

30 June 2023

**Fulcrum Metals plc**  
**(“Fulcrum” or “the Company”)**

**Unaudited interim results for the six months to 31 March 2023**

Fulcrum Metals plc (LON: FMET), a company focused on mineral exploration and development in Canada, announces its unaudited consolidated interim results for the six months to 31 March 2023.

The Company also announces audited annual accounts for the year ended 31 December 2022 for FML and FMCL, wholly-owned subsidiaries of the Company, which are appended to this announcement in Appendix I and will be available shortly on the Company’s website ([www.fulcrummetals.com](http://www.fulcrummetals.com))

Fulcrum was incorporated in England and Wales on 10 October 2022 and is the holding company of a mineral exploration group with base, precious and energy metal projects in Canada. Fulcrum’s ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 14 February 2023 (the “IPO”). The Fulcrum group consists of the Company, Fulcrum Metals Limited (Ireland) (“FML”), Fulcrum Metals (Canada) Ltd (“FMCL”), and Fulcrum Metals 2 No 2 (Canada) Ltd (“FMC2L”), formerly the Big Bear SPV (Canada), (the “Group”).

To provide greater transparency, and as detailed in the Company’s schedule one notification published on 31 January 2023 prior to the IPO, these interim results include comparative information for the year ended 31 December 2022 for the Group on a consolidated basis (for Fulcrum, FML and FMCL) and comparative unaudited information for the six months to 31 March 2022.

**Future reporting periods**

The next reporting periods for Fulcrum will be the unaudited consolidated interim results for the six months to 30 September 2023, being announced by the 31 December 2023, and audited consolidated annual accounts for the year ended 31 December 2023 announced by 30 June 2024.

Thereafter and going forward, interim results for the six months ending 30 June, will be published by the 30 September and final results for the year ending 31 December will be announced by 30 June.

More information on the historical financial information for Fulcrum, FML and FMCL can be found in the Company’s admission document published on 8 February 2023 (the “Admission Document”), which is available on Fulcrum’s website at [www.fulcrummetals.com](http://www.fulcrummetals.com) .

**Corporate and Operational Highlights**

- Successful IPO on the AIM market of the London Stock Exchange on 14 February 2023
- £3 million raised as part of the IPO to advance its portfolio of projects with a focus on its flagship Schreiber-Hemlo Project comprising of Big Bear and the Jackfish Lake properties in Ontario, Canada
- Big Bear exploration results have confirmed prospectivity and return high grade results of 45g/t Au, 37.4g/t Au and 33.6g/t Au
- Appointment of Prospectair Geosurveys (“Prospectair”) to commence airborne geophysical exploration at Big Bear and Tocheri Lake in Ontario, Canada
- Schreiber-Hemlo satellite study identifies multiple structural targets at Big Bear and Jackfish

- Cash in the bank as at 31 March 2023 of approximately £1.58 million

**Ryan Mee, Chief Executive Officer of Fulcrum, commented:** *“Fulcrum has been one of the few companies to successfully complete an initial public offering in the UK market this year. We are grateful for the support of our new and existing shareholders who shared our vision and see the potential of Fulcrum. I believe that the diverse experience of our board, many of whom have a history in investing in the mining sector, provides the company with a unique understanding of what investors expect – a clear strategy, which is achievable and importantly delivered in a timely fashion.”*

*“Fulcrum has a highly prospective portfolio of projects in one of the most attractive mining jurisdictions in the world and an aggressive growth strategy. Looking ahead, we will continue to build on the success of our exploration work at our flagship Schreiber-Hemlo project to increase the value and ultimate commercialisation of the project.”*

### **Chairman’s Statement**

This is my first address to shareholders since Fulcrum completed its IPO earlier this year and I am pleased to report that the Company has made significant headways in delivering its stated exploration programme during the period.

It has been a transformational period for the Company as it successfully transitioned from being a private company to a quoted company trading on the London Stock Exchange.

