

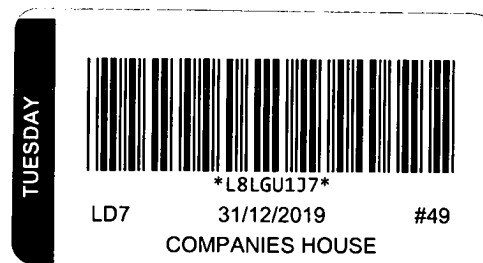


**EV Metals Group plc**  
(Company Number 09145944)

## **Annual Report & Financial Statements**

**For the Year Ended**

**30 June 2019**



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**Corporate directory****Directors**

Michael Naylor  
Russell Thomson  
David Webster  
Peter Gilmour  
Mark Mathysen-Gerst  
Dominic Traynor

**Company Secretary**

Dominic Traynor

**Company registration number**

09145944

**Registered office**

Salisbury House, London Wall  
London  
England  
EC2M 5PS

**Principal place of business**

Level 9,  
256 Adelaide Terrace  
Perth WA 6000  
Australia

**Auditor**

Greenwich & Co (UK)  
Level 2, 267 St Georges Terrace  
Perth Western Australia 6000

**Bankers**

ANZ Banking Group  
239 Murray Street  
Perth WA 6000  
Australia

**Solicitors**

Druces LLP  
Salisbury House, London Wall  
London  
England  
EC2M 5PS

**Registrars**

Share Registrars Limited  
27/28 Eastcastle Street  
London  
W1W8DH

**Country of incorporation**

England and Wales

**Legal form of entity**

Public Limited Company

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## Strategic report

Dear Shareholders,

On behalf of your Board of Directors, I present the Annual Report and Financial Statements of EV Metals Group plc (formerly Ausinox plc) (the "**Company**") and its Subsidiaries (together, the "**Group**") for the year ended 30 June 2019 ("**Annual Report**").

### Group overview

The Company is focused on the evaluation and development of the EV Metals Project based on the Range Well Mineral Resources in the Murchison Province of the Mid West Region of Western Australia.

Ausinox Pty Limited ("**Ausinox**") is a wholly owned subsidiary and our principal operating company in Australia.

In 2018, Ausinox completed the acquisition of 100% of the Oxide Mining Rights including the Range Well Ni Co Resources and the Range Well Chromium Resources ("**Range Well Mineral Resources**") from Podium Minerals Limited ("**Podium**") following the issue of a "no objections notice" by the Foreign Investment Review Board under the Foreign Acquisitions and Takeovers Act of Australia.

The Range Well Mineral Resources are located within 13 contiguous mining leases granted under the Mining Act with an area of 77 km<sup>2</sup> ("**Mining Leases**") covering the entire Weld Range Complex ("**WRC**"), in the Murchison Province, approximately 480 km north east of the Port City of Geraldton, the regional capital of the Mid West Region in Western Australia.

Snowden Mining Industry Consultants Pty Limited ("**Snowden**") has reported independent resource estimates in terms of the 2012 JORC Code for the Range Well Mineral Resources comprising:

- Inferred Mineral Resources of 385.3 Mt @ 0.64% Ni, 0.04% Co, 0.78% Cr and 19.7% Fe above a cut off grade of 0.5% Ni ("**Range Well Ni Co Resources**"); and
- Inferred Mineral Resources of 63.5Mt @ 5.22% Cr, 0.38% Ni, 0.04% Co and 35.40% Fe above a cut off grade of 4% Cr ("**Range Well Chromium Resources**").

The Range Well Mineral Resources represent a total inventory of over 2.5 Mt of nickel (**Ni**), 179,000 tonnes of cobalt (**Co**) and 6 Mt of chromium (**Cr**) from surface to a depth of approximately 40 meters. The Range Well Ni Co Resources contain the largest inventory of Ni and Co in one deposit in Australia.

The EV Metals Project envisages the development and operation of plant and facilities for the production of high purity chemicals and other products containing Ni, Co, Mn and other metals required for cathode active materials for rechargeable batteries for electric vehicles and energy storage systems from the mining and processing of Range Well Mineral Resources.

### Strategic review

Your Board conducts a strategic review of the of the business model and priorities of the Company each year based on conditions and trends in global markets.

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Our objective is to develop EV Metals Group as an innovative, low cost producer of high purity chemicals and other products to generate superior returns for shareholders in terms of growth in assets and earnings.

We have enhanced the business strategies of the Company to meet our objective through an advanced business model that incorporates the development of plant and facilities for downstream processing and refining of high grade intermediate products to produce high purity chemicals and other products containing Ni, Co, Mn and other metals in a strategic location based on the upstream integration of the supply and value chain including mineral resources, mine and primary processing plant based on the Range Well Mineral Resources.

The downstream processing and refining facilities will be located in a globally significant and politically stable jurisdiction that offers opportunities and incentives for the development of internationally competitive businesses at the low end of the cost curve through national economic plans for the transition to electrification of propulsion systems in automobiles and new energy storage systems for renewable energy.

Boston Consulting Group forecasts electric vehicles will reach a market share of 48% of global sales of new automobiles by 2030 (*"The Future of Battery Production for Electric Vehicles. September 2018"*).

Motor vehicles propelled by an electric motor powered by a rechargeable battery only will account for 14% of new vehicle sales and represent the largest share of battery capacity demand by 2030.

Hybrid electric vehicles with an internal combustion engine ("ICE") and an electric motor powered by a rechargeable battery will account for 34% of new vehicle sales by 2030.

Hybrid electric vehicles with an ICE require exhaust systems incorporating emission control units such as auto catalysts to meet progressively higher environmental standards. Platinum Group Metals, in particular, platinum and palladium are strategic metals for auto catalysts.

There is now a clear trend towards substitution of cobalt with nickel in the new generation of rechargeable lithium-ion batteries for electric vehicles. The NMC 811 battery (80% Ni, 10% Mn and 10% Co) is emerging as the dominant battery chemistry and technology for rechargeable batteries for electric vehicles.

The higher Ni loadings in rechargeable batteries have the advantages of lowering battery costs and increasing energy density for longer travel distances between re-charges. The full impact of this substitution in terms additional demand for nickel for rechargeable batteries for EV is expected around 2025.

The key metals for cathode active materials for rechargeable Li-ion batteries for electric vehicles and energy storage facilities are Ni, Co, Mn and Li. Copper, platinum and palladium are also key metals for electric vehicles going forward.

