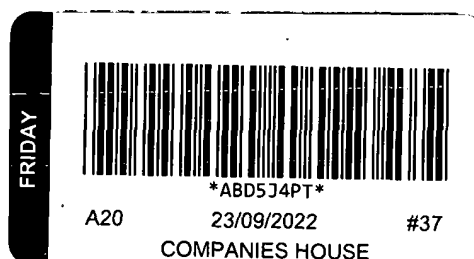


Company Registration Number: 12497319 (England and Wales)

## **GREAT SOUTHERN COPPER PLC**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**



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## CHAIRMAN'S STATEMENT

As Chairman of Great Southern Copper plc, a mineral exploration company focused on the discovery of copper-gold resources in the coastal metallogenic belt of Chile, I am delighted to be able to introduce our first set of results as a public company for the year ended 31 March 2022.

In December 2021, Great Southern Copper plc was successfully admitted to listing on the Official List (Standard Segment) of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange, at the same time raising some £3.5 million. On behalf of the Board, I would like to welcome our new shareholders to the Company and also to thank our existing shareholders for their continued support. I also wish to thank the Board, our management and advisers for their dedicated work in taking the Company public.

The Company is focussing its exploration efforts in Chile, where it holds the rights to two projects. Chile is the world's largest producer and exporter of copper and has long been recognised as a jurisdiction for world class deposits. With a long history of mining and metal processing, the country boasts one of the strongest economies in South America. Not only does it enjoy a long-standing mining culture, but the country also benefits from an experienced and educated mining workforce, first-class infrastructure and a robust legal framework, which includes provisions for foreign companies to own 100% of mining assets. In recent years, the country has moved to redesign its constitution, and recently elected a new president. The Company is closely following the ongoing debates within the constitutional convention in relation to various matters affecting the industry, such as mining, property and water rights, labour practices and the protection of indigenous territories.

In the years leading up to our listing, the business strategically targeted Chile and specifically its coastal metallogenic belt, for high quality, large-scale, early-stage copper exploration assets, and where we have now acquired options over the two current projects, Especularita and San Lorenzo. The Board believes these provide the Company with significant advantages compared to many of its peers including low entry cost, a coastal location with excellent infrastructure, large concession positions in areas of significant historical mining, limited exploration activity and the potential to earn 100% of the projects with no overhanging payments or royalty conditions.

Since listing, the Company has engaged in mapping, trenching and ground magnetics at its flagship San Lorenzo copper-gold project. We are fortunate to have an excellent team in-country and our thanks go to them for their hard work and dedication, especially for the positive progress made despite the global Covid-19 pandemic and related travel restrictions. The work at San Lorenzo is targeting large-scale porphyry style copper-gold deposits and the Company has recently commenced its first drilling campaign.

Towards the end of the year, exploration also commenced at our second project, Especularita. Reconnaissance mapping and sampling are also targeting large-scale porphyry style copper-gold deposits associated with a large zone of high sulphidation litho-cap alteration. Our team at Especularita believes that the project is ideally located at the centre of a district-scale mineralisation system that includes porphyry-epithermal copper-gold mineralisation as well as distal base-metal skarn deposits.

Together with other members of the Board, I was fortunate enough to visit Chile in March this year and we were all impressed by the quality of the projects and the opportunity they provide to the Company. It is exciting to now be actively working at our two large scale exploration projects and we look forward to updating our shareholders as we progress.

The economic outlook for copper and gold looks very strong, particularly for copper, where supply shortages are foreshadowed as a result of the global transition to green energy technologies.

## GREAT SOUTHERN COPPER PLC

We have recently commenced our first reconnaissance drilling programme at San Lorenzo. This will deliver important information that will be used to upgrade the geological model for the project, design detailed geophysics surveys and provide vectoring for subsequent project-scale drilling. Our management team is also working to identify and secure a third copper project, which will provide the Company with a strong pipeline of exploration assets and the potential to deliver growth opportunities for the Company well into the future.



Charles Bond

25 August 2022

## GREAT SOUTHERN COPPER PLC

### OPERATIONS REPORT

The Company is exploring two projects in northern Chile: the San Lorenzo Project for porphyry style copper-gold deposits and the Especularita Project for porphyry – epithermal type copper-gold deposits.

Both projects are strategically located within the coastal metallurgical belt, which affords the company significant infrastructure advantages over explorers that operate in the high-altitude Andean belt, including easier access to roads, power, towns and ports. Both projects are along trend from major deposits and exhibit significant evidence of historical artisanal mining. However, the areas are relatively under-explored by comparison with the Andean regions.

The Company has the option to earn 100% of both projects with no attached royalty conditions or overhanging payment requirements.

During the year, the Company successfully admitted to listing on the Official List (Standard Segment) of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange, raising gross proceeds of circa £3.5 million. The raising provided Great Southern Copper with significant working capital to advance its exploration programmes at both projects into 2023.

The impact of Covid-19 on field operations and the listing process has been significant. However, despite intermittent lock-downs, the Company has managed to maintain an operational team on site throughout most of the pandemic period. In March 2022, the projects were visited by members of the Board; this represented the first trip to site by management in over two years.

Exploration activities at the projects for the period to 31 March 2022 are set out below:

#### San Lorenzo Project

Work at San Lorenzo included trench mapping and sampling plus ground magnetics surveys, as well as enhancing and managing the project's concession footprint.

Thirteen trenches for a total of 2,585m of excavation were completed in two Phases (I and II) with mapping and sampling of the trenches also completed. Copper-gold mineralisation at San Lorenzo appears to be associated with an extensive zone of calc-potassic alteration expressed as sheeted fractures of actinolite-Kspars-magnetite-Fe-oxide overprinting the host biotite granodiorite. The granodiorite is intruded by swarms and clusters of narrow monzonitic dykes and finger porphyries, which may have some impact on the fracture-hosted alteration, mapped over a very large area of more than 15 km<sup>2</sup>.

The trenching was designed primarily to deliver geological and structural information relating to the nature of sheeted fracturing, in particular fracture densities. Geochemical sampling of the trenches indicates that while the rock is strongly oxidised and leached, there is evidence of Cu-Au-Ag anomalism associated with the alteration.

Four of the trenches were tested with an orientation soil geochemistry survey, to determine if soil sampling would be a suitable exploration tool at San Lorenzo. Results of this survey are being finalised.

A follow-up Phase III trenching programme was also initiated with nine trenches (2,507 m) completed to the end of March 2022. Mapping and sampling of these trenches is ongoing and together the results have been used to design and target the first phase of reconnaissance exploration at San Lorenzo, where drilling commenced in June this year.

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## GREAT SOUTHERN COPPER PLC

A 341.6-line km ground magnetic survey was completed at San Lorenzo covering an area of 63.4 km<sup>2</sup>. The survey was designed to map the geological magnetic variability across the project to enhance the Company's understanding of the geological and structural controls at San Lorenzo. Independent interpretation of the magnetic data completed since year end identified 13 near-surface anomalies potentially indicative of either zones of higher vein density or small intrusions. A further three kilometre-scale magnetic bodies are delineated within the southwest portion of the survey area and may represent buried intrusives that lie marginal to a larger zone of weaker magnetised rock interpreted to possibly represent a large buried monzonite body. The interpreted monzonite could be the source of narrow dykes and plugs of locally mineralised monzonite mapped at surface and thus represents a potentially significant target for deeper copper-gold mineralisation.

### Especlarita Project

Work at the Especlarita project has principally involved enhancing and managing the project's concession footprint.