Fulcrum is a multi-commodity exploration company with six gold and base metal projects in Ontario totalling 252 Km<sup>2</sup>, covering the Schreiber-Hemlo, Wawa, Winston Lake and Dayohessarah Greenstone Belts, and two uranium and gold projects in the Northern Athabasca Basin region of Saskatchewan totalling 136Km<sup>2</sup>. Its geographical focus and multi-commodity approach is aimed at minimising the risk often associated with early-stage exploration projects, with the Fraser Institute ranking Canada, as the second most attractive region in the world for mining investment.

The main focus of Fulcrum is to advance, develop, and scale the flagship Schreiber-Hemlo Project comprising the Big Bear and Jackfish Lake properties where the Group has amassed a significant land position of circa 113 Km<sup>2</sup>. The properties have 38 recorded mineral occurrences, high grade gold in rock samples and shear zones that have real potential for the discovery and development of an economic mineral deposit.

Fulcrum’s strategy is to increase the value of its projects with a focus on discovery and commercialisation through targeted exploration programmes. I am delighted to say that the team have been actively deploying funds raised on IPO to enable the Company to start executing its stated strategy. An airborne geophysical exploration programme at Big Bear and Tocheri Lake was announced on 16 March 2023, following the appointment of Prospectair with final data, modelling, and interpretation now expected in Q3 2023. Initial exploration results at Big Bear confirmed the prospectivity of the project with a total of 45 rock samples collected for assay and high gold grades returned on a number of assays, including 45g/t Au, 37.4g/t Au and 33.6g/t Au.

Looking ahead, we are continuing to advance our exploration across all our projects and are particularly buoyant about the potential of Big Bear which we plan to start drilling on later this year.

All and all, it has been a very successful start to Fulcrum’s life as a quoted company and the board looks forward to reporting on the Company’s progress to shareholders as it continues to advance exploration and increase our understanding of our quality projects.



<b>Total comprehensive loss for the financial period</b>		<b>(1,186,730)</b>	<b>(54,643)</b>	<b>(610,429)</b>
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**Consolidated Statement of Financial Position  
as at 31 March 2023**

	<i>Notes</i>	<i>Unaudited</i> 31 March '23	<i>Unaudited</i> 31 March '22	<i>Unaudited</i> 31 Dec '22
<b>Assets</b>		£	£	£
<b>Non-Current Assets</b>				
Intangible assets	<b>3</b>	2,785,456	264,212	651,489
Tangible assets		1,446	-	1,591
		<hr/>		
		2,786,902	264,212	653,080
<b>Current Assets</b>				
Trade and other receivables		216,799	7,064	530,642
Cash and cash equivalents	<b>4</b>	1,578,162	137,375	96,984
		<hr/>		
		1,794,961	144,439	627,626
		<hr/>		
<b>Total Assets</b>		<b>4,581,863</b>	<b>408,651</b>	<b>1,280,706</b>
<b>Equity &amp; Liabilities</b>				
<b>Shareholders' Equity</b>				
Share Capital	<b>8</b>	498,592	117,367	190,993
Share Premium	<b>8</b>	5,422,467	49,555	710,200
Currency Translation Reserves		1,342	(258)	(9,169)
Share option reserves	<b>7</b>	84,002	134,320	448,356
Merger Reserve		(161,446)	-	(161,446)
Retained earnings		(1,450,216)	(65,836)	(658,032)
		<hr/>		
<b>Total Equity</b>		<b>4,394,741</b>	<b>235,148</b>	<b>520,901</b>
<b>Current Liabilities</b>				
Convertible loan notes	<b>6</b>	-	110,031	113,366
Trade and other payables	<b>5</b>	187,122	63,472	646,439
		<hr/>		
<b>Total Liabilities</b>		<b>187,122</b>	<b>173,502</b>	<b>759,805</b>
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<b>Total Equity and Liabilities</b>		<b>4,581,863</b>	<b>408,651</b>	<b>1,280,706</b>