Global demand for Ni is forecast at 2.4Mt in 2019. Industry leaders and market analysts forecast additional global demand for Ni for electric vehicles will increase by over 300,000 tonnes per year by 2025 and 1.2 Mt per year by 2030.

Annual global supply of Ni from sulphide projects continues to fall. There are no new nickel sulphide projects in the pipeline capable of satisfying the annual demand growth for Ni for electric vehicles. This means that new supply to meet the additional demand for Ni for electric vehicles from 2025 onwards will need to be sourced from the development of nickel laterite deposits.

### **Financial performance**

The financial performance of the Group in the period under review reflects a substantial investment in the evaluation of options for the development and operation of the EV Metals Project.

The Group recorded a consolidated operating loss of £2,670,683 in the 12 months ended 30 June 2019 (loss of £393,634 in the 12 months ended 30 June 2018). The operating loss largely arises from interest and fees on financing instruments. Expenditure on project acquisition, evaluation and development was capitalised.

### **Company outlook**

The Company has been positioned for development as a producer of high purity chemicals and other products containing Ni, Co, Mn and other metals for cathode active materials for rechargeable batteries for electric vehicles and energy storage facilities from the EV Metals Project based on the Range Well Mineral Resources.

Nickel will be the primary driver of the value of the Company and economics of the EV Metals Project, but cobalt will have significant value as a co-product.

The price of Ni has increased by over 30% to US\$13,800 in 2019, the second highest increase in the price of metals behind palladium which has risen by over 42% in the same period. The price of Ni is forecast to increase to over US\$17,000 in 2020 and US\$20,000 in 2021.

The Company is currently in the process of completing capital raisings in Q4 2019 to fund corporate and project expenditures including completion of a preliminary feasibility study ("PFS") by Q4 2020 and a definitive feasibility study ("DFS") by Q4 2021 for the evaluation and development of the EV Metals Project.

During 2020, your Board will evaluate options for the admission of the Company to listing on an international securities exchange.

By Order of the Board

**Michael Naylor**  
Executive Chairman



16 December 2019

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## **Directors' report**

The Directors present their report and the audited financial statements of the Company and Group for the year ended 30 June 2019. The Directors of the Company during the year and at the date of this report are as follows:

### **Michael Naylor (66), Executive Chairman**

Michael has over 30 years' experience in the management and development of companies engaged in the business of mineral resources, mining finance and process technology in gold, nickel, cobalt, chromium and platinum group metals in Australia and South Africa. He led the acquisition and re-consolidation of the mineral rights and mining tenements covering the Weld Range Complex commencing in 2007. Michael initiated and has managed the evaluation of Range Well Mineral Resources since 2009 including the Ausinox Stainless Steel Alloy Project and the EV Metals Project. He has been a Director and CEO of Ausinox Pty Limited since 2010 and Chairman and CEO of EV Metals Group plc since 2015. He was formerly a Director and CEO of Podium Minerals Limited. Michael is also a shareholder of EV Metals Group plc and Podium Minerals Limited.

### **Russell Thomson (60), Finance Director and Chief Financial Officer**

Russell is a professional accountant with over 25 years' working experience in the construction, engineering, railway, energy, natural resources and mining industries in Australia, Asia, USA and South Africa. He has been a Director and CFO of Ausinox Pty Limited since 2010 and a Director and CFO of EV Metals Group plc since 2014. Russell is also the CFO and a director of Podium Minerals Limited and director and shareholder of EV Metals Group plc.

### **David Webster (67), Non-Executive Director**

David is a highly experienced executive metallurgist with over 30 years' experience and with a wide range of technical and management skills in the mining, iron and steel industry. David has a degree in Metallurgy from Newcastle University, NSW. He commenced his career with BHP Steel (now BlueScope) in Newcastle. Over the following thirty years, David rose through the BHP organisation, with assignments in both steelmaking and iron ore divisions, culminating with an assignment as President of Orinoco HBI, a BHP subsidiary company in Venezuela. Subsequently David spent five years with ProMet Engineers in Perth as a Project Director in the resources sector, including a major study for Rio Tinto into the production of stainless steel in Western Australia. David then spent 7 years working in Europe, initially in Kiev, Ukraine as CEO Vorskla Steel and then in Zug, Switzerland as Chief Project Officer/COO of Ferrexpo, a Ukrainian iron ore pellet producer. David then joined Sphere Minerals, a Perth based junior with Iron Ore projects in Mauritania, as COO. Following the takeover of Sphere by Xstrata David held the position of Operations Director Mauritania also based in Zug. David retired from Xstrata in June 2012 and is currently resident in Perth. David currently provides high level project management and development advice to Australian and Indian Engineering companies.

### **Peter Gilmour (62), Non-Executive Director**

Peter is a professional process engineer with over 35 years' experience in the mining and processing of mineral resources in Australia, Asia and Africa. Peter specialises in commissioning and process start-up of large scale resource projects which have included iron ore, nickel, copper, uranium, alumina and mineral sands projects of major international resource companies.

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**Mark Mathysen-Gerst (47), Non-Executive Director**

After graduating from ACL University in London, Mark Mathysen-Gerst spent fourteen years in the private banking industry. Throughout his career, Mark was in charge of managing client relationships, devising investment strategies, allocating assets, selecting fund managers and mutual funds and supervising clients' investments. An experience that consolidated his vision of private banking and convinced him of three fundamentals: quality client relationships, full independence in investment decisions, complete transparency in fee structure. A real Swiss "product", with a strong sense of precision and hard-working capacities, Mark gained at an early age a thorough understanding and expertise of Asia and, in particular, the Chinese market. Mark is a Swiss and Dutch national fluent in French, English, German and Spanish with good knowledge of Italian. He is a founding Partner of Clear Eight Capital in charge of wealth management and private equity services.

**Dominic Traynor (42), Non-Executive Director**

Dominic is a corporate lawyer based in London with almost 20 years' experience in corporate finance, public markets and corporate governance. Dominic has acted on more than 20 IPOs primarily on the AIM market as well as numerous takeovers, secondary fundraisings and joint ventures. He has worked almost exclusively in the natural resources sector for the last 10 years and has assisted companies across a wide range of metals and minerals throughout the world in their development both as legal counsel and at board level. Dominic is currently a non-executive director of Georgian Copper & Gold Ltd and ODYE Ltd and Global Oil Shale Holdings Inc, oil companies with interests in Sierra Leone and Jordan respectively.