Reconnaissance groundwork exploration also commenced, including regional mapping and sampling across the project. Especlarita represents the core of an extensive district-scale mineralisation system and this initial work was designed to determine what exploration tools and methods should be best deployed across the project area in the coming 12-18 months to identify mineralisation types and project-scale exploration targets.



Sam Garrett

Chief Executive Officer

25 August 2022

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has overall responsibility for the Group. Its aim is to represent all stakeholders and to provide leadership and control in order to promote the successful growth and development of the business.

### **Samuel Garrett** (*Chief Executive Officer*)

Samuel Garrett MSc. Applied Finance, Macquarie University (2011), MSc. Economic Geology, University of Tasmania (1992), BSc. Hons. Geology, University of Tasmania (1988), is a geologist with over thirty years of exploration management, assessment and operational experience for multi-national and junior mining and exploration companies in ten countries and a broad range of geologic environments. He is the executive director of Flynn Gold Ltd and also the Principal Consulting Geologist at Metal Ventures Pty Limited. Samuel's experience includes significant discovery credits including the Mt Elliot copper mine (QLD), Dinkidi copper-gold mine (Philippines), Tjueh Bukit Au-Ag-Cu mine (Indonesia) and the Haverton copper-gold deposit (WA). Samuel is a member of the Australian Institute of Geoscientists (AIG), the Society of Economic Geologists (SEG) and he is a member of the Australian Institute of Company Directors (AICD).

### **Nicholas Briers** (*Non-Executive Director*)

Nicholas Briers BSc. Hons. Geography, Royal Holloway College, University of London, is a Director of Corporate Broking at SI Capital, specialists in delivering pre-IPO, primary and secondary funding to small companies listed on the London market. Prior to that he has over 25 years of experience in financial markets heading up Exchange Traded Derivatives sales desks at a number of tier 1 broking houses, most recently at Tullett Prebon, now TPICAP, the world's largest Inter Dealer Broker. Nick was formerly a Non-Executive Director of AMTE Power. He sits on the Company's Remuneration Committee and its Audit Committee.

### **Stuart Greene** (*Non-Executive Director*)

Stuart Greene is a geologist and former Director of RMB Resources, the resource investment arm of First Rand Bank. He has sixteen years' experience working in southern Africa as a mine geologist and geological consultant with Western Areas gold mine, SRK Consulting, Knight Piesold, Venmyn Rand and others, followed by 14 years as a mining financier with RMB Resources in their London office. Whilst there, Stuart originated, evaluated and executed equity and debt financings for junior mining companies with projects at every stage of development from exploration through to production; for commodities that included gold, silver, copper, lead, zinc, nickel, diamonds, uranium and oil; and for project locations in North America, South America, Europe, Africa and SE Asia. He is currently a founding partner and director of Tanjun Capital Limited, the investment advisor to a mining credit fund, investing in junior and mid-tier mining companies. Stuart chairs the Company's Audit Committee

### **Charles Bond** (*Non-Executive Chairman*)

Charles is a corporate finance lawyer with over 25 years of experience and has worked with mining companies for the last 15 years. He is a partner in the London office of international law firm Gowling WLG (UK) LLP, where he leads the UK firm's Natural Resources group and Equity Capital Markets team. He practises in equity capital markets and public and private M&A for mining clients in developed and emerging markets, helping to develop their business using his wide international network of contacts in the sector. He spent ten years as a corporate lawyer with Freshfields Bruckhaus Deringer, before heading the equity capital markets and natural resources teams at Cobbetts LLP and the UK branch of Canadian law firm Gowlings, for eight years and four years respectively, before Gowlings' merger with UK firm Wragge Lawrence Graham to become Gowling WLG. He has acted as lead counsel for numerous mining companies and financial advisers, advising on flotations on the London and Toronto stock exchanges, on secondary fundraises, public and private M&A, corporate governance, joint ventures and earn-ins. He is named as one of the four leading

## GREAT SOUTHERN COPPER PLC

mining lawyers in England in the most recent International Who's Who of Mining Lawyers. Charles chairs the Company's Remuneration Committee.

### **Paul Williams** (*Chief Financial Officer*)

Paul was educated at Shrewsbury School and Clare College, Cambridge, where he read modern languages and economics. He qualified as a chartered accountant with his family firm before moving to Ernst and Young. He subsequently ran his own practice for 22 years before joining Maelor plc for its admission to AIM in 1997. Paul subsequently became finance director of Black Angel Mining plc (formerly Angus & Ross plc) before he took the role of executive chairman of the Eatonfield Group, leaving in 2010. He served on the LSE's AIM Advisory Group for a number of years and was a magistrate for 20 years.

The Board will focus upon the maintenance of existing skills and relevant expertise. The Chairman is a practising lawyer in the capital markets with a specific focus upon natural resources and the mining industry in particular. The remaining non-executive directors are respectively a broker, again with a specialism in mining companies and a mining financier. In consequence, their present professions maintain their relevant focus and to this will be added appropriate training as necessary.



## **DIRECTORS' REPORT**

The Directors have pleasure in submitting their report together with the audited financial statements for Great Southern Copper plc (the 'Company' and together with its subsidiary, the 'Group') for the year ended 31 March 2022.

### **PRINCIPAL ACTIVITIES**

The Company is currently focussed upon the exploration for copper and gold in Chile. Further detail is covered in the Chairman's Statement and also in the Operations Report.

### **RISKS AND UNCERTAINTIES**

There are inherent risks in the business of mineral exploration, evaluation and development. The Group's exposure to risks is covered in the Strategic Report on Page 19.

### **PERFORMANCE AND FUTURE DEVELOPMENT**

A review of the work undertaken at the Group's projects is contained in the Operations Report as is an outline of proposed future activities. Further detail is to be found in the Chairman's Report.

### **GENERAL BACKGROUND INFORMATION**

The Company was incorporated in England and Wales on 4<sup>th</sup> March 2020. On 22<sup>nd</sup> January 2021, the Company allotted 49,999 Ordinary Shares of £1. On 24<sup>th</sup> February 2021, the Company re-registered as a public limited company and on 20<sup>th</sup> April 2021, the issued share capital was subdivided into 5,000,000 Ordinary Shares of £0.01.

On 27<sup>th</sup> July 2021, the Company acquired 100% of the issued share capital of Pacific Trends Resources Chile SpA, the consideration being the issue of 121,111,100 Ordinary Shares of £0.01, 60,555,555 warrants and a cash payment of A\$10,450.

On 20 December 2021, the Company issued a further 63,965,000 ordinary shares by way of a placing. On the same date, 6,400,000 ordinary shares were issued by way of a subscription, all shares being issued at a price of 5p per share.

On the same date, the Company was admitted to listing on the Official List (Standard Segment) of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange.

On the same date, the Company was admitted to listing on the Official List (Standard Segment) of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange.

### **DIVIDENDS**

No dividends are planned (2021: £nil).

## GREAT SOUTHERN COPPER PLC

### POLITICAL AND CHARITABLE DONATIONS

No political or charitable donations were made during the year under review (2021: £nil)

### DIRECTORS

The Directors of the Company during the year were:

Charles Bond – appointed 29th June 2021

Samuel Garrett

Stuart Greene – appointed 18th March 2021

Nicholas Briers – appointed 4<sup>th</sup> March 2021

The Directors' interests in the ordinary share capital of the Company and details of their remuneration are set out in the Remuneration Report on Page 14.