**Consolidated Statement of Cash flows  
for the six months ended 31 March 2023**

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	6 months ended	6 months ended	Year ended
<i>Notes</i>	31 March '23	31 March '22	31 Dec '22
	£	£	£
<b>Cash flows from operating activities</b>			
Loss for the period	(1,188,072)	(54,901)	(619,598)
<i>Adjustments for:</i>			
Depreciation	652	-	510
Impairment	23,464	-	23,007
Finance expense	90,631	12,353	97,202
Finance income	(126,736)	(5,512)	-
Currency Translation	(4,969)	(8,535)	(4,820)
Decrease / (Increase) in trade and other receivables	4,010	(8,478)	(527,017)
Increase in trade and other payables	334,472	62,211	507,415
<b>Net cash used in operating activities</b>	<b>(866,548)</b>	<b>(2,862)</b>	<b>(523,301)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(2,103)	-	(2,122)
Acquisition of intangible exploration assets	(772,864)	(264,212)	(424,679)
<b>Net cash from investing activities</b>	<b>(774,967)</b>	<b>(264,212)</b>	<b>(426,801)</b>
<b>Cash flows from financing activities</b>			
Proceeds on the issue of share capital	3,055,151	166,837	338,010
Proceeds on the issue of convertible loan notes	-	237,525	453,463
Director's loan	(100,000)	-	100,000
<b>Net cash from financing activities</b>	<b>2,955,151</b>	<b>404,362</b>	<b>891,473</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,313,636</b>	<b>137,288</b>	<b>(58,629)</b>
<b>Cash and cash equivalents at start of period</b>	<b>264,526</b>	<b>87</b>	<b>155,613</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,578,162</b>	<b>137,375</b>	<b>96,984</b>

**Consolidated Statement of Changes in Equity  
for the six months ended 31 March 2023**

	Share Capital	Share Premium	Share Option Reserves	Other Reserves	Retained Earnings	Total Equity
	£	£	£	£	£	£
<b>Unaudited</b>						
<b>Balance at 1 October 2021</b>	85	-	-	-	(10,935)	(10,850)
Loss for the financial period	-	-	-	(258)	(54,901)	(55,159)
<b>Total comprehensive loss for the period</b>	-	-	-	(258)	(54,901)	(55,159)
Issue of new shares	117,282	49,555	134,320	-	-	301,157
<b>Balance at 31 March 2022 (unaudited)</b>	<b>117,367</b>	<b>49,555</b>	<b>134,320</b>	<b>(258)</b>	<b>(65,836)</b>	<b>235,148</b>
<b>Audited</b>						
<b>Balance at 1 January 2022</b>	116,580	49,223	133,420	871	(38,434)	261,660
Loss for the financial year	-	-	-	-	(619,598)	(619,598)
Fx Adjustment on opening retained earnings	-	-	-	(10,040)	-	(10,040)
<b>Total comprehensive loss for the year</b>	-	-	-	(10,040)	(619,598)	(629,638)
Issue of new shares	74,412	660,977	-	-	-	735,389
Recognition of equity component of convertible loan notes	-	-	398,817	-	-	398,817
Exercise of convertible loan notes	-	-	(248,198)	-	-	(248,198)
Fair value movement	-	-	164,317	-	-	164,317
Merger Reserve	-	-	-	(161,446)	-	(161,446)
<b>Balance at 31 December 2022</b>	<b>190,993</b>	<b>710,199</b>	<b>448,356</b>	<b>(170,615)</b>	<b>(658,032)</b>	<b>520,901</b>
<b>Unaudited</b>						
<b>Balance at 1 October 2022</b>	116,580	49,233	133,420	-	(262,144)	37,089
Loss for the period	-	-	-	1,342	(1,188,072)	(1,186,730)
<b>Total comprehensive loss for the period</b>	-	-	-	1,342	(1,188,072)	(1,186,730)
Issue of new shares	382,012	5,547,234	84,002	-	-	6,013,248
Share issue costs	-	(174,000)	-	-	-	(174,000)
Recognition of equity component of convertible loan notes	-	-	398,817	-	-	398,817
Exercise of convertible loan notes 2021	-	-	(248,198)	-	-	(248,198)
Fair value movement	-	-	164,317	-	-	164,317
Exercise of convertible loan notes 2022	-	-	(448,356)	-	-	(448,356)
Merger Reserve	-	-	-	(161,446)	-	(161,446)
<b>Balance at 31 March 2023 (unaudited)</b>	<b>498,592</b>	<b>5,422,467</b>	<b>84,002</b>	<b>(160,104)</b>	<b>(1,450,216)</b>	<b>4,394,741</b>

## Notes to the interim financial information

for the six months ended 31 March 2023

### 1. Presentation of accounts and accounting policies

#### (a) Reporting Entity

Fulcrum Metals plc (the "Company") and its subsidiaries (together, the "Group") explore for and develop mineral reserves in Canada.