**Principal activities**

The Company is the parent company of the Group.

The objective of the Company is to generate and grow shareholder value and returns in terms of share price and dividends by acquiring, evaluating, developing, mining and processing mineral resources to produce advanced materials containing nickel, cobalt, chromium, iron and other metals for global markets.

The principal activities of the Company are to fund, invest in, direct and manage the mineral resource projects of the Group to achieve the objectives of the Company.

The business strategy and strategic priorities of the Company are to fast track the preliminary feasibility study and definitive feasibility study for the evaluation and development of the EV Metals Project.

**Review of business**

A review of the activities, financial performance and prospects of the Company and the Group in the period under review is contained in the Strategic Report which forms part of this Directors' Report.

**Post Balance Sheet Date Events**

There are no material post balance sheet date events to report.



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**Going concern**

In accordance with their responsibilities, the Directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The Directors have prepared these financial statements on the going concern basis.

**Directors**

The current Directors are listed on pages 5 and 6 of this Annual Report.

**Dividends and transfers to reserves**

No dividend has been paid or proposed for the year.

**Corporate governance**

There is no requirement to comply with the revised UK Corporate Governance Code, issued by the Financial Reporting Council in 2010 (the "Code"). However, the Directors recognise the value of the provisions set out in the Code and have decided to provide limited corporate governance disclosures based on certain of the disclosures required of a fully listed company.

The Board has not yet established but plans to form early in the coming year an Audit Committee, a Remuneration Committee, and a Nominations Committee, each with formally delegated duties and responsibilities. Each committee will comprise members of the Board.

The Audit Committee will receive and review reports from management and the Group's auditors relating to the interim and annual financial statements and the accounting and internal control systems in use throughout the Group. The Audit Committee will have unrestricted access to the Group's auditors.

The Remuneration Committee will review the scale and structure of the Executive Directors' remuneration and the terms of their service contracts. The remuneration and terms and conditions of appointment of the Non-Executive Directors are set by the Board. The Remuneration Committee will also administer the Performance Incentive Scheme of the Group.

**Political and charitable donations**

During the year ended 30 June 2019, the Group made no political or charitable donations.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors' statement as to disclosure of information to the auditor**

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Cautionary statement regarding forward-looking statements**

This Annual Report has been prepared for the members of the Company and no one else. The Company, its Directors, employees or agents do not accept or assume responsibility to any other person in connection with this document and any such responsibility or liability is expressly disclaimed.

This Annual Report contains certain forward-looking statements with respect to the principal risks and uncertainties facing EV Metals Group plc. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the period. Nothing in this Annual Report should be construed as a profit forecast.

### **Auditors**

Greenwich & Co (UK) will be proposed for reappointment at the forthcoming Annual General Meeting in accordance with Section 489(4) of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board.

**Russell Thomson**  
Finance Director

A handwritten signature in black ink, appearing to be 'R. Thomson', written over a horizontal line.

16 December 2019

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## **Independent Auditor's Report to the members of EV Metals Group plc**

### **Opinion**

We have audited the consolidated financial statements of EV Metals Group plc ("Company" and "Parent Company") and its Subsidiaries ("Group") for the year ended 30 June 2019. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 June 2019 and of the Group's profit for the year then ended;
- the Group's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Material uncertainty related to going concern**

We draw attention to Note 2 to the financial statements, which indicates that, at 30 June 2019, the Group held cash reserves of £492, but had borrowings to repay of £2,188,059. As such, we believe that the Group's ability to continue as a going concern is dependent on future fundraising, either via loan arrangements or issue of equity instruments.

As stated in Note 2, these matters indicate that there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial statements do not include adjustments that would result if the Group were unable to continue as a going concern.

Our opinion is not modified in respect of this matter.

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**Other information**

The Directors are responsible for the other information. The other information comprises the information included in this Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or other appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Director's Responsibilities Statement on page 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company, or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Nicholas Hollens** – Senior Statutory Auditor  
For and on behalf of

Greenwich & Co (UK) – Statutory Auditors,  
Level 2, 267 St Georges Terrace,  
Perth Western Australia 6000

Date: 16 December 2019

## Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2019

	Note	Year ended 30 June 2019	Year ended 30 June 2018
		£	£
<b>Revenue</b>		-	-
Cost of sales		-	-
<b>Gross profit/ (loss)</b>		-	-
Administrative expenses		(2,670,683)	(393,634)
Share of loss from associate		-	-
Other income		-	-
<b>Loss before tax</b>	4	<b>(2,670,683)</b>	<b>(393,634)</b>
Tax credit/(expense)	7	-	-
<b>Net loss for the year/period attributable to members of the Company</b>		<b>(2,670,683)</b>	<b>(393,634)</b>
<b>Loss for the year/period</b>		<b>(2,670,683)</b>	<b>(393,634)</b>
<i>Other Comprehensive Income</i>			
Foreign exchange difference on translation of subsidiaries		528,305	671,328
<b>Total comprehensive income for the year/period attributable to the equity holders of the parent</b>		<b>(2,142,379)</b>	<b>277,694</b>
<b>Profit/(Loss) per ordinary share (in pence)</b>	8	<b>0.00</b>	<b>0.00</b>

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the Parent Company profit and loss account. The loss for the Parent Company for the year was £2,031,846

The accompanying notes form an integral part of these financial statements.