### SUBSTANTIAL INTERESTS

As at 31<sup>st</sup> March 2022, the total number of issued ordinary shares in the Company with voting rights was 212,476,100. Details of the Company's capital structure and voting rights are set out in note 17 to the financial statements

As at the date of approval of this report, the Company has been notified of the following interests in 3% or more of the issued ordinary share capital of the Company:

|                           | <i>Number of Ordinary Shares</i> | <i>% of Issued Share Capital</i> |
|---------------------------|----------------------------------|----------------------------------|
| Vidacos Nominees Ltd*     | 112,768,037                      | 52.99                            |
| Jim Nominees Ltd*         | 39,194,957                       | 18.42                            |
| Aurora Nominees Ltd*      | 12,600,000                       | 5.92                             |
| Clive Ian Duncan          | 7,912,254                        | 3.72                             |
| Peter John Charles Davies | 7,373,328                        | 3.46                             |

\*Nominee, not beneficial shareholder.

## **STREAMLINED ENERGY AND CARBON REPORTING**

The UK government's **Streamlined Energy and Carbon Reporting (SECR)** policy was implemented on 1 April 2019, when the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 came into force. The regulations require that quoted companies and large unquoted companies that have consumed more than 40,000 kilowatt-hours (kWh) of energy in the reporting period must include energy and carbon information within their Directors' report. The Company does not currently exceed this threshold and is presently exempt from the SECR reporting requirements, as outlined below.

The Company will comply with applicable reporting obligations in line with the SECR regulations as the Company's strategy develops. The Board is conscious of its responsibilities under this legislation and has ensured that all its employees and contractors are imbued with a similar philosophy.

The Company does not maintain a centralised office in the UK, preferring to rely upon on line meetings wherever possible. Travel is thus kept to a bare minimum and operational energy consumption is reduced to an insignificant level.

Operations in Chile were only acquired in July 2021 and they are currently at an early stage. Other than trenching and survey work at San Lorenzo, very little energy consuming activities have taken place. In March 2022, three members of the Board paid a visit to the exploration projects in Chile, the one and only occasion when significant travel took place.

All administration work in Chile is contracted out to a company whose energy consumption would be unlikely to alter materially without the presence of the Group.

Taking into account all these factors, and as mentioned above, the Board is of the opinion that it is exempt from reporting as its energy consumption for the year under review will be significantly below the threshold of 40,000kWh per annum.

## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the year under review, the Company maintained cover for its Directors and Officers under a Directors' and Officers' Liability policy. No qualifying third-party indemnity cover for the Directors has been provided by the Company.

## **REPORT ON PAYMENTS TO GOVERNMENTS**

The Group makes no payments which are required to be disclosed under this category. However, annual statutory fees paid to the Chilean government by the holder of the concessions over which PTRC has options, are directly reimbursed by PTRC.

## **GOING CONCERN**

In common with many other mineral exploration companies, the Group has raised finance for its exploration. Further finance will need to be raised as and when justified by progress at any of its projects. Success in raising funds in December 2021 is no guarantee that it will be able to do so in the future.

## **GREAT SOUTHERN COPPER PLC**

As at 31 March 2022, the Group's cash at bank amounted to £2,751,676; at the date of signing this report, the balance amounted to £2,136,236.

The Board has reviewed the Group's cash flow forecast up to 31 August 2023. Taking into account its current resources and its operational objectives, the Board is satisfied that the cash reserves are sufficient to finance both planned project expenditure and overheads. The Board continues to closely monitor both its cash and operating costs and has taken into account the resources available to it as at the date of signing this report. The Board has also considered the likelihood of probable success of future fundraising activities that may be necessary. Accordingly, the Board continues to adopt the going concern basis for the preparation of these financial statements.

### **SUBSEQUENT EVENTS**

The Board is not aware of any Post Balance Sheet Events which are required to be disclosed.

### **AUDITORS**

A resolution to re-appoint the Company's Auditors, PKF Littlejohn LLP, will be proposed at the next Annual General Meeting of the Company, to be held on 27 September 2022.

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report, Strategic Report, Directors' Report, Governance Report and Directors' Remuneration Report along with the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the financial statements in accordance with the UK-adopted International Accounting Standards.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with a Standard Listing.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors are responsible for keeping adequate 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.

The maintenance and integrity of the Great Southern Copper PLC website is the responsibility of the Directors; work carried out by the auditor does not involve the consideration of these matters and,

## GREAT SOUTHERN COPPER PLC

accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

### **Directors' responsibility statement pursuant to Disclosure and Transparency Rules**

Each of the Directors, whose names and functions are listed on page 7 and 8, confirms that to the best of his knowledge and belief:

- The financial statements prepared in accordance with UK-adopted International Accounting Standards and in conformity with the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Group and parent company; and
- The Annual Report and financial statements, including the Operations Report, includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that they face.

### **Statement as to Disclosure of Information to the Auditor**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

We confirm to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation as a whole;
- The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

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

Charles Bond



Chairman

25 August 2022

## DIRECTORS' REMUNERATION REPORT

The Company's Remuneration Committee comprises two Non-Executive Directors: Charles Bond and Nick Briers. The Committee operates within the terms of reference approved by the Board. In the year to 31 March 2022, the Remuneration Committee met once to review fees of Directors and senior management. The items included in this report are unaudited unless otherwise stated.

### Statement of policy on Directors' remuneration

Given the current size and stage of development of the Group, there is no formal policy yet in place in respect of remuneration, although it is the Company's intention to maintain levels of remuneration so as to attract, motivate, and retain Directors and senior management, who can contribute their experience to deliver the appropriate performance required by the Company's operations. The Company is particularly mindful of the need to balance this objective with the fact that it is pre-revenue.

Up to the date of admission to listing, the Non-Executive Directors have been remunerated through a combination of modest salaries or fees, and the grant of share options at the time of admission. Total salaries and fees payable to Directors have been modest. As the Company grows, and increasingly will need to make external hires, it will become necessary to move to a more long-term and sustainable policy, which continues to align the interests of Directors and senior management with those of shareholders, while recognising that new hires will not initially have an equity position. Accordingly, it is likely that compensation packages for executive directors in particular will need to move over time to a level more consistent with the market.

Currently Directors' remuneration is not subject to specific performance targets. The Company is sufficiently small that the Remuneration Committee does not consider that it is necessary to impose such targets as a matter of principle, but believes that exceptional performance should be rewarded on an ad hoc basis. Over the next year the Board intends to set relevant objectives for executive management, dependent on factors such as exploration progress, market profile and ESG targets. Similarly, the Committee has not adopted a specific policy with regard to share option grants; nonetheless the use of share options will continue to be an important part of the compensation packages both for executive and non-executive directors, particularly until such time as the Company is generating cash from operations.

The Remuneration Committee considers the remuneration of directors and senior staff and their employment terms, and makes recommendations to the Board of Directors on the overall remuneration packages. No Director takes part in any decision directly affecting their own remuneration.

This statement of Remuneration policy will be proposed for approval by shareholders at the forthcoming Annual General Meeting.

### Directors' remuneration

The Directors who held office at 31 March 2022 and who had beneficial interests in the ordinary shares of the Company are summarised as follows:

| <i>Name of Director</i> | <i>Position</i>         |
|-------------------------|-------------------------|
| Samuel Garrett          | Chief Executive Officer |
| Stuart Greene           | Non-Executive Director  |
| Nicholas Briers         | Non-Executive Director  |
| Charles Bond            | Non-Executive Chairman  |

## GREAT SOUTHERN COPPER PLC

Details of these beneficial interests can be found on Page 16 of this report.

