by the previous operator.

Sales of aggregates continued until October 2022 when the Group ceased its production of aggregates from barren material left by the previous operator. The primary goal was to always demonstrate the ability to establish a market for the product, and aggregates production will recommence as the mineral processing ramp up completes.

Safety and health continued to be our number one priority on site and to help champion our safety and ESG principles, SHEQ (Safety, Health, Environmental and Quality) captains were appointed internally. Team members across all departments were invited to apply for these roles who felt that could utilise their intimate knowledge of their job roles in their respective departments. This was an important change for Tungsten West, as we moved towards embedding a culture of best practice across all departments, rather than having one central site 'S&H administration'.

Despite all the efforts during the year to ensure permitting and construction could run in parallel, it has now become apparent following investor and lender feedback that this is not the case due to potential design changes required to achieve permitting. The Group needs to secure the mineral processing facility permit in order to obtain the finance required to complete the plant rebuild and commence production. As a consequence, the Company undertook a strategic review, and, with the continued risk surrounding volatile energy prices and a more conservative lending approach, it announced a number of cost saving initiatives to ensure the project could continue.

To allow enough time to finalise the full project funding process, all non-core project construction activities ceased, with recommencement to begin when the exact design requirements necessary for obtaining the Mineral Processing Facility were clarified. A review of staffing requirements inevitably followed which led to redundancies post year-end. It is never easy to go through a redundancy process, especially given the high aspirations and goals of this Company, so I would like to thank all Tungsten West staff for their level of maturity and understanding during the process.

In June 2023, the Group raised £7.2 million of new funds from issuing convertible loan notes and open offer. An additional £2.0 million notes can be issued if required. These funds were drawn in order to finance the group through the process of obtaining the necessary permits. The cost reduction and cash conservation measures implemented by management triggered a number of defaults under the terms of the notes. A waiver is in place for these defaults until 31 January 2024. By 31 January 2024 the board plans to have obtained the necessary permits and as a result additional finance.

At the end of the financial year, the Company appointed a new CEO, Neil Gawthorpe, following the resignation of Max Denning in July 2022, and acting CEO Mark Thomson in March 2023. Max and Mark were co-founders of Tungsten West and the Board thanks them for their significant contribution during the Company's formative years. Nigel Widdowson, CFO, resigned from the Board in August 2023. Adrian Bougourd, Kevin Ross and Guy Edwards were appointed to the Board as Non-Executive Directors in September 2023.

The appointment of Neil brings operational and industry experience to the Senior Management and Director teams and will be an invaluable asset to the Company during this pivotal time.

Against the backdrop of the challenges the Hemerdon Mine has faced this year, a positive development has been the release of the first ever UK Critical Minerals Strategy. There is a real risk of the UK falling behind in the race to secure responsibly sourced critical minerals. It is promising to see that the UK Government is starting to recognise the risks of critical mineral supply chain shocks.

As a Board and Group, we feel that Hemerdon Mine has never been more important to the UK to secure and protect its critical mineral supply, and I am confident that Hemerdon Mine will soon be producing tungsten and tin, providing a world class supply of critical minerals, essential in both traditional applications and aiding the supply of future alternative clean energy sources.

David Cather

Chairman

CEO Report

I joined Tungsten West as CEO near the end of the financial year, but I have been involved with the Group throughout the reporting period as a consultant and advisor. I have enjoyed many years in the mining industry, both in operations and consulting, and I share the vision of our investors, employees and Government, that Hemerdon Mine can be a strategic asset for the UK whilst creating long-term value and delivering strong returns for shareholders.

Our project is exceptional to the UK in that we have the benefit of a pre-built world class processing plant, a pre-stripped mine and fully permitted Mine Waste Facility ("MWF"). We are on the cusp of bringing mining back to the South-West, however, there remain some critical milestones to be met, which all bring their own unique challenges.

Permitting

Permitting is always a significant risk for any mining project, and alongside funding risk, these are the biggest hurdles the Group must overcome.

During the year, the Company received its MWF permit, which outlines the permitting requirements for the commencement and ongoing monitoring of the waste activities at Hemerdon Mine.

At the time of writing, the Group is yet to obtain a draft MPF permit. In the Company's efforts to receive this, it is currently undertaking a series of research and development projects which will be carried out around the historical issues of the processing plant which caused low frequency noise. The Group is confident that the revised Plan has eliminated the issues as well as significantly mitigating the general noise impact of the project. The Group continues to liaise with the Environment Agency ("EA") on timescales required to complete this work.

Alongside the MWF permit, the Group also received its water abstraction Licences for the open pit, Loughter Mill and Tory Pond, meaning it now has four of the five EA permits required for restart.

As a precedent, Wolf Minerals held all necessary permits and licences to operate the site, therefore the Group are confident that they will resolve the historical issues with the EA and obtain the MPF permit.

Financing

Since we paused the project in July 2022, it was expected that we could operate on the basis that funding and permitting could run in parallel. However, lender feedback has proven this to not be the case. Even though the work conducted under the 2022 FS Update led to an overall improved project, the design changes required have impacted our ability to achieve permitting in the timeframe initially envisaged. As such, it is now necessary to prioritise the process of obtaining all necessary permits required for funding. The updated timeline is to obtain the necessary permits and close additional funding by December 2023.

The Board acknowledges and appreciates the support received from shareholders following the decision to prioritise permitting. The Group will remain actively engaged with financial and strategic partners to explore all available funding options. Once the permitting process is complete, the Board is confident in their ability to secure the optimal funding package for successfully executing the project.

Operational Updates

Construction

It was pleasing to see the early stages of the bulk earthworks and civil engineering that begun in January this year. Additional to this enabling work, the Group has also received deliveries of steel rebar and components for the conveyor systems.

Under the revised crushing strategy, the Group has ordered its new semi-mobile crushing equipment and taken delivery of the screens and ore sorters which are now secured and stored on site.

Running in parallel to the front-end rebuild has been the mineral processing facility enhancements and upgrades. A considerable amount of work has gone into ensuring the plant is in the best possible condition for when operations restart. A dedicated team of fabricators, electricians and engineers have done some exceptional work with key enhancements being the following:

Area	**Enhancements**
Chutes	Replacement of wear plates in conveyor chutes and installation of new rock box designs to cut down on wear.
Conveyors	Replacement belts and renewal of drums, bearings, and scrapers throughout the processing plant.
Pumps	Removal of previously installed pumps, inspection and test of the drive motors.
Area 130 - Tertiary Crushing Circuit	Extensive repair and redesign of the surge bin to increase longevity in high-wear areas and minimise future downtime.
Area 140 - Primary DMS	Inspection and re-refurbishment of the agitators.
Area 150 - Primary Mill	Refurbishment of the Primary Mill including electrical inspection and testing. Inspection of drive shaft alignment and lubrication systems to ensure they are fit for production.
Area 160 - Shaking Tables	Overhaul of all tables and redesign of the spray bar structures to eliminate points of failure due to excessive vibration.
Area 180 - Feeders	Redesign of both the 180 feeders to include side skirts and return rollers, new guarding manufactured and installed.
Area 200 - Refinery	Mechanical overhaul of both the pre dryer and tin dryer. The refinery was also commissioned as part of the work done to process the legacy tungsten pre-concentrate and tin concentrate, as announced in June 2023.
Area 390 - Raw water tank	Design manufacture and installation of an access door on the tank to allow for removal of silt build up. This will reduce future downtime for maintenance.
Area 390 - Process water tank	Sand blasting and application of a wear resistant paint will reduce future downtime and maintenance.

2022 Feasibility Update

In January 2023, the Group released a summary update on its 2021 Feasibility Study which strengthened Hemerdon's case as a robust and economically viable mine. The Feasibility Study highlighted the project's strong economics and positioned Tungsten West to become the largest tungsten producer in the Western World.

<u>Processing optimisation</u>

The revised plant design introduces two stages of Ore Sorting. This provides operational flexibility through significantly lowering the mass pull which reduces the capital and operating costs downstream. Furthermore, by lowering the mass pull it reduces the ratio of iron to tungsten leading to the elimination of the reduction kiln, significantly reducing diesel consumption and associated Opex.

A further advantage of the re-engineered flowsheet is to introduce a secondary crushed stockpile ahead of the ore sorters. This effectively de-couples the higher wear rate (and resultant maintenance) of the primary and secondary crushing circuits from the downstream MPF. This reduces the risk of metal losses created by circuit instability encountered during the Wolf operation.

<u>Mining operations</u>

The mine plan has been redesigned to reflect the reduced throughput planned for the MPF in the first two years of operations, and changes in primary crushing circuit. This means less waste is mined in the ramp-up period, preserving working capital.

Direct tipping at a newly sited ROM (Run of the mine) pad incorporating the introduction of new semi-mobile primary jaw and secondary cone crushers also reduces Capex and Opex.

Mineral Resources

Through the Company re-engineering the mining and processing operations, there were improvements in costs and processing assumptions which lead to a reduction to the breakeven cut-off grade. This meant that Tungsten West was able to report an update to the MRE. The new LOM production schedule has increased the LOM to approximately 27 years.