**Consolidated Statement of Financial Position as at 30 June 2019**

		<b>GROUP</b>	<b>GROUP</b>	<b>COMPANY</b>	<b>COMPANY</b>
		<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
		<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Assets</b>					
<b>Current Assets</b>					
Cash and short-term deposits	8	492	1,299	62	-
Trade and other receivables	9	2,881	2,923	-	-
Loans to Ausinox Pty Ltd	10	-	-	2,845,185	2,683,965
<b>Total Current Assets</b>		<b>3,372</b>	<b>4,221</b>	<b>2,845,247</b>	<b>2,683,965</b>
<b>Non-Current Assets</b>					
Capitalised Project Expenditure	11	8,301,135	8,291,097	1,923,196	1,923,196
Office Equipment, Furniture & Fittings		1,025	1,958	-	-
Investments	12	-	-	2,524,542	2,524,542
<b>Total Non-Current Assets</b>		<b>8,302,159</b>	<b>8,293,055</b>	<b>4,447,738</b>	<b>4,447,738</b>
<b>Total Assets</b>		<b>8,305,532</b>	<b>8,297,276</b>	<b>7,292,985</b>	<b>7,131,703</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	13	1,749,346	922,293	818,976	516,700
Borrowings	14	2,188,059	3,378,664	1,995,350	3,267,555
<b>Total Current Liabilities</b>		<b>3,937,405</b>	<b>4,300,957</b>	<b>2,814,327</b>	<b>3,784,255</b>
<b>Non-Current Liabilities</b>					
Borrowings	14	-	-	-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>3,937,405</b>	<b>4,300,957</b>	<b>2,814,327</b>	<b>3,784,255</b>
<b>Net Assets</b>		<b>4,368,127</b>	<b>3,996,319</b>	<b>4,478,659</b>	<b>3,347,448</b>
<b>Capital and Reserves</b>					
Equity share capital	15	785,972	590,119	785,972	590,119
Share premium	16	7,534,718	4,545,057	7,534,718	4,545,057
Foreign Currency Reserve		528,305	671,328	-	-
Accumulated losses		(4,480,868)	(1,810,185)	(3,842,031)	(1,787,728)
<b>Equity shareholders' funds</b>		<b>4,368,127</b>	<b>3,996,319</b>	<b>4,478,659</b>	<b>3,347,448</b>

These financial statements were approved by the Board of Directors on 16 December 2019.



**Russell Thomson**  
Finance Director

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Changes in Equity for the Year Ended 30 June 2019**

Group	Share Capital £	Share Premium £	Currency Translation Reserve £	Accumulated Losses £	Total £
<b>Balance as at 30 June 2017</b>	<b>590,119</b>	<b>4,545,057</b>	<b>754,269</b>	<b>(1,416,551)</b>	<b>4,472,894</b>
<b>Comprehensive Income</b>					
Loss for the year	-	-	-	(393,634)	(393,634)
Other comprehensive income	-	-	(82,941)	-	(82,941)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(82,941)</b>	<b>(393,634)</b>	<b>(476,575)</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Issue of shares during the financial year	-	-	-	-	-
<b>Total transactions with owners, in their capacity as owners, and other transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 June 2018</b>	<b>590,119</b>	<b>4,545,057</b>	<b>671,328</b>	<b>(1,810,185)</b>	<b>3,996,319</b>
<b>Comprehensive Income</b>					
Loss for the year	-	-	-	(2,670,683)	(2,670,683)
Other comprehensive income	-	-	(143,023)	-	(143,023)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(143,023)</b>	<b>(2,670,683)</b>	<b>(2,813,706)</b>
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Issue of shares during the financial year	195,853	2,989,661	-	-	3,185,514
<b>Total transactions with owners, in their capacity as owners, and other transfers</b>	<b>195,853</b>	<b>2,989,661</b>	<b>-</b>	<b>-</b>	<b>3,185,514</b>
<b>Balance as at 30 June 2019</b>	<b>785,972</b>	<b>7,534,718</b>	<b>528,305</b>	<b>(4,480,868)</b>	<b>4,368,127</b>

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Cash Flows for the Year Ended 30 June 2019**

	Year ended 30 June 2019	Year ended 30 June 2018
	£	£
<b>Operating activities</b>		
Loss for the year/period	(2,670,683)	(393,634)
<i>Adjustments to reconcile loss for the year/period to net cash flow from operating activities:</i>		
Share of loss of associate (non-cash)	-	-
Decrease/(Increase) in trade and other receivables	-	61,690
Increase in trade and other payables	2,735,121	548,279
<b>Net cash flow from operating activities</b>	<b>64,438</b>	<b>(609,969)</b>
<b>Investing activities</b>		
Payments for project activities	(146,502)	(289,769)
<b>Net cash flow from investing activities</b>	<b>(146,502)</b>	<b>(289,769)</b>
<b>Financing activities</b>		
Equity contributions	-	-
Proceeds from borrowings/loans	81,257	69,005
<b>Net cash flow from financing activities</b>	<b>81,257</b>	<b>69,005</b>
 Net increase/(decrease) in cash and cash equivalents	 (807)	 (4,429)
Cash and cash equivalents at the start of the year/period	1,299	5,728
<b>Cash and cash equivalents at the end of the year/period</b>	<b>492</b>	<b>1,299</b>

The accompanying notes form an integral part of these financial statements.

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## Notes to the Financial Statements for the Year Ended 30 June 2019

### 1. Authorisation of financial statements

The financial statements of the Company and its subsidiaries for the year ending 30 June 2019 were authorised by the Board of Directors on 6 December 2019 and the balance sheet was signed on the Board's behalf by Russell Thomson, Finance Director. The Company is a public limited company registered in England and Wales.

### 2. Summary of significant accounting policies

#### Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to the financial statements of the Group for the year ended 30 June 2019 and applied in accordance with the Companies Act 2006.

The Group financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

#### Going Concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

At 30 June 2019, the Group held cash reserves of £492, but had borrowings to repay of £2,188,059. The Directors of the Group are taking various steps to secure the Group's financial future, via alternative loan funding and future capital raisings

However, the Directors also recognise that the ability of the Group to continue as a going concern and to pay its debts as and when they fall due is dependent on future fundraisings. Given the current cash position, there is a material uncertainty about whether the Group can continue as a going concern.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

#### Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company determines the classification of its financial instruments at initial recognition.

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**Financial assets**

From 1 January 2018, financial assets are classified at initial recognition a (i) subsequently measured at amortised cost, (ii) fair value through other comprehensive income (OCI) or (iii) fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designed upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement within finance costs. Transaction costs arising on initial recognition are expensed in the Income Statement.

**Financial assets at fair value through other comprehensive income**

The financial asset is held for both collecting contractual cash flows and selling the financial asset. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

The Company's financial assets at fair value through other comprehensive income include its investment in listed equities.

**Financial assets at amortised cost**

Financial asset at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gain and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include 'trade and other receivables' and 'cash and equivalents' in the Balance Sheet.

**Financial liabilities**

Financial liabilities are classified at initial recognition as (i) financial liabilities at fair value through profit or, (ii) loans and borrowings, (iii) payables or (iv) derivatives designated as hedging instruments, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft. These are subsequently measured at amortised cost using the effective interest method. Gain and losses are recognised in the Income Statement when the liabilities are derecognised. Amortisation is included as finance costs in the Income Statement.