The Company is a public limited company, incorporated, domiciled, and registered in England and Wales. The registered number is 14409193. The company's registered office and principal place of business is Unit 58, Basepoint Business Centre Isidore Road, Bromsgrove Enterprise Park, Bromsgrove, Worcestershire, B60 3ET, England.

These are the first consolidated financial statements of the Group following the reorganization of the Group to facilitate the listing. The result of the application of the capital reorganization is to present the consolidated financial statements (including comparatives) as if the Company has always owned the Group. The share capital structure of the Company as at the date of the Group reorganization is pushed back to the first date of the comparative period (10 October 2022). A Merger Reserve is created as a separate component of equity, representing the difference between the share capital of the Company at the date of the Group reorganization and that of the previous top organisation of the Group.

#### (b) Basis of preparation

The financial statements have been prepared on the historical cost basis. Where the carrying value of assets and liabilities are calculated on a different basis, this is disclosed in the relevant accounting policy. The accounting policies have been applied consistently to all financial periods presented in the Consolidated Financial Statements.

The Group interim financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB") as adopted by the United Kingdom ("UK adopted IFRS") insofar as these apply to interim financial information.

The financial information set out in this interim consolidated financial information for the six months ended 31 March 2023, and its comparative information for both the 6 months ended 31 March 2022 and year ended 31 December 2022, is unaudited. The financial information presented is not statutory accounts and are prepared only to comply with AIM requirements for interim reporting.

The UK adopted IFRS as applied by the Group in the preparation of these financial statements are those that were effective on or before 31 March 2023.

#### (c) Basis of consolidation

The consolidated interim financial information includes the results of Fulcrum Metals plc and its subsidiary undertakings. The financial statements of all group companies are adjusted, where necessary, to ensure the use of consistent accounting policies.

The Group was formed after the Company, prior to its IPO and listing on AIM, completed a share for share transaction with Fulcrum Metals Limited. The Board has taken the view that the most appropriate way to account for this in line with IFRS is to deem the share for share exchange as a group reconstruction. This has been accounted for under the basis of merger accounting given that the ultimate ownership before and after the transaction remained the same. There is currently no specific guidance on accounting for group reconstructions such as this transaction under IFRSs. In the absence of specific guidance, entities should select an appropriate accounting policy and IFRS permits the consideration of pronouncements of other standard-setting bodies. This group reconstruction as scoped out of IFRS 3 has therefore been accounted for using predecessor accounting principles resulting in the following practical effects;

(iv) The net assets of the Company and the predecessor group, Fulcrum Metals Limited and its subsidiary undertakings (the "Predecessor Group"), are combined using existing book values, with adjustments made as necessary to ensure that the same accounting policies are applied to the calculation of the net assets of both entities;

(ii) No amount is recognised as consideration for goodwill or negative goodwill;

(iii) The consolidated profit and loss account includes the profits or losses of the company and the Predecessor Group for the entire period, regardless of the date of the reconstruction, and the comparative amounts in the consolidated financial statements are restated to the figures presented by the Predecessor Group;

(iv) The retained earnings reserve includes the cumulative results of the Company and the Predecessor Group, regardless of the date of the reconstruction, and the comparative amounts in the statement of financial position are

restated to those presented by the Predecessor Group.

#### **(d) Significant accounting policies**

The Group has presented below key extracts of its accounting policies.

#### **(e) Going concern – basis of accounting**

The Directors have prepared the financial statements on the going concern basis which assumes that the Group and Company will continue in operational existence for at least twelve months from the date of the approval of these financial statements as described below.