Aggregates

Sales of aggregates continued throughout the year until October 2022, with £118,000 revenue being recognised, providing the Group with an early and differing revenue stream. The Group ceased its production of aggregates from barren material after selling 102,000 tonnes of material, demonstrating the ability to establish a market for the product. Sale of aggregates reduces the amount of barren rock left on-site and supports Tungsten West in reducing our environmental footprint. Aggregates production will recommence as the mineral processing ramp up completes.

ESG

ESG principles are at the core of our operations, and we take pride in the creative and dedicated efforts of our project team and partners to address and resolve issues faced by previous operators.

In line with the Climate Change Act (2008) and the UK government's target of achieving net-zero carbon emissions by 2050, the Company recognises its moral obligation to align itself with this goal, and we are committed to taking proactive measures to reduce our carbon footprint. Additionally, as part of our commitment to international best practices, we have aligned ourselves with the UN Sustainable Development Goals ("SDGs"), specifically UN SDG 13, which emphasises the urgent need to combat climate change and its impacts. To address these goals, we have identified several action points, including the exploration of renewable energy sources. The Group has undertaken scoping studies to assess the feasibility of implementing both solar farms and wind turbines as potential sources of renewable energy. The collaboration with the fusion energy company, Oxford Sigma, announced post year-end emphasises tungsten's role as a critical material for the development of fusion energy, a clean alternative energy source that can help deliver global net-zero targets.

Throughout the financial year, our community engagement team maintained active communication with our broader stakeholders and the local community through regular face-to-face consultations at County Council, Parish Council and community levels. We believe it is crucial to provide avenues for the community to understand the project and to reach out to us and voice their concerns. As part of our community engagement plan, we have established a regular forum to facilitate open and transparent communication with local communities. We also maintain a presence in the Shaugh Prior, Cornwood, and Sparkwell Parish Councils, ensuring that we remain connected to the concerns and needs of the local area.

Our team

During the year and post year-end, the Group experienced challenging periods marked by necessary redundancies, which has undoubtedly impacted our employees. However, the Board acknowledges the resilience and commitment demonstrated by our staff during these tough times.

As we move forward, we encourage open communication, collaboration, and the sharing of knowledge between all staff members. Together we form a cohesive team that can achieve a fully permitted MPF and close the required funding to execute the project.

Diversity

At Tungsten West, we value diversity and inclusion as essential elements of our culture and our performance. We are proud to have a higher percentage of women in our workforce than the global mining and metals industry average for 2022 of 12.1% (Source: Ernst & Young). Despite the employee turnover we experienced during the year, women still represent 20% (2022: 22%) of our team.

We believe that having a diverse team enhances our productivity, safety, and creativity. These are key qualities that will help us overcome the challenges we face in the next 12 months and beyond.

Market overview

Tungsten is a critical mineral and is essential for sectors such as energy and defence, and strengthening other metals, including steel, for components used in the construction, mining, and medical industries. The global demand for tungsten is forecast to grow by 3%% p.a. over the next 10 years.

The tungsten market is a significant sector within the global metals industry and supply-wise tungsten remains predominantly sourced from a small number of countries, with China being the largest producer and exporter. The concentration of global supply of tungsten concentrate between China, Russia and Vietnam creates a degree of supply risk and price volatility, as geopolitical factors and mining regulations can impact the availability and pricing of tungsten.

In recent years, there have been efforts to diversify tungsten supply sources and reduce reliance on Chinese and Russian production. Exploration and development of tungsten deposits in countries like Canada, Australia, and the United States continue to gain attention as countries look to find a western supply of tungsten.

This makes the Group a strategic asset, with a project of significant importance to the UK and the West, as outlined in the UK's first ever Critical Minerals Strategy, which included tungsten and tin as minerals with high criticality. The report went on to recognise the South-West as an area of high importance in meeting commodity security.

Outlook

The 2022 FS Update presented an invaluable opportunity for the Group to re-evaluate the most effective approach to resuming operations at Hemerdon. The result was an outstanding accomplishment, made possible through seamless collaboration across the entire Company.

In the upcoming 12 months, the Company will enter a pivotal phase as we look to obtain the required permits and secure funding to enable construction phase. Successfully achieving these milestones will pave the way for recommencing construction, ultimately leading to the revival of mining activities at the project and in the South-West region.

Unless otherwise defined herein, all capitalised terms in this announcement shall have the meanings ascribed to them in the relevant regulatory announcements by the Company.

Neil Gawthorpe

CEO

Consolidated Statement of Comprehensive Income

Year ended 31 March 2023

	Note	**2023 £**	2022 £
Revenue	5	626,460	673,509
Cost of sales		(1,984,983)	(4,028,123)
Gross loss		(1,358,523)	(3,354,614)
Administrative expenses		(10,160,088)	(7,998,774)
Other operating income	6	18,947	4,237
Other gains/(losses)	7	710,710	(846,373)
Operating loss	8	(10,788,954)	(12,195,524)
Finance income		454,196	120,002
Finance costs		(495,279)	(913,466)
Net finance cost	9	(41,083)	(793,464)
Loss before tax		(10,830,037)	(12,988,988)
Income tax credit	13	544,602	-
Loss for the year		(10,285,435)	(12,988,988)
Total comprehensive loss		(10,285,435)	(12,988,988)
Profit/(loss) attributable to:			
Owners of the Company		(10,285,435)	(12,988,988)

		£	£
Basic and diluted loss per share	14	(0.06)	(0.11)

The above results were derived from continuing operations.

Consolidated Statement of Financial Position

Year ended 31 March 2023

	Note	**31 March 2023 £**	31 March 2022 £
Assets			
Non-current assets			
Property, plant and equipment	15	19,054,864	**8,469,610**
Right-of-use assets	16	2,022,672	**1,743,736**
Intangible assets	17	5,090,016	**4,993,254**
Deferred tax assets	13	1,390,346	**1,397,789**
Escrow funds receivable	19	5,146,986	**8,370,024**
		32,704,884	**24,974,413**
Current assets			
Inventories	22	114,173	**156,944**

Trade and other receivables	20	6,163,593	**3,827,509**
Cash and cash equivalents	21	3,438,018	**28,755,388**
		9,715,784	**32,739,841**
Total assets		42,420,668	**57,714,254**
Equity and liabilities			
Equity			
Share capital	27	1,805,516	**1,793,682**
Share premium		51,882,761	**51,610,414**
Share option reserve		357,366	**241,861**
Warrant reserve		740,867	**1,408,730**
Retained earnings		(23,805,018)	**(14,187,446)**
Equity attributable to owners of the Company		30,981,492	**40,867,241**
Non-current liabilities			
Loans and borrowings	24	1,901,583	**1,440,630**
Provisions	25	5,701,771	**9,526,485**
Deferred tax liabilities	13	1,390,346	**1,397,789**
		8,993,700	**12,364,904**
Current liabilities			
Trade and other payables	23	2,330,603	**4,289,623**
Loans and borrowings	24	114,873	**192,486**
		2,445,476	**4,482,109**
Total liabilities		11,439,176	**16,847,013**
Total equity and liabilities		42,420,668	**57,714,254**

The financial statements were approved by the Board on 13 September 2023 and signed on its behalf by:

Neil Gawthorpe
Director

Company Registration Number: 11310159

Consolidated Statement of Changes in Equity

Year ended 31 March 2023

	Share capital £	Share premium £	Share option reserve £	Warrant reserve £	Retained earnings £	Total £
At 1 April 2021	6,856	12,327,484	67,840	754,586	(11,413,116)	1,743,650
Loss for the year	**-**	**-**	**-**	**-**	**(12,988,988)**	**(12,988,988)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(12,988,988)**	**(12,988,988)**
Capital reduction of share premium account	-	(10,000,000)	-	-	10,000,000	-
Issue of bonus shares	752,513	(752,513)	-	-	-	-
Conversion of convertible debt	359,352	10,421,208	-	-	-	10,780,560
New share capital subscribed	674,961	40,310,822	-	-	-	40,985,783
Issue of warrants	-	(696,587)	-	785,144	-	88,557
Exercise of warrants	-	-	-	(131,000)	131,000	-
Share options charge	-	-	298,878	-	-	298,878
Forfeiture of share options	-	-	(41,199)	-	-	(41,199)
Exercise of share options	-	-	(83,658)	-	83,658	-
At 31 March 2022	**1,793,682**	**51,610,414**	**241,861**	**1,408,730**	**(14,187,446)**	**40,867,241**
Loss for the year	-	-	-	-	**(10,285,435)**	**(10,285,435)**
Total comprehensive income	-	-	-	-	**(10,285,435)**	**(10,285,435)**
New share capital subscribed	**11,834**	**272,347**	-	-	**-**	**284,181**
Exercise of warrants	-	-	-	**(334,378)**	**334,378**	-
Expired warrants	-	-	-	**(333,485)**	**333,485**	-
Share options charge	-	-	134,610	-	-	134,610
Forfeiture of share options	-	-	(19,105)	-	-	(19,105)
At 31 March 2023	**1,805,516**	**51,882,761**	**357,366**	**740,867**	**(23,805,018)**	**30,981,492**