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Restricted deposits held as security are classified as financial assets rather than cash where the terms of the deposit mean that the balance cannot be readily converted to finance the day-to-day operations of the Group.

For the purpose of the consolidated cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

The Group endeavours to maintain sufficient cash at bank and in hand to fund operations in the short-term and invests surplus funds in term deposits to maximise interest revenue.

### **Employee benefits**

#### *Defined contribution plans*

The Group's funding of the defined contribution plans is charged to the income statement in the same period as the related service is provided.

#### *Leave benefits*

Annual leave is provided for over the period that the leave accrues.

### **Foreign currency translation**

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Company, and the presentation currency for the Group consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on discontinuation of activities in the foreign operation or partial disposal of the net investment.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

#### **Income taxes**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither the accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise tax is recognised in the income statement.

#### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the

consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised.

**Interest income**

Finance revenue is recognised as interest accrued using the effective interest method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to its net carrying amount.

**Share-based payments****Equity-settled transactions**

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become entitled to the award. Fair value is determined by an external valuer using the Black-Scholes Option Pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Where the Group reacquires its own equity instruments, those instruments ('treasury shares') are deducted from equity. Consideration paid or received is recognised directly in equity.

**Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 July 2018. Detail of the relevant new standards is given below.



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## **IFRS 9 Financial Instruments**

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 retrospectively, with an initial application date of 1 July 2018. The Company has not restated comparative information which continues to be reported under IAS 39 and the disclosure requirements of IFRS 7 Financial Instruments: Disclosures relating to items within the scope of IAS 39. There was not material impact arising from IFRS 9 adoption.

### **Classification and measurement**

Under IFRS 9, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The adoption of IFRS 9 did not have a significant impact to the Company other than changes to the classification of the Company's financial assets. Trade and other receivables and cash and cash equivalents classified as loans and receivables as at 30 June 2019 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

### **Impairment**

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

The adoption of IFRS 9 did not have a material effect on the impairment losses recognised by the Company.

### **Standards issued but not yet effective**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2018 and have not been applied in preparing these financial statements. The Company expects that the adoption of the new standards, amendments to standards and interpretations that have been issued but not yet effective will not have any impact on the financial statements in the period of initial application except for IFRS 16 Leases:

IFRS 16 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company plans to adopt IFRS 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 July 2019. The Company is currently assessing the potential impact of adopting IFRS 16.

### 3. Segmental information

The full Board of the Company is considered the chief operating decision maker. For management purposes, the Group is organised into business units according to the nature of the products and services, as reported to the Board.

At this stage of the Group's development, the Board considers there to be only one segment in the business: the evaluation and development of plant and facilities for the production of advanced materials containing industrial metals such as nickel, cobalt, chromium and iron from the mining and processing of the Range Well Mineral Resources of Ausinox, a wholly owned subsidiary of the Company and the principal operating company of the Group. All activities undertaken by the Group, both administrative and operational, are in support of this project development. Given there is only one reportable segment (Central Administration Costs), readers may utilise the main financial statements as they present the same disclosures as would be included in any segment reporting. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

### 4. Operating loss

Group operating loss is stated after charging / (crediting):

	Year Ended 30 June 2019 £	Year Ended 30 June 2018 £
<b>Current Auditor's Remuneration</b>		
-Audit Fees in respect of the Company	20,000	20,000
-Taxation compliance	-	-
<b>Total Auditor's Remuneration</b>	<b>20,000</b>	<b>20,000</b>

## 5. Staff Numbers & Costs

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

	Year Ended 30 June 2019	Period Ended 30 June 2018
Non-Executive Directors	4	4
Executive Directors	2	2
Administration and Operational Staff	-	-
<b>Total</b>	<b>6</b>	<b>6</b>

The costs incurred in respect of these employees (including Directors) were:

	Year Ended 30 June 2019 £	Period Ended 30 June 2018 £
Wages and Salaries	-	-
Social Security Costs	-	-
Other Pension Costs	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Other pension costs consist of contributions to defined contribution pension plans.

Due to the limited cash flows of the Group in its start-up phase, preceding work on the preliminary feasibility study and definitive feasibility study for the evaluation and development of the EV Metals Project, the Directors of EV Metals Group plc have foregone salary in the current and preceding year, to preserve available funds for project evaluation and development.

**6. Taxation****Tax recognised in the income statement**

	<b>Year Ended 30 June 2019</b>	<b>Period Ended 30 June 2018</b>
	<b>£</b>	<b>£</b>
Current Tax Expense/ (Credit) Overseas	-	-
Tax reported in consolidated income statement	-	-

**Reconciliation**

A reconciliation of total tax applicable to accounting profit before tax at the Group's effective tax rate for the year ended 30 June 2019 is as follows:

	<b>Year Ended 30 June 2019</b>	<b>Period Ended 30 June 2018</b>
	<b>£</b>	<b>£</b>
Loss on continuing activities before taxation	(2,670,683)	(393,634)
Profit/ (loss) on discontinued activities before taxation	-	-
Total loss on ordinary activities before taxation	(2,670,683)	(393,634)
At United Kingdom Tax Rate of 19% (2017-2014 -20%)	(507,430)	(74,790)
Expenditure not allowable for tax purposes	-	-
Tax losses carried forward	507,430	74,790
Total tax expense/ (income) reported in consolidated income statement	-	-

The Group has trading tax losses of £4,480,686 that are available indefinitely for offset against future taxable profits of the same trade in the companies in which they arose. The value of the unrecognised trading tax losses at the current tax rate of 19 per cent is £851,330. Deferred tax assets have not been recognised in respect of these trading losses as the companies with losses are not forecast to generate taxable profits for several years and the losses are not transferrable.

**7. Profit/(loss) per ordinary share**

	<b>Year Ended 30 June 2019</b>	<b>Period Ended 30 June 2018</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of shares in issue	78,631,029	58,865,718
	<b>£</b>	<b>£</b>
Total comprehensive income/(loss) for the year/period attributable to equity holders of the parent from continuing operations	(2,670,683)	(393,634)

**8. Cash and Cash Equivalents**

	<b>Group 30 June 2019</b>	<b>Group 30 June 2018</b>	<b>Company 30 June 2019</b>	<b>Company 30 June 2018</b>
	£	£	£	£
Cash at Bank	492	1,299	62	493

Cash at bank earns interest at floating rates based on daily bank deposit rates.