The Group generated a (loss) for the financial period 31 March 2023 (£1,188,072)), net assets of £4,394,741 and a cash balance of £1,578,162 at the statement of financial position date.

In February 2023, Fulcrum Metals PLC completed the process of an IPO onto the AIM market of the London Stock Exchange and raised £3.0 million in connection with the admission of the company to fund the new Group and expect that funding requirements will be met for a minimum of 12 months from the date of this report.

Having considered the risks and uncertainties of the business, their projections for the future performance of the Company, and the current uncertain economic environment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Based on the above considerations and assessment, the Directors are satisfied that no significant doubt exists on the company's ability to continue as a going concern and adequate disclosure has been made in the financial statements.

#### **(f) Intangible Assets**

##### *Exploration and evaluation assets*

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets, relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets are recorded and held at cost. Exploration and evaluation assets are assessed for impairment annually or when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. IFRS 6 permits impairments of exploration and evaluation expenditure to be reversed should the conditions which led to the impairment improve. The Group continually monitors the position of the projects capitalised and impaired.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement.

##### *Impairment*

Exploration and evaluation assets are reviewed regularly for indicators of impairment and costs are written off where circumstances indicate that the carrying value might not be recoverable. In such circumstances, the exploration and evaluation asset is allocated to development and production assets within the same cash generating unit and tested for impairment. Any such impairment arising is recognised in the income statement for the period. Where there are no development and production assets, the impaired costs of exploration and evaluation are charged immediately to the income statement.

#### **(g) Judgements and key sources of estimation uncertainty**

The preparation of the Group Financial Statements in conformity with IFRSs requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:



### *Impairment of exploration and evaluation costs*

Exploration and evaluation costs have a carrying value at 31 March 2023 of £2,785,456 (31 March 2022: £264,212) (31 December 2022: £651,488): refer to Note 3 for more information. The Group has a right to renew exploration permits and the asset is only depreciated once extraction of the resource commences. Management tests annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note (g). Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the year warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration the expected costs of extraction, long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside, a decision will be made to discontinue exploration. The directors concluded that an impairment charge of £23,930 was required as at 31 December 2022.

See Note 3 for the directors' assessment.

### *Valuation of warrants*

The Group has made awards of warrants over its unissued share capital to certain Directors and employees as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and to suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates.

## **2. Exceptional Items**

These are costs incurred on the admission to AIM.

## **3. Intangible assets**

Intangible assets comprise acquisition, exploration and evaluation costs. Exploration and evaluation assets are all internally generated. These are measured at cost and have an indefinite asset life. Once the pre-production phase has been entered into, the exploration and evaluation assets will cease to be capitalised and commence amortisation.

### **Exploration & Evaluation Assets - Cost and Net Book Value**

	<b>Mineral licence</b>
<b>Cost</b>	<b>£</b>
<b>At 1 October 2021</b>	-
Additions	264,212
<b>At 31 March 2022</b>	<b>264,212</b>
<b>At 1 January 2022</b>	250,740
Additions	424,679
Impairment	-23,930
<b>At 31 December 2022</b>	<b>651,489</b>
<b>At 1 October 2022</b>	257,066
Additions	2,552,320
Impairment	-23,930
<b>At 31 March 2023</b>	<b>2,785,456</b>

To bolster the portfolio ahead of the intended listing the company agreed to acquire the Big Bear exploration property in Ontario, Canada, from LSE listed Panther Metals (LSE: PALM) dated 6 April 2022. The Big Bear property is an extremely prospective high grade gold project with numerous mineral occurrences of up to 0.71g/t in soils, rock chip samples of up to 105.5g/t and with a high-quality Airborne survey covering the majority of the property outlining 39 high priority

geophysical anomalies for investigation. A condition of the final execution of this agreement is that the company would gain a listing on the AIM market in London by 31 October 2022 and upon listing results in the payment of £200k cash to Panther Metals PLC and the issuance of shares in a Fulcrum Metals listed entity so that Panther Metals hold 20% of the total shares in issue.