Consolidated Statement of Cash Flows

Year ended 31 March 2023

	Note	**2023 £**	2022 £
Cash flows from operating activities			
Loss for the year		(10,285,435)	**(12,988,988)**
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	8	514,394	**209,233**
Loss on disposal of right to use asset	8	**124,528**	**-**
Loss on disposal of intangible asset	8	**73,401**	**-**
Impairment of asset under construction	8	**108,947**	**-**
Fair value losses on escrow account	7	3,495,064	**1,783,221**
Fair value gains on restoration provision	7	(4,205,774)	**(786,849)**
Finance income	9	(454,196)	**(120,002)**
Finance costs	9	495,279	**913,466**
Share-based payment transactions		115,505	**174,021**
Founder incentives		**-**	**(149,999)**
Impact of foreign exchange		74,724	**-**
Income tax credit	13	(544,602)	**-**
		(10,488,165)	**(10,965,897)**
Working capital adjustments			
Income tax received		544,602	**-**
(Increase) in trade and other receivables	20	(2,336,084)	**(3,283,213)**
(Decrease)/increase in trade and other payables	23	(1,959,020)	**2,952,165**
Decrease/(increase) in inventories		42,771	**(156,944)**
Net cash outflow from operating activities		(14,195,896)	**(11,453,889)**
Cash flows from investing activities			
Interest received	9	99,082	**1,134**
Acquisitions of property, plant and equipment	15	(10,892,254)	**(4,203,803)**
Proceeds from sale of vehicle		4,167	**-**
Acquisitions of intangibles	17	(191,523)	**(80,000)**
Net cash outflows from investing activities		(10,980,528)	**(4,282,669)**
Cash flows from financing activities			
Interest paid	9	(4,084)	**(4,955)**
Proceeds from issue of Ordinary Shares, net of issue costs		**-**	**41,021,204**
Proceeds from the exercise of warrants		284,181	**126,577**
Proceeds from the exercise of share options		**-**	**3,472**
Payments to hire purchase		**(63,294)**	**-**
Payments to lease liabilities		(357,749)	**(153,932)**
Net cash (outflows)/inflows from financing activities		(140,946)	**40,992,366**
Net (decrease)/ increase in cash and cash equivalents		(25,317,370)	**25,255,808**
Cash and cash equivalents at 1 April		28,755,388	**3,499,580**
Cash and cash equivalents at 31 March		3,438,018	**28,755,388**

Notes to the Consolidated Financial Statements

Year ended 31 March 2023

1 General information

Tungsten West plc ('the Company') is a public limited company, incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:	The principal place of business is:
Shakespeare Martineau LLP	Hemerdon Mine
6th Floor	Drakelands

60 Gracechurch Street	Plympton
London	Devon
EC3V 0HR	PL7 5BS
United Kingdom	United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Group financial statements have been prepared in accordance with International Accounting Standards as adopted in the United Kingdom ('UK adopted IAS') and those parts of the Companies Act 2006 that are applicable to companies which apply UK adopted IAS.

The financial statements are presented in Sterling, which is the functional currency of the Group and Company.

Going concern

The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. In October 2021, the Group raised £36.0 million net of fees by way of an initial public offering and at the year-end, had £3.4 million in cash reserves.

Further to ongoing discussions with investors and debt providers, it is clear that access to the capital required to complete the project will be significantly limited until the Group has secured the final permit required to operate the MPF and a Planning Permission relevant to truck movements.

These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The Group has focussed its short term operating strategy simply on activities required to secure these permits, maintain the requirements for the existing permits and secure funding to complete the project and recommence mining operations.

The Group completed the issue of a convertible loan note facility and an open offer in June 2023. These collectively raised £7.2 million gross of fees. There is an additional facility in place to issue a further £2.0 million convertible loan note under the same terms dependant on investor demand at the time. The Board consider this to be sufficient liquidity to meet its liabilities as they fall due and to complete the short term strategic objectives before December 2023. Opex has been significantly reduced and all material capital commitments deferred until these objectives have been achieved. As at the end of August 2023 the Group had issued Tranche A (£3.975million) and Tranche B (£2.975 million) of the CLN and had £2.5 million in cash reserves. The Group anticipates issuing £2.0 million Tranche C notes in November 2023. There is not currently any commitment from existing or new noteholders to purchase any Tranche C notes. If the Group fails to find purchasers for the Tranche C notes, then, in the absence of other new sources of finance, it would no longer be able to meet its liabilities as they fall due in November 2023.

After the year end, the Group took measures to conserve cash by stopping capex payments, restructuring the cost base and deferring certain contracted payments to creditors. As a result of this, the Group has notified the Note Purchasers of multiple defaults on the terms of the Note Purchase Agreement which relate to payments to creditors. There are detailed in note 35 this report. Under the terms of the Note Purchase Agreement, the Noteholders can cancel any outstanding Notes under the Note Purchase Agreement and demand immediate redemption unless a waiver is in place. The redemption sum is two times the loan note principal outstanding along with any accrued PIK. A waiver for the breaches in place at the time of signing these accounts has been issued by the noteholders. The waiver will expire on 31 January 2024 and going concern is reliant on the Group complying with the terms of the waiver. The waiver gives the Board sufficient comfort that the group can both meet the terms of the original loan without further breaches and the terms of the waiver hence is a going concern. For the Group to remain a going concern, the Group is reliant on continued support of the Noteholders by not exercising their rights under the Defaults should the defaults not be remedied, or the note converted or redeemed, by 31 January 2024.

As identified earlier in this report, permitting, funding and macro-economic risks (Geopolitical, Economic instability) are the most significant risks facing the Company. Lack of or delayed permits, alongside volatile input costs, forex and commodity prices, will significantly increase the risk of lack of access to capital.

The Board is pursuing a strategy of completing the project on a capital build and operate basis. In light of the noise mitigation measures now anticipated to be required for securing the MPF permit, the Board forecasts in excess of £60 million remaining expenditure prior to recommencing operations. Various options for progress post January 2024 will be considered as further information becomes available through the intervening period and are expected to result in the Group continuing as a going concern once the various permissions are secured.

Going concern is reliant on further funding being secured by the end of December 2023, without which the group would be unable to pay its liabilities as they fall due beyond this point. Management have prepared one forecast as follows:

Model 1 - Additional funding closed December 2023

This scenario models management's intended plan of the expected future outflows required to complete the capital build once finance is secured. Sensitivity analysis has been applied in terms of when the project would restart, availability of additional capital and the cashflow demands for each scenario. As the terms of any finance package have not yet been agreed the model does not include costs of finance.

Management are satisfied there is sufficient headroom to service the projected cost of debt when this is agreed. As negotiations with finance providers proceed the model will be updated with the anticipated finance costs to ensure that a sufficient level of liquidity is maintained. Management is confident that the project finance can be secured to complete the capital build under the updated business plan once the relevant permits are secured.

As a result, there is a material uncertainty over the granting of the permits and permissions required, within the necessary timeframes, to allow the group to obtain the finance it requires. The Board's aim is that it will obtain the necessary permit and permissions and required funding, allowing the group to operate as a going concern for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing these financial statements despite the material uncertainty referred to above.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2023.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries of the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed as at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, including deferred tax if required. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2022 have had a material effect on the financial statements.

Revenue recognition

In the year revenue has mainly related to the sale of low grade concentrate which was left behind by the previous mining operator. This is recognised upon pick up by customers at the fair value of consideration receivable at that date. The Group has not yet commenced commercial sales of tungsten and tin.

Tax

Income tax expense consists of the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported for accounting purposes because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for tax matters that are uncertain if it is considered probable that there will be a future outflow of funds to a tax authority. The provision is measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The Group has submitted research and development tax credit claims. The Group accounts for a claim at the point it considers the claim to be unchallenged by HMRC.

Property, plant and equipment

Land and buildings are stated at the cost less any depreciation or impairment losses subsequently accumulated (cost model). Land and buildings have been uplifted to fair value on consolidation.

Plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The asset under construction relates to costs incurred to upgrade the mineral processing facility and in accordance with IAS 16, have capitalised costs if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and assets under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	None
Building	2% Straight Line
Furniture, fittings and equipment	5% - 20% Straight Line
Other property, plant and equipment	5%- 33% Straight Line
Motor vehicles	33% Straight Line
Computer equipment	33% Straight Line

Goodwill

Goodwill is recognised at cost and reviewed for impairment annually.

Intangible assets

Contractual mining rights as set out in the mining lease are recognised as a separate intangible asset on consolidation under IFRS 3.

The mining rights are subject to amortisation over the useful life of the mine which is 27 years (2022: 23 years). Amortisation will be charged from the date the mine is brought into use.

Software is amortised on a straight-line basis using a rate of 33%.

Right-of-use assets

Right-of-use assets consist of a lease for the Hemerdon Mine and three property leases under IFRS 16. These assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

Research and development activities

All research costs are expensed. Costs related to the development of products are capitalised when they meet the following conditions:

(i) It is technically feasible to complete the development so that the product will be available for use or sale.