Samuel Garrett entered into a service agreement at the time the Company's admission to the market in December 2021 and each of the Non-Executive Directors entered into a letter of appointment. Details of those agreements are set out below. There were no other major remuneration decisions in the period.

### **Directors' service contracts**

#### **Samuel Garrett**

Samuel was appointed as Chief Executive Officer of the Company on 11 September 2020 and pursuant to the terms of a service agreement with the Company dated 7 December 2021 either party may terminate the appointment upon six months' written notice. He is paid an annual salary of £142,857 per annum pro rata to the time committed to the Company, which is a minimum of 50%.

#### **Stuart Greene**

Stuart entered into a letter of appointment with the Company on 7 December 2021 pursuant to which either party may terminate the appointment upon three months' written notice and he is paid an annual salary of £28,571 per annum.

#### **Nicholas Briers**

Nicholas entered into a letter of appointment with the Company on 7 December 2021 pursuant to which either party may terminate the appointment upon three months' written notice and he is paid an annual salary of £28,571 per annum.

#### **Charles Bond**

Charles entered into a letter of appointment with the Company on 7 December 2021 pursuant to which either party may terminate the appointment upon three months' written notice and he is paid an annual salary of £39,286 per annum payable by way of shares in the Company.

### **Remuneration components**

The Board has to date structured remuneration and incentivisation around the principles set out in guidelines published by the Quoted Company Alliance, and also taken into account the fact that the Company is an early-stage exploration business. Remuneration packages therefore are aimed at motivating directors and supporting the delivery of the business objectives in the short and longer term, using a combination of both salaries and share options, some of which are linked to share price performance thereby aligning their interests with the interests of long-term shareholders. Remuneration packages have been set high enough to recruit and retain high quality executives, but at levels that are benchmarked to peers, not excessive and well within market parameters for a business of the size and stage of the Company.

For the year ended 31 March 2022, salaries and share incentive arrangements were the sole component of remuneration. The Remuneration Committee will continue to consider the components of Directors' remuneration during the year and following this review anticipate that they will continue to consist of salaries and share incentive arrangements, but the Committee will also consider the use of bonus arrangements for executive management if appropriate for medium term incentivisation, based on relevant factors such as exploration progress, market profile and ESG targets.

**Directors' emoluments and compensation (audited)**

Set out below are the emoluments of the Directors for the year ended 31 March 2022:

| Name of Director           | Short term employment benefits* |           | Other benefits |           | Total          |           |
|----------------------------|---------------------------------|-----------|----------------|-----------|----------------|-----------|
|                            | 2022<br>£                       | 2021<br>£ | 2022<br>£      | 2021<br>£ | 2022<br>£      | 2021<br>£ |
| Stuart Greene              | 28,722                          | -         | -              | -         | 28,722         | -         |
| Nicholas Briers            | 28,742                          | -         | -              | -         | 28,742         | -         |
| Charles Bond               | 11,069                          | -         | -              | -         | 11,069         | -         |
| <i>Non-Executive total</i> | 68,533                          | -         | -              | -         | 68,533         | -         |
| Samuel Garrett             | 69,984                          | -         | 6,998          | -         | 76,982         | -         |
| <i>Executive total</i>     | 69,984                          | -         | 6,998          | -         | 76,982         | -         |
| <b>Total</b>               | <b>138,517</b>                  | <b>-</b>  | <b>6,998</b>   | <b>-</b>  | <b>145,515</b> | <b>-</b>  |

\* Excludes NI paid by Company of £3,760.

The interests of the Directors who served during the year in the share capital of the Company at 31 March 2022 and at the date of this report were as follows:

| Name of Director | Number of ordinary shares held 31 March 2022 | As at the date of this report | Number of ordinary shares held 31 March 2021 | Number of share options vested but unexercised 31 March 2022 | Number of share options vested but unexercised as at 31 March 2022 |
|------------------|--|-------------------------------|--|--|--|
| Samuel Garrett   | 4,926,878                                    | 4,926,878                     | -  | 673,703  | -  |
| Stuart Greene    | 100,000                                      | 100,000                       | -  | 252,638  | -  |
| Nicholas Briers  | 200,000                                      | 200,000                       | -  | 252,638  | -  |
| Charles Bond     | 400,000                                      | 736,365                       | -  | 421,064  | -  |

**Total pension entitlements (audited)**

The Company makes a 10% contribution to the Chief Executive Officer's superannuation scheme but otherwise has no other pension plans.

**Payments to past directors (audited)**

The Company has not paid any compensation to past Directors.

**Payments for loss of office (audited)**

The Company has not paid any amounts for loss of office.



## GREAT SOUTHERN COPPER PLC

### **Compliance with Listing Rule 9.8.4 (7)**

In accordance with the terms of his employment arrangements, the Chairman's remuneration is payable in the form of ordinary shares in the Company, calculated quarterly on the basis of the volume weighted average price for the preceding quarter. Shares are allotted on this basis after the deduction of appropriate income tax and national insurance contributions. Full details of the allotment relating to remuneration payable for the year ended 31 March 2022 are set out in the Company's announcement dated 29 July 2022.

### **Other matters**

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors other than as disclosed above.

Approved by the Board on 25 August 2022.

Charles Bond   
Chairman of the Remuneration Committee

## GREAT SOUTHERN COPPER PLC

### Directors' interests in share options (audited)

Details at 31 March 2022 of share options (vested and unvested) over ordinary shares held by directors who served during the year are set out in the table below

| Name of Director | Number of share options at 31 March 2022 | Number of share options at 31 March 2021 |
|------------------|--|--|
| Samuel Garrett   | 4,042,222                                | -  |
| Stuart Greene    | 1,515,833                                | -  |
| Nicholas Briers  | 1,515,833                                | -  |
| Charles Bond     | 2,526,388                                | -  |

The terms of the options stipulate that 50% of the options will vest in 3 equal tranches, exercisable at any time at an exercise price of 5p per option, being on admission to listing, the first anniversary of admission and the second anniversary of admission. The remaining 50% of options will vest in 3 equal tranches exercisable at 5p per option when the average share price reaches 10p, when the average share price reaches 15p and when the average share price reaches 20p, in each case over a 30 day period.

Other than as set out above, there were no awards of annual bonuses or incentive arrangements in the period. All remuneration was therefore fixed in nature and no illustrative table of the application of remuneration policy has been included in this report.

### Consideration of employment conditions elsewhere in the Group

The Committee has not consulted with employees about executive pay but considers that the current remuneration of Executive Directors is consistent with pay and employment benefits across the wider Group.

### UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Group's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed since December 2021, is not paying dividends and is currently incurring losses. The Directors will review the inclusion of this table for future reports.

### UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table and UK percentage change table. The Directors do not currently consider that including these tables would be meaningful as remuneration is not currently linked to performance, therefore any comparison across years or with the employee group would be significantly skewed and would not add any information of value to shareholders. The Directors will review the inclusion of this table for future reports.

### Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends they have not considered it necessary to include such information.

## STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 March 2022.

### **Principal Activity**

Great Southern Copper PLC ("the Company") was incorporated on 4 March 2020. The Company is domiciled in the United Kingdom at Suite 425, Salisbury House, London Wall, London EC2M 5PS, UK.

On 27 July 2021 the Company acquired 100% of the issued share capital of Pacific Trends Resources SpA Chile ("PTRC").