The Big Bear project adjoins the existing Fulcrum fully owned Syenite Lake project (acquired 21/03/21) which was further enlarged through the acquisitions of 22 mining claims staked by Fulcrum Metals (Canada) Ltd on 07/04/22 and the adjoining Rongie Lake and Lost Lake projects from OnGold Invest Corp effective 17 April 22.

The enlarged Big Bear project is just 14km west of the Jackfish Lake project (under option pursuant to agreement dated 22/04/2021) which combined establishes a significant high grade gold project footprint in the Western end of the Schreiber - Hemlo greenstone belt covering approximately 113 square kilometres.

The agreement was subsequently amended by an amended and restated agreement entered into on 30 January 2023 in which PMCL agreed to sell to Fulcrum Metals plc, the entire issued share capital in Panther Big Bear (Canada) Ltd ("Big Bear SPV") which holds the entire registered and beneficial interest in and to the mineral claims located in Ontario known as the Big Bear Project.

Effective 6 October 2022, the company expanded the Charlot Lake Uranium project by acquiring, North Neely Lake, East Neely Lake, and West Neely Lake properties totaling 2,076ha. North Neely Lake is a Uranium property with grab samples up to 0.43% U308. East and West Neely Lake comprise the South Neely Lake project area with grab samples up to 6.22% U308 and historic diamond drilling report from a previous operator (T. Connors Diamond Drilling Co., 1936) report shallow (<50m) mineralised intervals of up to 0.5m @ 42.9 g/t gold. It has not been possible to verify the assays in this historic report, although it is reported that the drill core remains on the property, and it is possible that it may be in a condition which allows future verification.

The exploration projects are at an early stage of development and there are no JORC (Joint Ore Reserves Committee) or non-JORC compliant resource estimates available to enable value in use calculations to be prepared. The Directors therefore undertook an assessment of the following areas and circumstances that could indicate the existence of impairment:

The Group's right to explore in an area has expired, or will expire in the near future without renewal;

- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

Following their assessment, the Directors concluded that an impairment charge of £23,930 was required at 31 December 2022 based on a decision after the year end to drop a number of cells from both the Tocheri lake and Beavertrap projects

#### 4. Cash and cash equivalents

	31/03/2023	31/03/2022	31/12/2022
	£	£	£
Cash at bank and in hand	<u>1,578,162</u>	<u>137,375</u>	<u>96,984</u>

All of the cash at bank is held with institution with an AA-credit rating.

#### 5. Creditors: amounts falling due within one year

	31/03/2023	31/03/2022	31/12/2022
	£	£	£
Convertible loan notes (see note 6)	-	110,031	113,366
Trade creditors	105,169	33,798	139,501
Other creditors	33,335	29,674	150,399
Accruals	48,618	-	356,539
	<u>187,122</u>	<u>173,503</u>	<u>759,805</u>

## 6. Convertible loan notes

The convertible loan notes (the “2021 CLNs”) were issued by Fulcrum Metals Limited (“FML”) on 19 November 2021 at an issue price of £ 0.10 per note. The notes were convertible into ordinary shares of FML at any time between the date of issue of the notes and their settlement date. On 24 November 2022, the 2021 CLNs were converted into 2,339,829 shares at £0.10 per share.

On 5 July 2022, 28 September 2022, and 17 October 2022 FML issued CLNs to investors to raise funds of £453,463 at a conversion price is 70% of IPO share price (the “2022 CLNs”).

On 8 February 2023, the 2022 CLNs issued by Fulcrum Metals Limited to investors were cancelled and reissued in the name of Fulcrum Metals Plc, under a deed of surrender and cancellation agreement entered into on 24 November 2022. Under this agreement the 2022 Loan notes were cancelled and, in their place (and in consideration of the creation of an inter-company debt of £453,463 owed by FML to Fulcrum Metals plc), Fulcrum Metals plc issued £453,463 of new loan notes. Subsequently, following the IPO onto the AIM in London, the CLN holders exercised their right to convert the loan notes to share capital under the loan note agreement.