(ii) It is intended to use or sell the product being developed.

(iii) The Group is able to use or sell the product being developed.

(iv) It can be demonstrated that the product will generate probable future economic benefits.

(v) Adequate technical, financial and other resources exist so that product development can be completed and the product subsequently used or sold.

(vi) Expenditure attributable to the development can be reliably measured.

All other development expenditure is recognised as an expense in the period in which it is incurred.

Capitalised development costs are stated at cost less accumulated amortisation and accumulated impairment losses (cost model). Amortisation is recognised using the straight-line basis and results in the carrying amount being expensed in profit or loss over the estimated useful lives which range from 5 to 15 years.

Exploration for and evaluation of mineral resources

Costs relating to the exploration for and evaluation on mineral resources are expensed.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables

Trade and other receivables where payment is due within one year do not constitute a financing transaction and are recorded at the undiscounted amount expected to be received, less attributable transaction costs. Any subsequent impairment is recognised as an expense in profit or loss.

All trade and other receivables are subsequently measured at amortised cost, net of impairment.

Escrow funds

These funds are held with a third party to be released to the Group as it settles its obligation to restore the mining site once operations cease. The debtor has been discounted to present value assuming the funds will be receivable in 27 years' time which assumes a 27-year useful life of mining operations.

Trade payables

Trade and other payables are initially recognised at fair value less attributable transaction costs. They are subsequently measured at amortised cost.

Convertible debt

The redemption of convertible debt does not give rise to a fixed number of shares on conversion and so is recognised as a liability with no equity element initially recorded at the amount of proceeds received. Interest compounds annually but shall not be payable until the maturity date.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

This includes a provision for the obligation to restore the mining site once mining ceases.

Leases

At inception of the contract, the Group assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all material lease arrangements in which it is the lessee. The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Short-term or low-value leases, in accordance with the available exemption in IFRS 16, are not capitalised on the statement of financial position and instead recognised as an expense, on a straight-line or other systematic basis.

Share capital

Ordinary Shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Share options

Share options granted to shareholders classified as equity instruments are accounted for at the fair value of cash received or receivable. Share options granted to shareholders which represent a future obligation for the Company outside of its control are recognised as a financial liability at fair value through profit and loss.

Share options granted to employees are fair valued at the date of grant with the cost recognised over the vesting period. If the employee is employed in a subsidiary company, the cost is added to the investment value, in the financial statements of the parent, and the expense recognised in staff costs in the statements of the subsidiary.

Warrants issued in return for a service are classified as equity instruments and measured at the fair value of the service received. Where the service received relates to the issue of shares the cost is debited against the proceeds received in share premium.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which pension contributions are paid into a separate entity and the group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, intangible assets, right of use assets, inventories, deferred tax assets, prepayments, deferred tax liabilities and the mining restoration provision. The Group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

All regular way purchases and sales of financial assets and financial liabilities classified as fair value through profit or loss ('FVTPL') are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the financial assets or financial liabilities. All regular way purchases and sales of other financial assets and financial liabilities are recognised on the settlement date, i.e., the date on which the asset or liability is received from or delivered to the counterparty. Regular way purchases or sales are purchases or sales of financial assets that require delivery within the time frame generally established by regulation or convention in the marketplace.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

In particular the Group has previously recognised a financial liability arising from the founder share incentives at fair value. Subsequent movements in fair value are recognised through profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire;
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and judgements that affect the reported amounts of certain financial assets, liabilities, income and expenses.

The use of estimates and judgements is principally limited to the determination of provisions for impairment and the valuation of financial instruments as explained in more detail below:

Significant accounting judgements

Impairment of non-current assets

To consider the impairment of the Group's non-current assets, management has calculated a value in use of the Group's cash-generating unit which comprises the Hemerdon Mine. This was determined using a discounted cashflow approach, supported by project cashflow forecasts prepared by management. The value of assets impacted is £24.1 million.

The previous model under the Bankable Feasibility Study ('BFS') has been adapted to reflect the changes in inputs and assumptions as a result of the project re-evaluation. The inputs and key assumptions that were used in the determination of value in use were discount rate, metal prices, metal recoveries, probability of financing, probability of permit award and foreign exchange.

Discounted cashflows are based on future forecasts which reflect uncertainty. Therefore, management has prepared a sensitised discounted cashflow calculation. The underlying assumptions that were stress tested include the discount rate, FX and metal prices and recoveries.

Management were satisfied in the recoverability of the Group's assets and no impairment was required.

Capitalisation of research and development costs

The Directors have reviewed any costs relating to evaluating the technical feasibility of processing the extracted tungsten ore and have expensed these costs in line with the current policy. The Directors have also reviewed research and development costs and concluded that these costs fail to meet the criteria set out in IAS 38 for the capitalisation of development costs as the Directors still consider that they are in the research phase. The Group will commence capitalisation of development costs at the point when available finance has been secured to complete the project in accordance with IAS 38. Development costs that are capitalised in accordance with the requirements of IFRS are not treated, for dividend purposes, as a realised loss. The Group has currently capitalised no research and development costs in accordance with IAS 38. The Group has only capitalised costs associated with the tangible improvement and installation of property, plant and equipment under IAS 16.

Capitalisation of asset under construction costs

The Directors have reviewed any costs relating to the upgrade of the mineral processing facility in accordance with IAS 16 and have capitalised costs if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. At the year end, £13.6 million (2022: £3.9 million) of costs have been capitalised.

Founder options

The Directors consider the non-EMI portion of the founder options meet the definition of equity in the financial statements of the Group on the basis that the 'fixed for fixed' condition is met and that they were awarded to shareholders relating to investing in the share capital of the Group. The accounting treatment has been applied in accordance with IAS 32, which requires initial recognition at fair value of consideration paid less costs. As there was no consideration received at inception, the value of the options is £Nil. When exercised the shares are recognised at option price.

Key sources of estimation uncertainty

Restoration provision

The restoration provision is the contractual obligation to restore the mining site back to its original state once mining ceases. The provision is equal to the expected outflows that will be incurred at the end of the mine's useful life discounted to present value. As the restoration work will predominantly be completed at the end of the mine's useful life, these calculations are subject to a high degree of estimation uncertainty. The key assumptions that would lead to significant changes in the provision are the discount rate, useful life of the mine and the estimate of the restoration costs.

A 1% change in the discount rate on the Group's restoration estimates would result in an impact of £1.2 million to 1.6 million (2022: £1.9 million) on the restoration provision. A 5% change in cost on the Group's restoration estimates would result in an impact of £0.3 million (2022: £0.5 million) on the provision for restoration.

More information on the restoration provision is disclosed in Note 25.

Escrow account

These are funds being held under escrow with a third party and will be released back to the Company on the cessation of mining once restoration works have been completed.

The key assumptions that would lead to significant changes in the escrow account fair value are the discount rate and the useful life of the mine.

A 1% change in the discount rate on the Group's escrow account estimate would result in an impact of £1.1 million to £1.5 million (2022: £1.7 million) on the escrow account valuation. A one-year change in useful mining life would result in an impact of £0.2 million (2022: £0.1 million) on the escrow account valuation.

More information on the escrow account is disclosed in Note 19.

Discount rates

The Group has had to assess reasonable discount rates based on market factors to use under IFRS. These discount rates have been used on the right-of-use assets, escrow funds, the restoration provision and share based payments. The discount rate on the right-of-use asset is the rate for an equivalent debt instrument. The escrow funds are discounted at the risk free rate which is the yield on an equivalent long-term UK government bond. The restoration provision is discounted at the risk-free rate plus a premium based on the specific risk associated with this liability.

The UK risk-free rate increased over the financial year to 3.7% (2022: 2.0%).

3 Financial risk management

Group

This note presents information about the Group's exposure to financial risks and the Group's management of capital.

Credit risk

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties (banks and debtors) and it obtains sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The most significant credit risk relates to customers that may default in making payments for goods they have purchased. To date the Group has only made a small number of sales and therefore the credit risk exposure has been low.

Liquidity risk

The Directors regularly monitor forecast and actual cash flows and to match the maturity profiles of financial assets and liabilities to ensure proper liquidity risk management for the day-to-day working capital requirements.

In the view of the Directors, the key risk to liquidity is raising the additional capital required to meet its estimated Capex spend. The Group's continued future operations depend on the ability to raise sufficient capital through the issue of debt. At present the Group does not have sufficient capital to fund its estimated Capex spend therefore there is a liquidity risk which would result in the Group having to pause its future operations were it to not raise the necessary capital. At present, the Group is in discussions with financing partners to provide this additional capital as noted in the previous going concern policy.

Market risk

Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing borrowings. The interest rates and terms of repayment are disclosed in Note 24 to the financial statements. The Company's policy is to obtain the most favourable interest rates available for all liabilities. Except as outlined above, the Group has no significant interest-bearing assets and liabilities.

Foreign exchange risk

The Group in the future will also be exposed to exchange rate risk on the basis that tungsten prices are principally denominated in US Dollar. The Group will seek to manage this risk through the supply contracts it agrees with future customers.