The Company was admitted to listing on the Official List (Standard Segment) of the Financial Conduct Authority and to trading on the main market of the London Stock Exchange on 21 December 2021.

The principal activity of the Company and its subsidiary is the exploration for copper and precious metals in Chile.

### **Strategy and Business Model**

The primary objective of the Company is to generate value for Shareholders, which the Company will initially seek to achieve through the exploration and evaluation of PTRC's copper-gold projects and, potentially through further acquisitions and investments.

The Company's optioned assets (held via PTRC) comprise the San Lorenzo Cu-Au project north east of the coastal town of La Serena in northern Chile and the Especularita Cu-Au project located approximately 170km to the south of the San Lorenzo project. Both projects are situated in the Coastal Cordillera of Chile with good access to water and infrastructure.

Significant historical small scale artisanal workings for both copper and gold are readily evident in both project areas. However, exploration on the projects has not yet matured to the stage where a mineral resource estimate can be determined.

Chile has a stable and prosperous economy, is the largest copper miner and producer in the world and is one of South America's most promising investment destinations. With such an impressive mineral endowment, it is not surprising that all the world's major mining companies operate in Chile.

### **Business Review**

Details of the Company's strategy, results and prospects are set out in the Chairman's Statement and in the Operations Report.

On 21 December 2021, the Company was admitted to listing and trading, issuing 86,365,000 ordinary shares at 5p per share and 148,327,850 associated warrants, raising gross proceeds of £3,518,250. Of these warrants, all bar 1,407,300 broker warrants (issued at 5p for a term of 3 years) were issued at a price of 10p and have a two-year life.

On the 31 March 2022 the Company had cash of £2,751,676 and no debt.

## GREAT SOUTHERN COPPER PLC

Through PTRC, the Company is pursuing copper-gold mineral exploration at its two projects in Chile and it seeking to identify and secure a third copper project.

### **Principal Risks and Uncertainties**

The Directors have identified the following principal risks in regards to the Company's future. The relative importance of these risks is likely to evolve over time as the Company executes its strategy in Chile and as the external economic and market environment changes.

#### **Strategic Risk**

The Company's strategy may not deliver the results anticipated by the shareholders. The Directors regularly monitor the strategy of the Company, and the progress with regards to implementing the strategy and will modify the strategy as required based on internal and external developments and exploration results. The strategy is monitored at the Company's regular Board meetings.

#### **Concentration Risk**

The Company's activities are currently geographically concentrated in Chile, where it has two exploration projects held by PTRC via options over exploration and exploitation licences.

The initial exploration will take place on the San Lorenzo project, which covers an area of 257 sq km. Further early-stage exploration is also planned for the Especularita project, which covers an area of 138 sq km.

Having rights to two projects with large surface areas, provides some mitigation against concentration risk. However, the Directors understand the importance of regularly reviewing the Company's strategy and assessing other opportunities both in Chile and beyond, in order to mitigate concentration risk.

#### **Exploration Risk**

The planned exploration at the San Lorenzo and Especularita projects in Chile may not result in success.

Whilst the Directors endeavour to apply their skills to assess the projects, exploration is costly, highly speculative and often unproductive. Failure to discover mineral resources or reserves, to maintain existing mineral rights or to extract from any such potential ore reserves in sufficient amounts and in a timely manner could materially and adversely affect the Company's results of operations, cash flows, financial condition and prospects. In addition, the Company may not be able to recover the funds used in any exploration programme to identify new opportunities.

Exploration and mining operations are vulnerable to natural disasters, including earthquakes, drought, floods, fire, tropical storms and the physical effects of climate change, all of which are outside the Company's control. Chile is seismically active and prone to frequent earthquakes and occasional tsunamis. Operating difficulties such as unexpected geological variations and rock and ground conditions that could result in significant failure, could also affect the costs and viability of its operations for indeterminate periods. In addition, damage to or breakdown of a physical asset, including as a result of fire, explosion or natural catastrophe, can result in a loss of assets and subsequent financial losses. Insurance can provide protection from some, but not all, of the costs that may arise from unforeseen events.

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### **Insurance Risk**

Although the Company maintains suitable insurance, it may not cover every potential risk associated with its operations. Adequate cover at reasonable rates is not always obtainable. In addition, the Company's insurance may not fully cover its liability or the consequences of any business interruptions such as equipment failure or labour dispute. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

### **Government Regulation**

The licences and operations of the Company are in jurisdictions outside of the UK and there will, therefore, be a number of risks that the Company will be unable to control.

Whilst the Company will make every effort to ensure that it has robust commercial agreements in place, there is a risk that the Company may be adversely affected by political factors such as taxes and charges, suspension of licences and changes to the laws governing mineral exploration and extraction activities.

The adoption of a mining royalty tax in Chile may adversely affect the Company's operations in the future.

The Chilean government has announced a tax reform bill that will introduce a new royalty system payable by copper mining companies. The bill contains a variable royalty rate, dependent on the quantity of copper sold and will apply to companies producing more than 50,000 metric tonnes of fine copper per annum. The Company will continue to monitor these regulations and any other proposed changes and specifically the impact they could have on any potential future operations of the Company.

### **Permitting**

The Company's rights to the San Lorenzo and Especularita projects comprise an option agreement over the exploration and exploitation concessions at these projects. The option agreement and all of the concessions are in good standing.

Exploration concessions in Chile last for 2 years, commencing on their constitution by judicial ruling, and are subject to the payment of annual fees to the Chilean Treasury. If the annual fees of an exploration concession are not paid in a timely manner, the claim can be restored to good standing by paying double the annual fee the following year. At the end of the two-year period the exploration concession may i) be renewed for an additional two years in which case at least 50% of the surface area of the exploration concession must be relinquished, or ii) be converted, totally or partially, into an exploitation concession.

Exploitation concessions are valid in perpetuity so long as annual fees are paid to the Chilean government. The process to incorporate an exploitation concession is based on the principle that grants preference to the first petitioner before the local court. The holder of an exploration concession in good standing has the preferential right to incorporate an exploitation concession within the boundaries of its exploration concession. Notwithstanding, anyone can request the incorporation of a concession within the limits of the exploration concession of a different owner, in which case the holder has to file a claim opposing the aforementioned constitution, within the term of 30 days, counted since the publication of the application made by the interested third party.

## GREAT SOUTHERN COPPER PLC

Exploration and exploitation concessions do not necessarily imply a right to mine, except on a small scale, but they give the owner the right to mine subject to the granting of permits and, consequently, apply for the afore mentioned permits, such as the environmental qualification resolution for projects with an extraction capacity over 5,000 tonnes per month.

There is no guarantee that any of the granted exploration concessions, or any exploration concessions granted in the future, will be renewed. Additionally, there is no guarantee that the exploitation concessions granted or to be granted will be effectively maintained, by means of the payment of the annual licence fees or by means of compliance with new regulations that may apply to the granting and maintenance of exploitation concessions in the future. If these exploration and exploitation concessions are not renewed or maintained, or if new exploration and exploitation concessions are applied for and not granted, this could have a material adverse effect on the Group's business, prospects, financial conditions and results of operations

Whilst the Group is satisfied that it has taken reasonable measures to ensure an unencumbered right to explore its claims areas in Chile, its concessions may be subject to undetected defects. If a defect does exist, it is possible that the Group may lose all or part of its interest in one or more of the concessions to which the defect relates and its exploration and exploitation rights over the areas related to such concessions and prospects of commercial production may accordingly be adversely affected.