**9. Trade and other receivables**

	<b>Group Year Ended 30 June 2019</b>	<b>Group Year Ended 30 June 2018</b>	<b>Company Year Ended 30 June 2019</b>	<b>Company Period Ended 30 June 2018</b>
	£	£	£	£
GST Receivable	2,881	2,923	-	-
<b>Total</b>	<b>2,881</b>	<b>2,923</b>	<b>-</b>	<b>-</b>

**10. Loans to Ausinox Pty Ltd**

	<b>Group Year Ended 30 June 2019</b>	<b>Group Year Ended 30 June 2018</b>	<b>Company Year Ended 30 June 2019</b>	<b>Company Period Ended 30 June 2018</b>
	£	£	£	£
Loan receivable	-	-	2,845,185	2,683,965
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,845,185</b>	<b>2,683,965</b>

In the past several years, EV Metals Group plc has advanced funds to Ausinox Pty Ltd to finance ongoing project acquisition, evaluation and development. Ausinox Pty Ltd is the holder of the Oxide Mining Rights and the main operating company of the Group based in Australia.

**11. Capitalised Project Expenditure**

	<b>Group Year Ended 30 June 2019</b>	<b>Group Year Ended 30 June 2018</b>	<b>Company Year Ended 30 June 2019</b>	<b>Company Period Ended 30 June 2018</b>
	£	£	£	£
Balance brought forward	8,291,097	7,714,129	1,923,196	1,923,196
Other additions	10,038	576,967	-	-
<b>Total</b>	<b>8,301,135</b>	<b>8,291,097</b>	<b>1,923,196</b>	<b>1,923,196</b>

**12. Investments**

	<b>Group Year Ended 30 June 2019 £</b>	<b>Group Year Ended 30 June 2018 £</b>	<b>Company Year Ended 30 June 2019 £</b>	<b>Company Period Ended 30 June 2018 £</b>
Investment in subsidiaries:				
- Ausinox Pty Ltd	-	-	2,045,000	2,045,000
- EV Metals Pty Ltd (formerly Ausinox Nickel Pty Ltd)	-	-	479,542	479,542
<b>Total</b>	-	-	<b>2,524,542</b>	<b>2,524,542</b>

**13. Trade and Other Payables**

<b>Current</b>	<b>Group 30 June 2019 £</b>	<b>Group 30 June 2018 £</b>	<b>Company 30 June 2019 £</b>	<b>Company 30 June 2018 £</b>
<b>Current</b>				-
Trade Payables	1,749,346	922,293	818,876	516,700
	<b>1,749,346</b>	<b>922,293</b>	<b>818,976</b>	<b>516,700</b>

Trade Payables are non-interest bearing and the average creditor days is 90.

**14. Borrowings**

<b>Current</b>	<b>Group 30 June 2019 £</b>	<b>Group 30 June 2018 £</b>	<b>Company 30 June 2019 £</b>	<b>Company 30 June 2018 £</b>
Loan from KM Securities Pty Ltd	192,708	111,109	-	-
Loan from Magica Investment	27,602	-	27,602	-
Loan from Woodgate	1,967,748	3,267,555	1,967,748	3,267,555
<b>Total</b>	<b>2,188,059</b>	<b>3,378,664</b>	<b>1,995,350</b>	<b>3,267,555</b>

Interest on the loan from Woodgate is chargeable at 25% per annum. The loan is due for repayment by 31 December 2019, hence it's classification this year as Current.

**15. Issued Share Capital**

	Company No. of shares	Company £
<b>Called up, Allotted and Fully Paid</b>		
At 24 July 2014	2	2
Acquisition of EV Metals Pty Ltd (formerly Nicotec Pty Ltd)	9,590,845	95,908
Issued on Placing of New Shares	8,551,962	84,357
At 30 June 2015	18,142,809	180,267
Issued on Placing of New Shares	32,183,554	324,458
At 30 June 2016	50,326,363	504,725
Issued on Placing of New Shares	8,539,355	85,394
At 30 June 2017	58,865,718	590,119
Issued on Placing of New Shares	-	-
At 30 June 2018	58,865,718	590,119
Issued on Placing of New Shares	19,765,311	195,853
At 30 June 2019	78,631,029	785,972

The Company has one class of ordinary shares which carry no rights to fixed income.

**16. Share Premium**

	Company No. of shares	Company £
<b>Called up, Allotted and Fully Paid</b>		
At 24 July 2014	2	-
Acquisition of EV Metals Pty Ltd (formerly Nicotec Pty Ltd)	9,590,845	383,634
Issued on Placing of New Shares	8,551,962	360,153
At 30 June 2015	18,142,809	743,787
Issued on Placing of New Shares	32,183,554	2,827,130
At 30 June 2016	50,326,363	3,570,917
Issued on Placing of New Shares	8,539,355	974,140
At 30 June 2017	58,865,718	4,545,057
Issued on Placing of New Shares	-	-
At 30 June 2018	58,865,718	4,545,057
Issued on Placing of New Shares	19,765,311	2,989,661
At 30 June 2019	78,631,029	7,534,718

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## 17. Equity

### Share capital

Share capital represents the nominal value of shares issued by the Company.

### Share premium

Share premium represents the premium over the nominal value raised on the issue of shares by the Company.

## 18. Related party disclosures

### Director remuneration

Any related party transaction involving Directors related to remuneration and is shown in note 7.

### Other Related Party Transactions

During the year to 30 June 2019, the Group conducted the following transactions with related parties:

- £33,917 was accrued as rent to Mining Finance and Investment Corporation, an entity associated with Mr. Thomson and Mr. Naylor.
- £1,527,933 was charged in fees and interest associated with the above disclosed loan from Woodgate Investment Limited, an entity associated with Mr Mathysen-Gerst.
- £109,304 was charged in respect of accounting and secretarial services by Ruskat Consulting, a business associated with Mr. Thomson, an executive Director.
- £198,735 was charged in respect of professional services by Mr. Naylor, an executive Director.