The Group does not use any derivative instruments to reduce its economic exposure to changes in interest rates or foreign currency exchange rates at the current time.

Price risk

The Group is exposed to the price fluctuation of its primary products being tungsten and tin. Given the Group is currently in the development phase and is not yet producing any revenue, the costs of managing exposure to commodity price risk exceed any potential benefits. The Directors monitor this risk on an ongoing basis and will review this as the Group moves towards production.

Inflation Risk

The Group is exposed to inflationary pressures that impact the core materials required for the operations, mainly being reagents, power and diesel costs. The Directors monitor this risk on an ongoing basis and will review this as the group moves towards production.

4 Operating segments

The Chief Economic Decision Maker of the Group is the Board of Directors which considers that the Group is comprised of one operating segment representing the Group's mining activities at the Hemerdon Mine. All operations and assets are located in the United Kingdom and all revenues are originated in the United Kingdom.

Revenue from customers accounting for 10% or more of Group revenue was as follows:

	2023 **£**	2022 £
Customer A	**118,276**	**384,000**
Customer B	**-**	**83,000**
Customer C	**-**	**144,000**
Customer D	**508,184**	**-**

5 Revenue from contracts with customers

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2023 **£**	2022 £
Tungsten	**508,184**	**232,940**
Aggregates	**118,276**	**440,569**
Sale of goods	**626,460**	**673,509**

6 Other income

The analysis of the Group's other operating income for the year is as follows:

	2023 **£**	2022 £
Sale of scrap metal	**13,962**	**4,237**
Sublease rental income	**4,985**	**-**
	18,947	**4,237**

7 Other gains and losses

The analysis of the Group's other gains and losses for the year is as follows:

	2023 **£**	2022 £
Gain on restoration provision due to change in discount rate	**4,205,774**	**786,849**
Loss on escrow account due to change in discount rate	**(3,495,064)**	**(1,783,221)**
Gains/(losses) on founder share incentives	**-**	**149,999**

Gains/(losses) on founder share incentives	-	[illegible]
Other gains and losses	**710,710**	**(846,373)**

See note 19 and note 25 for further details on other gains and losses on the restoration provision and the escrow account.

8 Operating loss

Arrived at after charging/(crediting):

	2023 **£**	2022 £
Depreciation of property, plant and equipment	**276,995**	**101,464**
Depreciation of right-of-use assets	**216,039**	**101,169**
Loss on disposal of right to use asset	**124,528**	**-**
Impairment of asset under construction	**108,947**	**-**
Amortisation of intangibles	**21,360**	**6,599**
Staff costs	**4,593,833**	**2,465,924**

9 Finance income and costs

	2023 **£**	2022 £
Finance income		
Notional interest income on the escrow funds receivable	**272,026**	**94,775**
Other interest income	**99,082**	**1,134**
Foreign exchange gains	**83,088**	**24,093**
	454,196	**120,002**
Finance costs		
Interest expense on other financing liabilities	**(101,772)**	**(556,558)**
Notional cost on the restoration provision	**(381,060)**	**(348,507)**
Other interest	**-**	**(1,133)**
Bank charges	**(4,083)**	**(3,823)**
Foreign exchange losses	**(8,364)**	**(3,445)**
Total finance costs	**(495,279)**	**(913,466)**
Net finance costs	**(41,083)**	**(793,464)**

10 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2023 **£**	2022 £
Wages and salaries	**3,888,672**	**2,114,626**
Social security costs	**427,748**	**234,915**
Pension costs, defined contribution scheme	**161,908**	**116,383**
Share based payment	**115,505**	**298,878**
Amounts capitalised to asset under construction	**968,262**	**988,917**
	5,562,095	**3,753,719**

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2023 **No.**	2022 No.
Project, maintenance, administration and support	**74**	**52**

Project, maintenance, administration and support	74	52
Directors	**7**	**6**
	81	**58**

11 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2023 **£**	2022 £
Remuneration	**873,029**	**524,125**
Pension contribution	**21,019**	**13,974**
Benefits in kind	**2,340**	**7,483**
Total cash remuneration	896,388	**545,582**
Share-based payment	66,993	**182,997**
Total remuneration	**963,381**	**728,579**

Included in the remuneration above was £Nil (2022: £Nil) paid in shares rather than cash.

Remuneration by each Director is as follows:

	2023 Salary £	**2023 Pension £**	**2023 Loss of office £**	**2023 Benefits £**	**2023 Share-based payment £**	**2023 Total £**
Francis Johnstone	**20,000**	-	-	-	-	**20,000**
Stephen Fabian	-	-	-	-	-	-
Richard M Maxey	**20,000**	-	-	-	-	**20,000**
Max Denning**	**124,246**	**9,613**	**158,411**	-	**38,781**	**331,051**
Mark Thompson	**200,000**	-	**100,000**	-	**3,134**	**303,134**
Nigel Widdowson	**156,275**	**10,754**	-	**2,340**	**25,078**	**194,447**
Robert Ashley	**26,667**	-	-	-	-	**26,667**
David Cather	**33,462**	-	-	-	-	**33,462**
Martin Wood	**4,833**	-	-	-	-	**4,833**
Neil Gawthorpe	**4,968**	-	-	-	-	**4,968**
Grace Stevens	**24,167**	**652**	-	-	-	**24,819**
	614,618	**21,019**	**258,411**	**2,340**	**66,993**	**963,381**

** Denotes the highest paid Director.

Directors' interests in share options and warrants are disclosed in the Directors' Report.

The share-based payment is an IFRS 2 cost charged for options issued. No cash benefit is received by the Directors. No Director exercised any options during the year. Please see Note 28 for more information.

	2022 Salary £	2022 Pension £	**2022 Loss of office £**	2022 Benefits £	2022 Share-based payment £	**2022 Total £**
Francis Johnstone	**24,000**	-	-	-	-	**24,000**
Stephen Fabian	**18,000**	-	-	-	-	**18,000**
Richard M Maxey	**24,000**	-	-	-	-	**24,000**
Max Denning**	**170,000**	**8,500**	-	**6,256**	**163,046**	**347,802**

Mark Thompson	**132,500**	**-**	-	**-**	**-**	**132,500**
Nigel Widdowson	**97,115**	**4,856**	-	**1,227**	**19,951**	**123,149**
Robert Ashley	**23,333**	**-**	-	**-**	**-**	**23,333**
David Cather	**17,013**	**73**	-	**-**	**-**	**17,086**
Grace Stevens	**18,164**	**545**	-	**-**	**-**	**18,709**
	524,125	**13,974**	-	**7,483**	**182,997**	**728,579**

** Denotes the highest paid Director.

Directors' interests in share options and warrants are disclosed in the Directors' Report.

12 Auditors' remuneration

	2023 **£**	2022 £
Audit of these financial statements	**50,000**	**54,000**
Other fees to auditors		
Audit-related assurance services	**89,000**	**85,000**
Auditors' remuneration - accounts preparation	**-**	**10,500**
	139,000	**149,500**

All accounts preparation services were provided prior to the Group listing on AIM in October 2021.

13 Income tax

Tax charged/(credited) in the income statement:

	2023 **£**	2022 £
Current taxation		
Adjustments in respect of prior periods	(544,602)	-

The tax on profit for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are reconciled below:

	2023 **£**	2022 £
Loss before tax	**(10,830,037)**	**(12,988,988)**
Corporation tax at standard rate	**(2,057,707)**	**(2,467,908)**
Fixed asset differences	**12,498**	**_**
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	**300,510**	**90,608**
Other differences	**512**	**-**
Surrender of tax losses for R&D tax credit refund	**(544,602)**	**-**
Remeasurement of deferred tax for changes in tax rates	**(550,799)**	**-**
Income not taxable	**-**	**(24,709)**
Decrease/(increase) from tax losses for which no deferred tax asset was recognised	**2,294,986**	**2,402,009**
Total tax credit	**(544,602)**	**-**

Deferred tax

Group

	2023 Intangibles £	2023 Tangibles £	2023 Losses £	2023 Other £	2023 Total £
At 1 April 2022	**961,083**	**436,706**	**(1,397,789)**	**-**	**-**
Charged to profit and loss	**1**	**(7,444)**	**7,443**	-	-
At 31 March 2023	**961,084**	**429,262**	**(1,390,346)**	-	-

The net deferred tax of £Nil is made up of a liability of £1,390,346 and asset of £1,390,346. The unrecognised deferred tax asset for carried forward losses at 31 March 2023 was £7,730,527.

The rate used for the deferred tax is 25% (2021: 19%) as the rate was substantively enacted in May 2021.

	2022 Intangibles £	2022 Tangibles £	2022 Losses £	2022 Other £	2022 Total £
At 1 April 2021	**730,423**	**337,554**	**(1,020,857)**	**(47,120)**	**-**
Charged to profit and loss	**230,660**	**99,152**	**(376,932)**	**47,120**	**-**
At 31 March 2022	**961,083**	**436,706**	**(1,397,789)**	**-**	**-**

The net deferred tax of £Nil is made up of a liability of £1,397,789 and asset of £1,397,789. The unrecognised deferred tax asset for carried forward losses at 31 March 2022 was £3,653,030.