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the Company, as follows:

### Convertible loan notes

	31/03/2023	31/03/2022	31/12/2022
	£	£	£
Opening Balance	-	-	235,933
Convertible loan notes exercised	(453,463)	-	(235,933)
Proceeds of issue of convertible loan notes	453,463	237,509	453,463
Transaction costs	-	-	-
<b>Net proceeds from issue of convertible loan notes</b>	<b>-</b>	<b>237,509</b>	<b>453,463</b>
Equity component	-	127,479	398,817
Transaction costs relating to equity component	-	-	-
<b>Amount classified as equity</b>	<b>-</b>	<b>121,479</b>	<b>398,817</b>
Liability component	-	110,031	113,336
Interest charged (using effective interest rate)	-	-	-
<b>Carrying amount of liability component at 31 March 2023</b>	<b>-</b>	<b>110,031</b>	<b>113,366</b>

## 7. Share based payments

The fair value of the equity-settled warrants was determined by the Binomial Option model, the parameters are defined below:

### Equity-settled warrants

In February 2023, deeds of surrender and cancellation were entered into in by each of the holders of the Investor Warrants and Vendor Warrants with Fulcrum Metals Limited and Fulcrum Metals plc pursuant to which each of the 1,169,915 Investor Warrants and the 118,862 Vendor Warrants were cancelled and, in their place, on 14<sup>th</sup> February 2023 Fulcrum Metals plc issued 1,169,915 New Investor Warrants and New Vendor Warrants pursuant to a new investor warrant instrument and a new vendor warrant instrument to subscribe for ordinary shares in the capital of the Company.

In consideration for the purchase of Big Bear, Fulcrum Metals plc also agreed to grant to PMCL: (i) a warrant to subscribe for Ordinary Shares in the amount of £125,000, exercisable at the Placing Price during the period of two years after

Admission; and (ii) a warrant to subscribe for Ordinary Shares in the amount of £125,000, exercisable at 150 per cent. of the Placing Price during the period of three years after Admission.

	<b><u>2023</u></b>
Granted on:	14/02/2023
Life (years)	2/3 years
Share price	£ 0.14
Exercise price – investor	£ 0.175
Exercise price – vendor	£ 0.263
Number of warrants granted	2,480,040
Risk free rate	1.95%
Expected volatility	65%
Expected dividend yield	0%
Total fair value	£84,002

The movement of warrants for the period to 31 March 2023 are shown below:

	<b>Weighted Average Exercise Price</b>	<b>Number of Warrants</b>	<b>Weighted average remaining life contracted</b>
Investor warrants	£0.175	1,169,915	2 year
Vendor warrants	£0.263	119,649	2 year
Panther Vendor warrants	£0.263	1,190,476	2/3 year

The total charge to the statement of comprehensive income for the period ended 31 March 2023 was £90,631 (31 March 2022: £12,353, 31 December 2022: £97,202)

## 8. Share capital

	<b>31/03/2023</b>	<b>31/03/2022</b>	<b>31/12/2022</b>	
<b>Authorised</b>				
100,000,000 ordinary shares at €0.01 each	<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>	
<b>Issued, called up and fully paid:</b>				
	<b>Number of Ordinary Shares</b>	<b>Share Capital £</b>	<b>Share Premium £</b>	<b>Total £</b>
At 1 October 2021	-	85	-	85
Issue of new shares	-	117,282	49,555	166,837
<b>At 31 March 2022</b>	<b>-</b>	<b>117,367</b>	<b>49,555</b>	<b>166,922</b>
At 1 January 2022	13,873,982	116,580	49,223	165,803
Issue of new shares	5,225,248	74,412	660,977	735,389
<b>At 31 December 2022</b>	<b>19,099,230</b>	<b>190,993</b>	<b>710,199</b>	<b>901,192</b>

At 1 October 2022	15,590,651	116,580	49,233	165,813
Issue of new shares	34,268,543	382,012	5,373,234	5,755,246
<b>At 31 March 2023</b>	<b>49,859,194</b>	<b>498,592</b>	<b>5,422,467</b>	<b>5,921,059</b>

All shares hold the same voting and dividend rights.