Whilst the Group has no reason to believe that the existence and extent of any of its interest in one or more of the Mining Concessions are in doubt, title to the mineral resources could be subject to potential litigation by third parties claiming an interest in them.

The failure to comply with all applicable laws and regulations, including failure to pay the corresponding claim fees in relation to any potential litigation may invalidate title to mineral rights to which the Group has an interest in.

Exploration concessions which the Group has the right to acquire through option agreements need to be duly registered in the Chilean Mining Registrar in order for those option agreements to be enforceable. If the Group fails to register any option agreement in the Chilean Mining Registrar, then the Group may be unable to enforce the benefit of the option agreement and the Group's title to the exploration concession could be subject to potential litigation by third parties claiming an interest in them. Further, if previous option agreements may be registered in the Chilean Mining Registrar against an exploration concession, these will need to be removed by the Company to ensure that no previous holders of an option agreement can stake a claim to the exploration concession. The Group has submitted all option agreements not currently registered in the Chilean Mining Registrar to the registrar for registration and the Group has no reason to believe that any of the option agreements will not be registered. Further the Group has no reason to believe that any option agreements previously registered against any exploration concession are still valid.

### **Environmental and Other Regulatory Requirements**

Currently the environment impact is limited to the activities associated with exploration and is therefore minimal. To date, these activities have been limited to cutting roads to gain access to the area, excavating trenches to expose the rock beneath the soil cover, excavating small drill platforms to allow a drilling rig to be positioned, drilling exploratory boreholes to recover rock samples and surface rock chip and soil sampling. All exploration work is being carried out in compliance with the local environmental laws and in accordance with international best practice.

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The development of any project into a mining operation will have a considerable impact on the local landscape and communities. There may at some point be opposition to mining by some parties and this may impact the ability of the Company to progress these projects towards production.

Currently the Company believes that its projects are in compliance with all relevant environmental and health and safety laws and regulations, although there can be no guarantee that new laws or regulations, or amendments to current laws or regulations will not be introduced and they may have a material impact on the Company and its projects. The Company will continue to maintain the highest standards and aim to comply with all appropriate laws and regulations. The Company will also continue to engage with local communities and non-governmental and Governmental bodies to ensure any impacts of current and future activities are minimised and managed appropriately.

### **Financing**

Successful exploration or exploitation of any mineral resources requires significant capital investment. The primary sources of financing available to the Company is the issue of additional equity capital in the Company or through bringing in partners to help fund exploration and development costs. The ability of the Company to raise further funds will be dependent on its exploration success and strategy and on conditions in financial and commodity markets. The Company may not be successful in the procurement of the required funds and may therefore have to adjust its exploration strategy accordingly.

### **Copper Price**

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

### **Foreign Currency and Exchange Rate**

The Company may be exposed to ongoing currency risk. Proceeds of fundraises will be in Sterling, the Company's financial statements are stated in Sterling, and certain ongoing management costs will be denominated in Sterling, although the price of its goods and services and its potential products (and thus its potential revenues) will be determined by world commodities markets which are expressed in US Dollar, and its operational costs will largely be incurred in Chilean Peso (CLP). As a result, fluctuations in the exchange rates of these currencies may adversely affect the Company's exploration budgets, operating results, cash flows or financial condition to a material extent.

### **Market Conditions**

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

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### **Covid 19**

The outbreak of coronavirus disease (COVID-19) has impacted global economic markets. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19.

In Chile, an initial lockdown was imposed in March 2020 preventing access to sites and delaying field activities. Restrictions were relaxed sufficiently in May 2020 to allow geologists to resume field activities and they have been in the field since. Management was able to visit the sites in March 2021 as restrictions on travel were relaxed further.

The Company has implemented strict COVID protocols which has allowed safe access for all individuals. The Company will continue to monitor the ongoing COVID-19 situation in Chile and throughout the world and take appropriate measures to ensure the safety of its personnel whilst continuing field work.

Any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations (including access to the Company's projects and working conditions of the Company's personnel) and are likely to be beyond the control of the Company.

### **Personnel**

The success and development of the Company is dependent on its ability to recruit and retain high quality personnel and the loss of key individuals could have a material impact on the Company. It has entered into contractual agreements to secure the services of its executive team and various contractors but the retention of these services cannot be guaranteed.

The risks can be mitigated by incentivising staff and with good management and succession planning.

The Company has sought to put in place a team that has the technical and financial expertise to effectively pursue the Company's strategy. Currently, that team comprises the Chief Executive Officer and the Chief Financial Officer supported by non-executive directors that provide legal, commercial, capital markets and financing skills. In Chile, the subsidiary Company has a small exploration team supported by an exploration manager and a country manager. The Company also has a Technical Advisor, highly experienced in the exploration of copper porphyry deposits, who is there to provide technical guidance and advice where required.

### **Social, Community and Human Rights**

It is the Company's intention that it operates to the benefit of all stakeholders. In this regard, it will ensure that its Chilean subsidiary Company:

- Adopts fair, non-discriminatory employment practices;
- Ensures safe working practices for its employees;
- Positively engages with local communities and is sensitive to any concerns that they may have regarding land usage, water resources, cultural sites/artefacts etc.; and
- Treats local suppliers fairly

Whilst the projects are still at an early stage of exploration, the Company recognises that for any mine to be developed at the project sites, it must be able to demonstrate a clear positive benefit to all stakeholders that respects social, community and human rights.



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- As the Company has built out the management and exploration team to pursue the strategy outlined, the Directors have been conscious of the need to establish a good team work ethic where team members work well together and communicate openly with each other. In pursuit of this objective, members of the board and the CEO visited the projects in Chile in March 2022, meeting and socialised with all members of the exploration team and taking the opportunity to explain the Company's strategy and how that strategy will be pursued.

Recognising the importance of retaining and incentivising key employees, the Directors have awarded them share options.

- In the past year, the Company has acted fairly, in good faith and without problems with all of the service providers that helped it through the listing process.

At this stage of the Company's development, it has no customers.

- The Directors are very aware of the need to carefully manage environmental and social matters in Chile in order to ensure that it has a social licence to explore and, if successful, to ultimately mine at the project sites. The Company is still at an early stage in the exploration programme but in the past year it has prepared an Environmental, Social and Corporate Governance ("ESG") policy to govern how members of the team manage these matters and to ensure that the Company operates to the highest standards.
- The Company's values of business conduct are described in the Corporate Governance Statement. In the past year, management has worked on defining the culture and framework that will support high business standards within the Company through the preparation of policy documents.
- Retaining investor support is important to the Company and, therefore, the Directors intend to keep shareholders fully and equally informed. In the past year and specifically in the four months since the Company's shares were listed, the Company has kept shareholders informed of progress via news releases, web podcasts, the Company's website and through direct contact. Moving forward, management will also attend mining conferences where they will be available to meet shareholders.

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

Charles Bond



Chairman

25 August 2022

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### **Key Performance Indicators (KPIs)**

Given that GSC is a mineral exploration company at an early stage in its development that has no turnover and is dependent on raising funds in the equity market to finance its activities, many of the quantifiable KPIs that companies in other industries may present are not applicable here. Nevertheless, management is monitoring key performance indicators, or the process associated with:

- Company expenses and the cash balance to ensure that the Company can meet its expected obligations as they fall due and to inform the required timing of the next fund raising;
- Progress with the exploration programme and the status and commitments with regards to the exploration licences; and
- Ensuring that PTRC meets its environmental and social obligations in Chile.