14 Basic and diluted loss per share

Basic and diluted loss per share is calculated as follows:

	2023 £	2022 £
Loss for the year	**(10,285,435)**	**(12,988,988)**
Weighted average number of shares in issue	**180,511,110**	**119,017,666**
Basic and diluted loss per share	**(0.06)**	**(0.11)**

The calculation of the loss per share has been retrospectively restated for each period presented to reflect the bonus issue of shares and share consolidation which took place on 22 July 2021 (see Note 27).

The diluted loss per share calculations exclude the effects of share options, warrants and convertible debt on the basis that such future potential share transactions are anti-dilutive. Information on share options and warrants is disclosed in Note 28.

Shares issued subsequent to the end of the year are disclosed in Note 35.

15 Property, plant and equipment

Group	**Land and buildings £**	**Furniture, fittings and equipment £**	**Computer equipment £**	**Motor vehicles £**	**Other property, plant and equipment £**	**Asset under construction £**	**Total £**
Cost or valuation							
At 31 March 2021	4,416,300	34,289	-	8,740	92,408	-	4,551,737
Additions	30,450	25,279	171,420	-	72,106	3,904,548	4,203,803
Reclassifications	-	(32,241)	-	-	32,241	-	-
At 31 March 2022	**4,446,750**	**27,327**	**171,420**	**8,740**	**196,755**	**3,904,548**	**8,755,540**
Additions	228,570	87,382	141,980	141,500	46,700	10,326,594	10,972,726
Reclassifications	514,041	-	-	-	-	(514,041)	-
Disposals	-	-	-	(8,740)	-	-	(8,740)

At 31 March 2023	5,189,361	114,709	313,400	141,500	243,455	13,717,101	19,719,526
Depreciation							
At 31 March 2021	168,513	1,516	-	2,163	12,274	-	184,466
Charge for the year	67,284	1,271	9,932	2,884	20,093	-	101,464
Reclassifications	-	(1,209)	-	-	1,209	-	-
At 31 March 2022	**235,797**	**1,578**	**9,932**	**5,047**	**33,576**	**-**	**285,930**
Charge for the year	103,891	12,916	72,397	37,598	50,193	-	276,995
Disposals	-	-	-	(7,210)	-	-	(7,210)
Impairment	-	-	-	-	-	108,947	108,947
At 31 March 2023	**339,688**	**14,494**	**82,329**	**35,435**	**83,769**	108,947	**664,662**
Carrying amount							
At 31 March 2023	**4,849,673**	**100,215**	**231,071**	**106,065**	**159,686**	**13,608,154**	**19,054,864**
At 31 March 2022	**4,210,953**	**25,749**	**161,488**	**3,693**	**163,179**	**3,904,548**	**8,469,610**
At 31 March 2021	4,247,787	32,773	-	6,577	80,134	-	4,367,271

Included within the net book value of land and buildings above is £4,142,662 (2022: £4,210,953) in respect of freehold land and buildings.

Impairment - Asset under construction

The amount of impairment loss included in profit and loss is £108,947 (2022: £nil). The impairment relates to labour capitalised to an area of the MPF which has since been eliminated from the process, following the updated feasibility study released during the year.

16 Leases

	Property £	Total £
Cost or valuation		
At 1 April 2021	1,722,067	1,722,067
Additions	233,117	233,117
At 31 March 2022	**1,955,184**	**1,955,184**
Additions	619,503	619,503
Disposals	(233,117)	(233,117)
At 31 March 2023	**2,341,570**	**2,341,570**
Depreciation		
At 1 April 2021	110,279	110,279
Charge for the year	101,169	101,169
At 31 March 2022	**211,448**	**211,448**
Charge for the year	216,039	216,039
Disposals	(108,589)	(108,589)
At 31 March 2023	**318,898**	**318,898**
Carrying amount		
At 31 March 2023	**2,022,672**	**2,022,672**
At 31 March 2022	1,743,736	1,743,736

Depreciation on right-of-use assets charged through the profit and loss totals £216,039 (2022: £101,169). Interest expense on lease liabilities charged through the profit and loss totals £101,772 (2022: £87,838).

Lease liabilities

	2023 Future lease payments £	**2023 Discount £**	**2023 Lease liability £**
Within one year	227,332	(112,459)	114,873
In two to five years	760,712	(417,285)	343,427
In over five years	3,091,696	(1,533,540)	1,558,156
	4,079,740	**(2,063,284)**	**2,016,456**

	2022 Future lease payments £	**2022 Discount £**	**2022 Lease liability £**
Within one year	**282,507**	**(90,021)**	**192,486**
In two to five years	**457,214**	**(313,511)**	**143,703**
In over five years	**2,568,335**	**(1,271,408)**	**1,296,927**
	3,308,056	**(1,674,940)**	**1,633,116**

The lease liabilities are presented as follows:

	31 March 2023 £	31 March 2022 £
Current liabilities	**114,873**	**192,486**
Non-current liabilities	**1,901,583**	**1,440,630**
	2,016,456	**1,633,116**

17 Intangible assets

Group

	Goodwill £	**Mining rights £**	**Software £**	**Total £**
Cost				
At 1 April 2021	1,075,520	3,844,333	-	4,919,853
Additions	-	-	80,000	80,000
At 31 March 2022	**1,075,520**	**3,844,333**	**80,000**	**4,999,853**
Additions	-	-	191,523	191,523
Disposals	-	-	(80,000)	(80,000)
At 31 March 2023	**1,075,520**	**3,844,333**	**191,523**	**5,111,376**
Amortisation				
At 1 April 2021	-	-	-	-
Amortisation charged to the profit and loss	-	-	6,599	6,599
At 31 March 2022	-	-	6,599	6,599
Amortisation charged to the profit and loss	-	-	21,360	21,360
Disposals	-	-	(6,599)	(6,599)
At 31 March 2023	**-**	**-**	**21,360**	**21,360**

Carrying amount

Carrying amount

At 31 March 2023	1,075,520	3,844,333	170,163	5,090,016
At 31 March 2022	**1,075,520**	**3,844,333**	**73,401**	**4,993,254**
At 31 March 2021	1,075,520	3,844,333	-	4,919,853

The carrying amount of intangible assets which is considered as having an indefinite useful life is £1,075,520. The whole balance is attributable to goodwill.

The carrying amount of the mining rights is £3.844 million (2022: £3.844 million). The mining rights will begin to be amortised when mining operations restart.

Software amortisation of £21,360 (2022: £6,599) has been charged to the profit and loss presented in administrative expenses.

Impairment

The value in use of the Group's cash-generating unit which comprises the Hemerdon Mine was determined using a discounted cash flow approach, supported by project cashflow forecasts prepared by management. The previous model under the Bankable Feasibility Study has been adapted to reflect the changes in inputs and assumptions as a result of the project re-evaluation. The following inputs and key assumptions were used in the determination of value in use:

	2023	2022
Discount rate	**5%**	**5%**
Expected duration of mining activities	**27 years**	**23 years**
Tungsten grade	**0.19 - 0.20**	**0.19 - 0.20**
Tungsten metal price	**$340**	**$340**
Foreign exchange rate	**1.20**	**1.22**

Management has prepared a sensitised NPV calculation which under the updated project plans, calculated a value in excess of the carrying amount of the Group's assets. The underlying assumptions that were stress tested include the discount rate, FX and metal price. Management were satisfied in the recoverability of the Group's assets and no impairment was required.

18 Investments

Group subsidiaries

Details of the Group subsidiaries as at 31 March 2023 are as follows:

			Proportion of ownership interest and voting rights held	
Name of subsidiary	Principal activity	Registered office	**2023**	2022
Drakelands Restoration Limited*	Mining of tungsten and tin	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%
Tungsten West Services Limited*	Provision of services to the Group	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%
Aggregates West Limited*	Sales of aggregates	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%

* Indicates direct investment of Tungsten West plc in the subsidiary.

19 Escrow funds

	31 March 2023 £	31 March 2022 £

Non-current financial assets		
Escrow funds	**5,146,986**	**8,370,024**

These are funds being held under escrow with a third party which will be released back to the Group on the cessation of mining once restoration works have been completed. The funds have been discounted to present value over the expected useful life of the mine. During the year, the discount rate was revised to 3.7% (2022: 2.0%) resulting in a loss of £3,495,064 (2022: £1,783,221). The actual funds held in the escrow account at year end were £13,230,653 (2022: £13,203,139).

20 Trade and other receivables

	31 March 2023 £	31 March 2022 £
Trade receivables	**297,800**	**153,390**
Deposits	**4,458,031**	**2,340,738**
Prepayments	**816,723**	**1,018,274**
Other receivables	**591,039**	**315,107**
	6,163,593	**3,827,509**

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables. The carrying amount of trade and other receivables approximates the fair value.

As the Group is in the early phases of operations and making a few minor sales, expected credit losses are being considered on a customer-by-customer basis. At the year-end, trade receivables include a provision of £69,873 (2022: £46,936).