As at 30 June 2019, the following balances were outstanding between the Group and related parties:

- The Group has a loan of £1,967,748 payable to Woodgate Investments Limited, an entity associated with Mr Mathysen-Gerst.
- The Group has a loan of £27,602 payable to Magica Investments Limited, an entity associated with Mr Mathysen-Gerst.
- The Group has a loan of £192,708 payable to KM Securities Pty Ltd, a company associated with Mr Naylor and Mr Thomson.
- The Group has balances in trade and other payables of:
  - £33,254 owing to Ronaldsons LLP,
  - £7,308 owing to Druces LLP
  - £313,411 owing to Ruskat Consulting, and
  - £468,904 owing to Mr Naylor.
  - £251,870 owing to Podium Minerals Limited, a major shareholder of the Company, arising from the obligations of Ausinox Pty Ltd, a wholly owned subsidiary of the Company, to reimburse Podium for the 50% of the annual rents and rates on the Mining Tenements containing the Oxide Mining Rights including the Range Well



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Mineral Resources under the Mining Rights Deed details of which are set out in Note 21.

#### 19. Share-based payments – Company

A Performance Incentive Plan is being developed by the Company for the Group. No share-based payments were made during the year to 30 June 2019.

#### 20. Expenditure Obligations

Podium Minerals Limited (formerly Weld Range Metals Limited) ("Podium") and Ausinox Pty Limited ("Ausinox"), a wholly owned subsidiary of the Company, are the parties to the Mining Rights Deed dated 20 November 2017 as amended by Deed of Variation dated 7 June 2018 ("Mining Rights Deed"). ~

Podium is the registered holder of 13 contiguous mining leases with an area of 77 km<sup>2</sup> covering the entire Weld Range Complex ("Mining Leases") and 3 Exploration Licenses adjoining the south western boundary of the Mining Leases ("Exploration Licenses"), approximately 60 Km north east of Cue in the Mid West Region of Western Australia ("Mining Tenements"), subject to the terms of the Mining Rights Deed.

On 24 January 2018, Ausinox and Podium completed transactions under the Oxide Mining Rights Acquisition Agreement which resulted in Ausinox owning 100% of the Oxide Mining Rights and Podium owning 100% of the Sulphide Mining Rights with effect from the 30 June 2017 ("Effective Date") on the terms of the Mining Rights Deed.

Under the Mining Rights Deed and with effect from the Effective Date:

- Ausinox owns free of registered encumbrances an unregistered beneficial interest of 100% in the Oxide Mining Rights in the Mining Tenements on the terms of the Mining Rights Deed.
- Podium owns a registered legal interest of 100% in the Mining Tenements and an unregistered beneficial interest of 100% in the Sulphide Mining Rights in the Mining Tenements on the terms of the Mining Rights Deed.
- Oxide Mining Rights comprise exclusive rights to explore for and mine all metals contained in Oxide Minerals within the Mining Tenements ("Oxide Mining Rights"). Oxide Minerals comprise all minerals within the Mining Tenements containing nickel, chromium, copper, cobalt, iron, manganese, magnesium, gold and other metals contained in or associated with minerals containing one or more of those metals, from surface to a depth of 50 meters or to the base of weathering or oxidation of fresh rock, whichever is the greater and includes the Nickel Resources and the Chromium Resources and all oxide minerals in which the oxide anion (O<sup>2-</sup>) is bound to one or more metal ions (such as XO, XO<sub>2</sub>, X<sub>2</sub>O, X<sub>2</sub>O<sub>3</sub>, X<sub>2</sub>O<sub>4</sub>, X<sub>2</sub>O<sub>5</sub>, X<sub>3</sub>O<sub>4</sub> and so on where X represents one or more metal ions) above and below 50 meters from surface, in fresh rock or otherwise, but excludes all PGM and sulphide minerals contained in those minerals ("**Oxide Minerals**").

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- Nickel Resources comprise the Inferred Mineral Resource of 385.3 million tonnes at 0.64% nickel, 19.7% iron, 0.78% chromium and 0.04% cobalt at a cut-off grade of 0.5% nickel, excluding the Chromium Resources, identified within the Tenements as estimated and reported in terms of the 2012 JORC Code by Snowden Mining Industry Consultants Pty Limited in October 2014 ("**Nickel Resources**").
  - Chromium Resources comprise the Inferred Mineral Resource of 63.5 million tonnes at 5.22% chromium, 38.1% iron, 0.38% nickel and 0.04% cobalt at a cut-off grade of 4% chromium identified within the Tenements as estimated and reported in terms of the 2012 JORC Code by Snowden Mining Industry Consultants Pty Limited in October 2014 ("**Chromium Resources**").
  - PGM comprise platinum group metals, namely platinum, palladium, ruthenium, rhodium, osmium and iridium and all gold, silver and base metals contained in, associated with or within 10 meters of Minerals containing any platinum group metals but excludes chromium in the Tenements and all metals other than platinum group metals in the Nickel Resources and Chromium Resources ("**PGM**").
  - Sulphide Mining Rights comprise exclusive rights to explore for and mine all metals contained in Sulphide Minerals within the Mining Tenements ("**Sulphide Mining Rights**"). Sulphide Minerals comprise all minerals other than Oxide Minerals in the Mining Tenements.
  - Ausinox, as the holder of the Oxide Mining Rights, may conduct all activities that a legally registered tenement holder is legally permitted to do other than evaluate, develop or exploit Sulphide Minerals.
  - All charges for rents and rates levied on the Mining Tenements, expenses arising from tenement management services and any other costs associated with the maintenance of the Mining Tenements shall be apportioned equally between Ausinox as the holder of the Oxide Mining Rights and Podium as the holder of the Sulphide Mining Rights unless otherwise agreed in writing by the parties.
  - The minimum annual expenditure obligations arising from the terms on which the Mining Tenements are granted shall be apportioned equally between Ausinox as the holder of the Oxide Mining Rights and Podium as the holder of the Sulphide Mining Rights, unless otherwise agreed in writing by the parties.

Due to the nature of the consolidated entity's operations in exploring and evaluating areas of interest within the Mining Tenements, it is very difficult to accurately forecast the nature or amount of future expenditure, although it will be necessary to incur expenditure in order to retain present interests in the Mining Tenements and the Oxide Mining Rights.

Expenditure commitments on mineral tenure for the parent entity and the consolidated entity can be reduced by selective relinquishment of mineral tenure or by renegotiation of expenditure commitments. The approximate minimum annual expenditure obligations of Ausinox if it is required to complete all the minimum annual expenditure on the Mining Tenements are detailed below.

Consolidated	30 June 2019	30 June 2018
	\$	\$
Within one year	454,150	1,087,294
One year or later and no later than five years	1,632,812	3,600,891
Greater than five years	4,708,627	9,998,118
Total	6,795,589	14,686,302

## 21. Financial risk management objectives and policies

The main risks arising from the Group's operations in the year ended 30 June 2019 were interest rate risk, liquidity risk, foreign currency translation risk and certain commodity price risks. The main risk arising from the Company's operations in the year ended 30 June 2019 is interest rate risk.