On 4 March 2022, the Company completed a placing of 291,667 new ordinary shares of €0.01 at a price of €0.12 per ordinary share, raising gross proceeds of £30,916.70 and increasing share capital by £2,916.

On 28 April 2022, the Company completed a placing of 600,000 new ordinary shares of €0.01 at a price of €0.01 per ordinary share, raising gross proceeds of £6,000 and increasing share capital by £6,000.

On 3 May 2022, the Company completed a placing of 791,668 new ordinary shares of €0.01 at a price of €0.14 per ordinary share, raising gross proceeds of £101,333.50 and increasing share capital by £7,917.

On 11 May 2022, the Company completed a placing of 33,334 new ordinary shares of €0.01 at a price of €0.12 per ordinary share, raising gross proceeds of £3,533.40 and increasing share capital by £333.

On 6 October 2022, the Company completed a placing of 600,000 new ordinary shares of £0.01 at a price of £0.128 per ordinary share, raising gross proceeds of £76,800 and increasing share capital by £6,000.

On 26 October 2022, the Company completed a placing of 568,750 new ordinary shares of €0.01 at a price of €0.19 per ordinary share, raising gross proceeds of £97,825 and increasing share capital by £5,687.

On 24 November 2022, the Company exercised the convertible loan notes by completing a placing of 2,339,829 new ordinary shares of €0.01 at a price of €0.12 per ordinary share, raising gross proceeds of £235,933 and increasing share capital by £23,398.

On 24 November 2022, the owners of the entire issued share capital of FML (the "Transferors") each entered into a Share Exchange Agreement with Fulcrum Metals plc and FML, pursuant to which the Transferors transferred the FML Shares held by each of them to the Company in return for consideration of £901,191.83, which was satisfied by the issue and allotment of 19,099,230 Ordinary Shares in the capital of the Company to the Transferors (credited as fully paid).

In February 2023 following admission to AIM and the IPO listing, the company completed a placing of 16,571,429 new ordinary shares of £0.01 at a price of £0.175 per ordinary share, raising a gross proceeds of £2.9 million and increasing share capital by £165,714.

Upon Aim listing additional shares of 614,285 ordinary shares of £0.01 at a price of £0.175 per ordinary share were also issued to the directors in settlement of loan £100,000 and vendors £7,500 in lieu of services provided.

In consideration for the purchase of Big Bear, Fulcrum Metals plc also allotted, on the closing date (immediately prior to Admission), 9,971,839 ordinary shares of £0.01 (20 per cent. of the total issued enlarged share capital on Admission) at a price of £0.175 per ordinary share to Panther Metals Canada Limited.

On 14 February 2023, the convertible loan note holders exercised their right to convert the loan notes to 3,602,411 ordinary shares of £0.01 at a price of £0.1225 per ordinary share.

## 9. Events after the end of the reporting period

On 17 April 2023, Fulcrum Metals Canada Limited ("FMCL"), the 100% owned subsidiary of Fulcrum Metals Limited, expanded the Winston Lake project acquiring the Carib Creek East property consisting of 42 mining claims covering approximately 8.9 square kilometres. Ryan Mee, Director of Fulcrum Metals Ltd and Chief Executive Officer of Fulcrum Metals PLC sold the mining claims to the company. A sedimentary-volcanic contact Zone has been mapped across the length of the property exhibiting alteration reportedly similar to that of the high-grade zinc-copper deposit at

Winston Lake. Historic soil sampling at Carib Creek East has previously returned anomalous copper values over an area of approximately 2 square kilometres, with values ranging up to 1,100ppm copper. Copper mineralisation has previously been discovered on the property in quartz-carbonate veins, returning grab sample assays from 0.97% to 1.35% copper, with separate veins containing semi-massive iron sulphides, however no drilling was carried out.

The Directors are not aware of any events or circumstances arising which had not been dealt with in this Report which may have a significant impact on the Company.

## **APPENDIX I**

Click here: <https://fulcrummetals.com/wp-content/uploads/2023/06/Consolidated-Financial-Statements.pdf> for a copy of the Audited Annual Accounts for the year ended 31 December 2022 for FML and FMCL