21 Cash and cash equivalents

	31 March 2023 £	31 March 2022 £
Cash at bank	3,438,018	**28,755,388**

22 Inventories

	31 March 2023 £	31 March 2022 £
Inventories	114,173	**156,944**

23 Trade and other payables

	31 March 2023 £	31 March 2022 £
Trade payables	544,064	**694,320**
Accrued expenses	1,578,986	**3,383,300**
Social security and other taxes	156,978	**147,927**
Outstanding defined contribution pension costs	33,233	**30,960**
Other payables	17,342	**33,116**
	2,330,603	**4,289,623**

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 45 days (2022: 45 days). No interest is charged on overdue amounts.

The carrying amount of trade and other payables approximates the fair value.

24 Loans and borrowings

	31 March 2023 £	31 March 2022 £
Non-current loans and borrowings		
Lease liabilities	**1,901,583**	**1,440,630**
	1,901,583	**1,440,630**

	31 March 2023 £	31 March 2022 £
Current loans and borrowings		
Lease liabilities	**114,873**	**192,486**

Convertible bonds

In the prior year, the convertible loan notes were converted in full, at the Company's election, on admission to AIM. The convertible loan notes were converted into Ordinary Shares as determined by dividing the prevailing principal amount of the convertible loan notes, which was £10,044,000, together with any accrued (but unpaid) interest thereon, which at the date of conversion was £736,560, by the effective conversion price, which is 30p.

Movement in liability

	31 March 2023 £	31 March 2022 £
Brought forward	-	**10,311,840**
Interest expense	-	**468,720**
Converted to equity shares	-	**(10,780,560)**
Carried forward	-	-

25 Provisions

Group

	Restoration provision £	**Total £**
At 1 April 2022	9,526,485	9,526,485
Change in inflation and discount rate	(4,205,774)	(4,205,774)
Increase due to passage of time or unwinding of discount	381,060	381,060
At 31 March 2023	5,701,771	5,701,771
Non-current liabilities	5,701,771	5,701,771

This provision is for the obligation to restore the mine to its original state once mining operations cease, discounted back to present value based on the estimated life of the mine. Prior to discounting the Directors estimate the provision at current costs to be £13,201,256 (2022: £13,201,256).

The provision has been discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The ultimate costs to restore the mine are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates.

Management has considered these risks and used a discount rate of 5.7% (2022: 4%), an inflation rate of 2.5-9% (2022: 2.5% - 7%) and an estimated mining period of 27 years (2022: 23 years). At the reporting date these assumptions represent management's best estimate of the present value of the future restoration costs.

26 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £161,908 (2022: £116,383).

Contributions totalling £33,233 (2022: £30,960) were payable to the scheme at the end of the year and are included in creditors.

27 Share capital

Allotted, called up and fully paid shares

	31 March 2023		31 March 2022	
	No.	**£**	No.	£
Ordinary Shares of £0.01 each	180,551,615	1,805,516	**179,368,215**	**1,793,682**

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All Ordinary Shares rank equally with regard to the Company's residual assets.

A reconciliation of the number of shares outstanding at the end of each year is presented as follows:

	31 March 2023 £	31 March 2022 £
Number of shares brought forward	**179,368,215**	68,560,000
Issue of shares to 22 July 2021	**-**	7,349,832
Capitalisation of share premium account (bonus issue)	**-**	7,525,125,729
Effect of share consolidation (see above)	**-**	(7,525,024,190)
	179,368,215	76,011,371
Issue of shares on admission to AIM	**-**	65,125,000
Conversion of convertible debt	**-**	35,935,200
Options exercised	**-**	197,200
Warrants exercised	**1,183,400**	442,244
Founder options exercised	**-**	1,657,200
	180,551,615	179,368,215

During the year ended 31 March 2022, the share capital of the Company was restructured. The following share transactions took place:

- The Company issued 7,349,832 Ordinary Shares of £0.0001 each for considerations ranging from £0.45 to £0.60 per share.
- On 22 July 2021 a bonus issue of shares from the share premium account created 7,525,125,729 Ordinary Shares of £0.0001 each.
- On 22 July 2021 a share capital consolidation took place whereby each one hundred Ordinary Shares of £0.0001 each were consolidated into one Ordinary Share of £0.01 each.

28 Share-based payments

Warrants

Details and movements

Warrants have been issued to certain shareholders and intermediaries as commission for introducing capital to the Company.

Warrants can be exercised at any point before the expiry date for a fixed number of shares.

The movements in the number of warrants during the year were as follows:

	31 March 2023 No.	31 March 2022 No.
Outstanding, start of year	**4,095,219**	**2,310,681**
Granted during the year	**-**	**2,226,760**
Exercised during the year	**(1,183,400)**	**(442,222)**
Expired during the year	**(741,079)**	**-**
Outstanding, end of year	**2,170,740**	**4,095,219**

The warrants have been valued using the Black Scholes model as management have judged it not possible to reliably estimate the fair value of service received. Inputs to the pricing model were as follows:

Date of grant	2022
Share price at date of grant	£0.45 - £0.60
Exercise price	£0.01 - £0.60
Risk-free interest rate	1.5%
Expected life of warrants	2 years
Volatility	33%

The exercise price of warrants outstanding at 31 March 2023 ranged between £0.01 and £0.60 and their remaining contractual life was 3 months to 9 months.

The exercise price of warrants outstanding at 31 March 2022 ranged between £0.01 and £0.60 and their remaining contractual life was 1 month to 21 months.

Founder share incentives

Details and movements

The founder shareholders have a right to receive shares at a nominal value once certain milestones are hit.

The movements in the number of share options during the year were as follows:

	31 March 2023 No.	31 March 2022 No.
Outstanding, start of year	**18,229,148**	**6,963,000**
Granted during the year	**-**	**671,137**
Terminated on admission to AIM	**-**	**(7,634,137)**
Replacement share awards following admission to AIM	**-**	**19,886,344**
Exercised during the year	**-**	**(1,657,196)**
Outstanding, end of year	**18,229,148**	**18,229,148**

Upon admission to AIM, the original founder agreement was terminated and the Company granted replacement founder options to the founder shareholders with effect from admission.

The founder options meet the definition of equity in the financial statements of the Company on the basis that the 'fixed for fixed' condition is met. No consideration was received for the founder options at grant date, therefore no accounting for the issue of the equity instruments is required under IFRS. On exercise, the shares are recognised at the fair value of consideration received, being the option price of £0.01.

Part of one of the founders' option agreement were share options issued in their capacity as a Director and were dependent on their continuing employment, and therefore 243,333 options have been accounted for under IFRS 2. This resulted in a charge to the income statement of £nil (2022: £143,603) and these options were fully vested in the prior year.

EMI share options

Details and movements

Share options have been issued to key employees as an incentive to stay with the Company. These options can be exercised within four years following the grant date once the option has vested.

The movements in the number of share options during the year were as follows:

	31 March 2023 No.	31 March 2022 No.
Outstanding, start of year	**1,683,335**	**1,233,333**
Granted during the year	**-**	**1,097,228**
Exercised/(lapsed) during the year	**(150,000)**	**(647,226)**
Outstanding, end of year	**1,533,335**	**1,683,335**

Share options have been valued using the Black Scholes model. Inputs to the pricing model were as follows:

Date of grant	2022
Share price at date of grant	£0.45 - £0.60
Exercise price	£0.01 - £0.45
Risk-free interest rate	1.5%
Expected life of options	4 years
Volatility	33%

Volatility has been estimated based upon observable market volatilities of similar entities.

The exercise price of share options outstanding at 31 March 2023 ranged between £0.30 and £0.45 (2022: £0.01 and £0.45) and their remaining contractual life was 10 months to 30 months (2022: 22 months to 39 months).

	31 March 2023		31 March 2022	
	Average Exercise Price £	**Options**	Average Exercise Price £	Options
Outstanding, start of year	0.36	1,683,335	**0.23**	**1,233,333**
Granted during the year	**-**	**-**	**0.43**	**1,097,228**
Exercised/(lapsed) during the year	(0.35)	(150,000)	(0.21)	(647,226)
Outstanding, end of year	0.37	1,533,335	**0.36**	**1,683,335**

CSOP share options

Details and movements

Share options have been issued to key employees as an incentive to stay with the Company. These options can be exercised within three years following the grant date once the option has vested.

	31 March 2023 No.	31 March 2022 No.
Outstanding, start of year	**-**	**-**
Granted during the year	**2,799,982**	**-**
Exercised/(lapsed) during the year	**(216,666)**	**-**
Outstanding, end of year	**2,583,316**	**-**

Share options have been valued using the Black Scholes model. Inputs to the pricing model were as follows:

Date of grant	2023
Share price at date of grant	£0.275
Exercise price	£0.275
Risk-free interest rate	3.5%
Expected life of options	3 years

Volatility	62%

Volatility has been estimated based upon observable market volatility of Tungsten West PLC.

The exercise price of share options outstanding at 31 March 2023 was £0.275 (2022: £nil) and their remaining contractual life was 2 years and 6 months.