The Company is of the opinion that, for an early-stage mineral exploration company, the audited accounts, the Chairman's Statement and the Operations Report are the best means of assessing the performance of the Company during the year.

### **Section 172(1) Statement – Promotion of the Company for the Benefit of the Members as a Whole.**

The Directors believe they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (as required by s172 of the Companies Act 2006), and in doing so have had regard (amongst other matters) to the following factors:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the Company.

The application of the s172 requirements can be demonstrated by the actions and key decisions of the Company during the year including:

- The Company's business model is to use the specialist skills and experience of the management team to implement an exploration programme that will seek to discover a large-scale copper porphyry deposit. If the Company is successful in this objective, the value of the Company will increase significantly to the benefit of all members.

In pursuit of this objective, the Company has:

- Acquired Pacific Trends Resources Chile SPA in July 2021, a Company that has option rights over exploration and exploitation licences covering two areas in Chile that management believes are prospective for copper porphyry projects;
- Successfully raised approximately £3.5m in December 2021 to provide the funds to undertake exploration for copper at these two project areas; and
- Listed the Company's shares on the Standard Section of the Financial Conduct Authority in December 2021 in order to provide better access to the equity market for when the Company needs to raise additional funds.

## CORPORATE GOVERNANCE

The Directors of the Company are listed on page 7. The Chief Executive Officer ("CEO") is responsible for the day-to-day management of the Company, subject to the directions of the Board. The CEO is supported by the Non-Executive Directors, a Chief Financial Officer who is responsible for the financial control, management, accounting and reporting functions of the Company, and an in-country manager to assist with local operations.

The Company recognises the importance of and is committed to high standards of corporate governance. As a Company listed on the Standard Segment of the Official List of the Financial Conduct Authority, the Company is not required to comply with the provisions of the UK Corporate Governance Code. However, in the interests of observing best practice on corporate governance, the Company observes the requirements of The Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), insofar as is appropriate having regard to the size and nature of the Company and the composition of the Board. A copy of the QCA Code is available at [qca.com](http://qca.com).

Since adopting the QCA Code at the time of listing, the Company has departed from it in the following respects and for the following reasons:

- As the Company only listed in December 2021, the Directors have not yet had the benefit of the Company's AGM or other stakeholder events from which to seek shareholder feedback. The Board intends to liaise regularly with shareholders during the forthcoming year.
- The CEO is currently only contracted to spend 50% of his time serving the requirements of the Company and the CFO is only contracted for 3 days a week. This is partly due to other current obligations of each individual but also assists with maintaining lower remuneration costs for the Company during its initial stages. As the Company matures it expects to engage its CEO and CFO on a full-time basis.
- Given its early-stage nature, the Company does not currently have a senior independent director. For a similar reason the Company does not have a nomination committee, rather this function will be carried out by the Remuneration Committee. The Board has not carried out a board performance evaluation during the year given it only listed in December 2021.
- The Board does not consider an internal audit function to be applicable due to the Company's limited number of transactions.
- A diversity policy has not yet been developed but biographies of directors and senior management and their relevant experience are set out on page 7.

The sections below set out how the Group otherwise applies the principles of the QCA Code.

### *Strategy and business model which promotes long-term value for shareholders*

The Company is involved with mineral exploration for copper-gold resources in Chile. Its primary objective is to generate long term value for shareholders, which it is seeking initially to achieve through the exploration and evaluation of two early-stage copper-gold projects, and potentially thereafter through further acquisitions and investments. Using the Company's expertise, it is carrying out a two-year evaluation work programme to target principally large tonnage, low to medium grade porphyry style Cu-Au deposits, and subsequently exercise its options to acquire them.

Early stage mineral exploration is by its nature speculative and the Company aims to reduce the risks inherent in the business by maintaining a close relationships with its Chilean partners who own the mineral rights over which the Company has an option, keeping abreast of current Chilean political

## GREAT SOUTHERN COPPER PLC

developments which might affect the mining industry, regularly reviewing the good standing of the concessions under option to the Company, and the careful application of funds to the most promising exploration targets. Further risk factors which the Company regularly takes into account are set out in the Strategic Report.

### *Shareholder communications*

The Company is committed to engaging with its shareholders to ensure that its strategy, operational results and financial performance are clearly understood. At this early stage the Board is focusing on in-country operations, but expects to engage more actively with shareholders once it has its first drilling results, including via roadshows, attending investor conferences and through its regular reporting on the London Stock Exchange. The Company's announcements are set out on its website, which also hosts its recent and comprehensive prospectus that was produced for the listing, and its most recent corporate presentation, webcasts and phone numbers to contact the Company and its professional advisers.

Whilst the Chief Executive Officer has ad-hoc meetings with larger retail shareholders in Australia to seek their views and concerns, the Company's forthcoming annual general meeting will be the main forum for dialogue with shareholders and the Board, and notice of the meeting will be sent to shareholders at least 21 days beforehand. All based Directors are expected to attend the AGM and to be available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld will be announced at the meeting. The results of the AGM will also be announced via the London Stock Exchange. Investors can always contact the Company via its website ([www.gscplc.com](http://www.gscplc.com)). The Non-Executive Chairman and Non-Executive Directors are also available to meet with major shareholders in the UK if required to discuss issues of importance to them and are considered to be independent from the executive management of the Company.

### *Wider stakeholder and social responsibilities and their implications for long term success*

Aside from its shareholders, the Group's most important stakeholder groups are its employees, local partners and those local communities that may be impacted by its exploration activities, although given the size, stage and location of the Company's projects there is minimal impact currently. The Board regularly reviews stakeholder issues and their potential impact on the Group's business to enable the Board to understand and consider these issues in decision-making. The Board understands that maintaining the support of all its stakeholders will be paramount for the long-term success of the Company.

The Board is also mindful of its obligations to the local environment and to operate according to appropriate health and safety regulations in respect of both local workers and the local community. Although at this stage of exploration there is little requirement for engagement, the Board is mindful of the future need to do so as exploration and development activity on projects increase, such as holding public forums, site visits and workshops. Social projects in the local communities will be dependent on local need and also the stage of exploration/level of project investment.

If and when the Company's projects move forward towards potential mining activities, it may seek to bring in partners who can credibly make the investments to move towards mine production. In doing so the Board will have regard for their ability and desire to move projects forward, their industry reputation and their commitment to treating the local communities fairly and protecting the environment.

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### *Risk management and mitigation*

#### *Audit, risk and internal control*

##### *Financial controls*

The Company has a framework of internal financial controls, the effectiveness of which is regularly reviewed by the Directors and the Audit Committee. The key financial controls are:

- The Board is responsible for reviewing and approving overall Company strategy, approving new exploration projects and budgets, and for determining the financial structure of the Company including treasury and tax matters. The Company maintains a schedule of matters reserved for the Board;
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls;
- The Remuneration Committee assists the Board in reviewing the scale and structure of the executive directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements;
- Regular budgeting and forecasting are performed to monitor the Company's ongoing cash requirements and management accounts will be provided to the Board on a monthly basis;
- Due to the international nature of the business the Group holds bank accounts in the UK, Australia and Chile and moves money between them to mitigate against foreign exchange rate movement exposures. Foreign currency balances are maintained to meet expected requirements; and
- The Company manages exploration risk of failure to find economic deposits by low cost early-stage exploration techniques, with detailed analysis of results. Moving projects to more expensive exploration techniques requires a rigorous review of results data prior to deciding whether to proceed with further work.