### Interest rate risk

#### 'At call' cash

Funds held by the Company 'at call' with the ANZ Bank on floating interest rates at 30 June 2019 totalled £62

### Foreign exchange risk

The Group seeks to manage foreign exchange risk by obtaining the most favourable rates at the time sums are converted to a foreign currency.

### Liquidity risk

The Group seeks to manage financial risk to ensure sufficient liquid funds are available to meet foreseeable needs while investing cash assets safely and profitably.

The Group is financed by a combination of debt and equity. The Group manages liquidity risk by maintaining adequate reserves to meet short-term funding requirements while investing excess funds in bank term deposits. If required, these deposits can be recalled immediately.

The table below summarises the maturity profile of the Group's financial liabilities at 30 June 2019 based on contractual undiscounted payments. Interest rates on variable rate loans are based on the rate prevailing at the balance sheet date.

	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	>5 Years	Total
Year Ended	£	£	£	£	£	£
<b>30 June 2019</b>						
Trade and other payables	-	1,749,346	-	-	-	1,749,346
Borrowings	-	2,188,059	-	-	-	2,188,059

### Managing capital

The Group aims to optimise its capital structure by holding an appropriate level of debt relative to equity in order to maximise shareholder value. The appropriate level of debt is set with reference to a number of factors and financial ratios including expected operating and capital expenditure cash flows, contingent liabilities and the level of restricted cash as well as the general economic environment. The Group aims to control its capital structure and grow shareholder value by raising debt finance to the extent that it is possible on commercially acceptable terms in preference to issuing new shares at prices which would be highly dilutive to shareholders while current conditions prevail in equity markets. At the balance date, the Group was currently financed by a combination of debt and equity.

	Year ended 30 June 2019 £	Period ended 30 June 2018 £
<b>Loans and Borrowings</b>		
Obligations under finance leases	-	-
Loan from KM Securities Pty Ltd.	192,708	111,109
Loan from Magic Investment	27,602	-
Loan from Woodgate	1,967,748	3,267,555
<b>Total Loans and Borrowings</b>	<b>2,188,059</b>	<b>3,378,664</b>
 Equity	 8,320,689	 5,135,176
<b>Total Equity and Loans and Borrowings</b>	<b>10,508,748</b>	<b>8,513,840</b>

Equity includes all capital and reserves of the Group attributable to the equity holders of the parent. The Group is primarily financed through debt and equity and it should be noted that the equity component in the gearing ratio calculation includes the impact of retained losses.

### Fair values of financial assets and financial liabilities

Set out below is a comparison by category of carrying amounts and fair values of all of the Group and Company's financial instruments that are carried in the financial statements. All of the balances included below are classified as loans and receivables in accordance with IFRS 7.8.

Group	Book Value 30 June 2019 £	Fair Value 30 June 2019 £	Book Value 30 June 2019 £
<b>Financial Assets</b>			
Cash and Short-Term Deposits	492	-	492
Trade and Other Receivables	-	-	-
<b>Financial Liabilities</b>			
Trade and Other Payables	1,749,346	-	1,749,346
Borrowings	2,188,059	-	2,188,059

Group	Book Value 30 June 2018 £	Fair Value 30 June 2018 £	Book Value 30 June 2018 £
<b>Financial Assets</b>			
Cash and Short-Term Deposits	1,299	-	1,299
Trade and Other Receivables	2,923	-	2,923
<b>Financial Liabilities</b>			
Trade and Other Payables	922,293	-	922,293
Borrowings	3,378,664	-	3,378,664

Company	Book Value 30 June 2019 £	Fair Value 30 June 2019 £	Book Value 30 June 2019 £
<b>Financial Assets</b>			
Cash and Short-Term Deposits	62	-	62
Trade and Other Receivables	-	-	-
<b>Financial Liabilities</b>			
Trade and Other Payables	818,976	-	818,976
Borrowings	1,995,350	-	1,995,350

Company	Book Value 30 June 2018 £	Fair Value 30 June 2018 £	Book Value 30 June 2018 £
<b>Financial Assets</b>			
Cash and Short-Term Deposits	-	-	-
Trade and Other Receivables	-	-	-
<b>Financial Liabilities</b>			
Trade and Other Payables	516,700	-	516,700
Borrowings	3,267,555	-	3,267,555

The fair value of the financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The fair value of all the financial assets and financial liabilities above were determined on this basis.

**22. Control**

The Group has a widely dispersed collection of shareholders, with no one individual holding more than 50% of the shares comprising the issued capital of the Company. As such, the Group does not have an ultimate controlling party.

**23. Controlled Entities**

Investments in controlled entities as at 30 June 2019 comprise:

Name	Principal Activities	Incorporated	Beneficial percentage held by economic entity
EV Metals Group plc (formerly Ausinox plc)	Parent entity	England and Wales	
<i>Wholly owned controlled entities:</i>			
Clean Energy Metals Pty Ltd	Dormant company	Australia	100%
Ausinox Pty Ltd	Evaluate and develop EV Metals Project and Ausinox Alloy Project	Australia	100%
EV Metals Pty Ltd (formerly Ausinox Nickel Pty Ltd)	Evaluate nickel process technology and Ausinox Nickel Cobalt Resources	Australia	100%
EV Metals Limited	Dormant company	England and Wales	100%

**24. Contingent Liabilities**

At 30 June 2019, Ausinox Pty Ltd, a wholly owned subsidiary of the Company, had contingent obligations to pay \$5,000,000 as compensation to Podium Minerals Limited for the loss of areas within the Mining Tenements for new infrastructure and access to development areas and mining areas required by Ausinox for the development and operation of any project for the commercial exploitation of the Oxide Mining Rights on a commercial scale under the Mining Rights Deed, as outlined in Note 21 above. The compensation is payable by Ausinox to Podium on the earlier of:

- the date on which Ausinox receives the first drawdown of funds under a project finance facility for the development and operation of any project for the commercial exploitation of the Oxide Mining Rights on a commercial scale; and
- the date on which Ausinox receives unconditional access to funding sufficient for the development and operation of any project for the commercial exploitation of the Oxide Mining Rights on a commercial scale.

**25. Post Balance Sheet Date Events**

There were no material post balance date events.