	31 March 2023		31 March 2022	
	Average Exercise Price £	**Options**	Average Exercise Price £	Options
Outstanding, start of year	-	-	-	-
Granted during the year	0.275	2,799,982	-	-
Exercised/(lapsed) during the year	0.275	(216,666)	-	-
Outstanding, end of year	0.275	2,583,316	-	-

29 Commitments

Capital commitments

As at 31 March 2023 the Group had contracted to purchase plant and machinery amounting to £3,754,738 (2022: £7,208,997). An amount of £123,320 (2022: £123,320) is dependent on the commencement of mining operations.

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £10,329,000 (2022: £11,329,000) committed at present or on the commencement of mining operations and represented contractual amounts due to the mining contractor and further committed payments to the funds held in the escrow account under the escrow agreement. Included within other financial commitments is £4,000,000 which is considered to be payable between one to five years after mining operations commence.

30 Reconciliation of liabilities arising from financing activities

	Non-cash changes					
	At 1 April 2022 £	**Financing cash flows £**	**New finance leases £**	**Other changes £**	**Converted to equity £**	**At 31 March 2023 £**
Lease liabilities	1,633,116	(266,094)	719,846	(70,412)	-	2,016,456
	1,633,116	**(266,094)**	**719,846**	**(70,412)**	**-**	**2,016,456**

	Non-cash changes					
	At 1 April 2021 £	**Financing cash flows £**	**New finance leases £**	**Other changes £**	**Converted to equity £**	**At 31 March 2022 £**
Long-term borrowings	**10,311,840**	**-**	**-**	**468,720**	**(10,780,560)**	**-**
Lease liabilities	**1,493,224**	**(153,932)**	**205,987**	**87,837**	**-**	**1,633,116**
	11,805,064	**(153,932)**	**205,987**	**556,557**	**(10,780,560)**	**1,633,116**

31 Classification of financial and non-financial assets and liabilities

The classification of financial assets and liabilities by accounting categorisation for the year ending 31 March 2023 was as follows:

	2023 Financial assets at amortised cost £	2022 Financial assets at amortised cost £	**2023 Financial assets at FVTPL £**	2022 Financial assets at FVTPL £
Assets				
Non-current assets				
Escrow funds receivable	**-**	**-**	**5,146,986**	**8,370,024**

Current assets				
Trade and other receivables	**5,346,870**	**2,809,335**		**-**
Cash and cash equivalents	**3,438,018**	**28,755,388**		**-**
	8,784,888	**31,564,723**	5,146,986	**8,370,024**

	2023 Financial liabilities at amortised cost £	2022 Financial liabilities at amortised cost £	**2023 Financial liabilities at FVTPL £**	2022 Financial liabilities at FVTPL £
Liabilities				
Non-current liabilities				
Loans and borrowings	**(1,901,583)**	**(1,440,630)**	**-**	**-**
Current liabilities				
Trade and other payables	**(2,330,603)**	**(4,289,573)**	**-**	**-**
Loans and borrowings	**(114,873)**	**(192,486)**	**-**	**-**
	(4,347,059)	**(5,922,689)**	**-**	**-**

32 Financial risk review

Group

This note presents information about the Group's exposure to financial risks and the Group's management of capital.

Credit risk

In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties (banks and debtors) and it obtains sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The most significant credit risk relates to customers that may default in making payments for goods they have purchased.

To date the Group has only made a small number of sales and therefore the credit risk exposure has been low.

Liquidity risk

The Directors regularly monitor forecast and actual cash flows and match the maturity profiles of financial assets and liabilities to ensure proper liquidity risk management and to maintain adequate reserves, and borrowing facilities. In the view of the Directors, the key risk to liquidity is in meeting short-term cash flow needs. All amounts repayable on demand or within three months are covered by the Company's cash and accounts receivable balances, which gives the Directors confidence that funds will be available to settle liabilities as they fall due. See further discussion of short term liquidity risk in the going concern section of Note 2.

Market risk

The Group has no significant interest-bearing assets and liabilities. The Group in the future will also be exposed to exchange rate risk on the basis that tungsten prices are principally denominated in USD. The Company will seek to manage this risk through the supply contracts it agrees with future customers.

The Group does not use any derivative instruments to reduce its economic exposure to changes in interest rates or foreign currency exchange rates at the current time.

The Group may require future borrowings to support its mineral processing facility upgrades and therefore has an exposure to future interest rate rises.

33 Related party transactions

During the year no Director received a commission payment (2022: 1 Director - £52,500) from a third party in connection with raising additional share capital for Tungsten West plc. In addition, no Director received a beneficial interest in warrants (2022: 1 Director - 58,333 warrants at 60p) granted during the year to a third party in relation to raising additional share capital for Tungsten West plc.

Convertible bonds

During the prior year, the convertible bonds and accrued interest that were issued to family members of two of the Directors were converted into 12,751,200 Ordinary Shares. £166,320 of interest accrued on these bonds during the year and interest due on these bonds at the prior year end was £Nil.

Key management personnel

Key management personnel are deemed to be the Directors. Their remuneration can be seen in note 11.

34 Application of new and revised UK adopted International Financial Reporting Standards (UK-adopted IFRS)

New and amended Standards and Interpretations applied

None of the new or amended IFRS Standards had an effect on the financial statements.

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective for annual periods commencing on or after
Definition of Accounting Estimates - Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	1 January 2023
Amendments to Insurance contracts in IFRS17	1 January 2023
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	1 January 2024
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2024

None of the above amendments are anticipated to have a material impact on future financial statements.

35 Post balance sheet events

On 3 April 2023, the Group and Company announced that it was undertaking a restructuring exercise and interim fundraising to enable it to focus on satisfying the conditions for completing the remaining funding required to complete the Project and take Hemerdon into production.

On 19 May 2023, the Group announced it was raising £6.95 million by way of convertible loan notes (CLN) and £2.0 million via an open offer. The funds raised are expected to fund working capital for at least six months at the date of signing the Note Purchase Agreement.

On 9th June 2023, the Group announced the completion of the interim fund raise with the Group raising a total of £6.95 million by way of convertible loan notes and £195,675 via an open offer, representing 9.8% available under the open offer.

Following satisfaction of the conditions precedent of the Tranche A Notes, the Company served notice on the Note Purchasers for the sum of £3.975 million, with the Tranche A Notes issued on 13 June 2023.

During July 2023 company notified Lansdowne Partners, the majority holder of the 2023 Convertible Loan Note, of multiple breaches of the terms of the loan. These breaches have resulted from management implementing measures to conserve the cash flow of the company to match the sources of finance available from the Convertible Loan Note facility.

The specific terms of the note purchase agreement which have been violated are:

(a) Clause 20.7 (Cross default): Certain liabilities under deferred payment arrangements in excess of £250,000 have not been paid when due.

(b) Clauses 20.8 (Insolvency) and 20.9 (Insolvency Proceedings): The company is unable to pay liabilities when they have fallen due: by reason of actual and anticipated financial difficulties the Group has suspended payments to certain creditors and has entered into negotiations with more than one creditor with a view to rescheduling its indebtedness. The Group has made formal arrangements with some creditors to defer or suspend payments.

(c) Clause 20.15 (Expropriation). The ability of the Group to conduct its business is wholly curtailed by the regulatory bodies who have yet to issue the Permit required for operations to recommence.

The Group has limited ability to cure these defaults as they are ongoing and the liabilities cannot be settled until full project finance has been secured.

The amount currently in default is £6.95 million principal plus £0.27m PIK accrued.

Under the terms of the Note Purchase Agreement dated 19 May 2023, the Note Purchasers, if directed by the holders of at least 75% of the Notes outstanding, may by notice to the Group:

- Terminate the agreement and cancel the Notes, and any unutilised notes will not be available for purchase;
- Demand the Notes can be redeemed / repurchased immediately at the Redemption Price, plus any PIK is repaid. The redemption price is a sum equal to two times the principal amount of the Notes.
- Exercise its rights to enforce security under the terms of the note purchase agreement and security deed.

At the date of this report the Group does not have the funds available to redeem the notes.

On 16 August 2023 the Note Holders agreed a waiver of the breaches which will expire on 31 January 2024. The Waiver gives the Board sufficient comfort that the Group can both meet the terms of the original loan without further breaches and the terms of the waiver hence is a going concern. For the Group to remain a Going Concern, the Group is reliant on continued support of the Noteholders by not exercising their rights under the Defaults should the defaults not be remedied, or the note converted or redeemed, by 31 January 2024.

Following satisfaction of the conditions precedent of the Tranche B notes, the Company served notice on the Note Purchasers for the sum of £2.975 million, with the Tranche B Notes issued on 22 August 2023.

On the 18 May 2023, The Group and Company announced that Mark Thompson has stepped down from the board of directors.

On 16 August 2023 the Group and Company announced that Nigel Widdowson has stepped down from the board of directors.

On 4 September 2023 the Group announced that Adrian Bougourd, Kevin Ross and Guy Edwards have been appointed to the Board as Non-Executive Directors.

For information on updated project plans, please see the CEO Review on page 5.

END

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