##### *Non-financial controls*

The Board has ultimate responsibility for the Company's system of internal control and for reviewing its effectiveness. However, any such system of internal controls can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Company. The principal elements of the Company's internal control system include:

- Close management of the day-to-day activities of the Company by the Chief Executive Officer and Chief Financial Officer;
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks; and
- Central control over key areas such as capital expenditure authorisation and banking facilities.

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The Company will review at least annually the effectiveness of its system of internal control, whilst also having regard to its size and the resources available. As part of the Company's plans, it continues to review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, and corporate social responsibility. All employees have been made aware of their obligations under anti-bribery and corruption legislation.

### *Maintaining the Board as a well-functioning, balanced team led by the Chairman*

The Board comprises the Non-Executive Chairman, one Executive Director and two Non-Executive Directors. All Non-executive Directors are considered to be independent and have extensive experience in the mining industry. The Chairman, Charles Bond, is a qualified lawyer who advises a large variety of mining companies, and the other two Non-Executives are a seasoned mining financier (Stuart Greene) and stockbroker for mining companies (Nick Briers) respectively. All have committed a substantial amount of their time to launching the Company on the London Stock Exchange, have conducted a site visit (save for Nick Briers on account of Covid concerns) and continue to contribute a significant amount of time to the Company's operations.

The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company and industry on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

The Chief Executive Officer is contracted to spend at least half of his time working for the Company, and the Chief Financial Officer is contracted to provide three days a week of his time. In reality both have contributed more time during and since the Company's listing, and as operations increase it is expected that these positions will move to become full time, or alternative staffing arrangements will be put in place.

The Board aims to meet at least quarterly. The agenda is set by the Chairman in consultation with the Chief Executive, with supporting information provided in a timely manner. The standard agenda points include:

- Review of previous meeting minutes and actions arising there from;
- A report by the CEO covering all operational matters;
- A report from the CFO covering all financial matters;
- Any other business.

### *Directors' conflict of interest*

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. The Directors have access to the Company's brokers and its lawyers, and in particular used these advisers fully for its recent admission to listing. The advisers do not typically provide materials for Board meetings except if requested to do so for the purposes of discussing upcoming regulations and other issues. The Company's lawyers also act as the Company Secretary for the Company. Directors and Officers Liability insurance is maintained for all Directors.

## GREAT SOUTHERN COPPER PLC

The table below sets out the attendance statistics for all current Board members from Admission to 30 March 2022:

|                 | <i>Meetings Attended</i> | <i>Meetings Held</i> |
|-----------------|--------------------------|----------------------|
| Samuel Garrett  | 5                        | 5                    |
| Stuart Greene   | 5                        | 5                    |
| Nicholas Briers | 5                        | 5                    |
| Charles Bond    | 5                        | 5                    |

### *Directors' experience, skills and capabilities*

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, particularly so in the area of copper and gold exploration. The Chairman is a practising lawyer specialising in the mining industry, whilst the other two non-executive directors maintain ongoing skills at broking for the mining industry and financing mining projects respectively. The Board is conscious of its current lack of gender balance and will in due course be seeking to address this with an appropriate appointment insofar as one is available. All Directors receive regular and timely information on the Company's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. Service contracts are available for inspection at the Company's registered office and at the Annual General Meeting ("AGM").

New Directors will also be selected having regards to the Company's needs for a balance of operational, industry, legal and financial skills. Experience of the Mining industry and in particular the exploration sector is important but not critical, as is experience of running a public company.

All Directors will retire by rotation at regular intervals in accordance with the Company's Articles of Association.

### *Appointment, removal and re-election of Directors*

#### *Policy for new appointments*

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be realigned over time (e.g., two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

#### *Policy on payment for loss of office*

Payment for loss of office would be determined by the Remuneration Committee, taking into account contractual obligations.

#### *Independent advice*

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense from lawyers, brokers and other professional advisers that they deem relevant. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer.

## GREAT SOUTHERN COPPER PLC

### *Board performance based on clear and relevant objectives*

Over the next 12 months the Board intends to review the performance of the team as a unit to ensure that the members of the Board collectively function in an efficient and productive manner. Over the same period the Non-Executive Directors will be seeking to set clear and relevant objectives for the Chief Executive Officer and Chief Financial Officer, and for the Board as a whole.

### *A culture that is based on ethical values and behaviours*

The Board aims to lead by example and do what is in the best interests of the Company. As it operates in remote and under-developed areas, it ensures its employees understand their obligations towards the environment and in respect of anti-bribery and corruption. The Company maintains governance structures and committees that allow good decision-making by the Board. The Board will maintain this focus by annual site visits to the projects in Chile.

### *Board programme*

The Board aims to meet at least quarterly and as and when required. The Board sets direction for the Company through a formal schedule of matters reserved for its decision. The Board receives appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting and Board papers are distributed by the Chairman and Chief Executive several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board and are then followed up by the Company's management.

### *Roles of the Board, Chairman and Chief Executive Officer*

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Company strategy; approval of exploration projects; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction.

The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company. Together with the Chief Financial Officer and the Company's in-country manager, he is responsible for establishing and enforcing systems and controls, and liaison with external advisors, such as the Company's technical adviser, Dough Kirwin. He has responsibility for communicating with shareholders, assisted by other members of the Board where relevant.

## **Board committees and Policies**

### **Audit Committee**

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee is responsible for keeping under review the scope and results of the audit, its cost



## GREAT SOUTHERN COPPER PLC

### **Environmental policy**

The Company undertakes its exploration activities in a manner that strives to minimise or eliminate negative impacts and maximise positive impacts of an environmental or socio-economic nature. The Company is committed to responsible stewardship of natural resources and the ecological environment.

The Company aims to continually improve its environmental performance and the prevention of pollution, reduce or control the creation, emission or discharge of any type of pollutant or waste and to reduce adverse environmental impacts; the integration of environmental management into management practices throughout the company; rehabilitate disturbed land as much as possible and protect environmental biodiversity; protect cultural heritage resources; comply with applicable legal requirements; and train and educate employees in environmental responsibilities.

### **Social policy**

The Company aims to minimise potential negative social impacts while promoting opportunities and benefits for host communities.

The Company is committed to continually improving community development and community investment programmes through monitoring, measuring and managing our social and economic impacts; placing local people at the centre of development by helping to build their capacity to control their own development. The Company intends to adopt a Social Media Policy to minimise the risks to the Group's business through use of social media.

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year results announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders. The Company posts LSE announcements covering operational and corporate matters. A range of corporate information (including all Company announcements and a corporate presentation) is also available to shareholders, investors and the public on the Company's corporate website, [www.gscplc.com](http://www.gscplc.com).

Signed on behalf of the Board

Charles Bond



Chairman

25 August 2022

## GREAT SOUTHERN COPPER PLC

effectiveness and the independence and objectivity of the auditors. It also has responsibility for public reporting and internal controls, and arrangements whereby employees may raise matters of concern in confidence. The Audit Committee, which met four times during the year under review, is chaired by Stuart Greene and its other member is Nick Briers.

### **Remuneration Committee**

The Remuneration Committee reviews the performance of the CEO and CFO and makes recommendations to the Board on matters relating to their remuneration and terms of employment. Under its terms of reference, it is required to meet at least once a year and is responsible for ensuring that the executive Directors, officers and other key employees are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Group. The Remuneration Committee is chaired by Charles Bond and its other member is Nick Briers.

### **Share dealing policy**

The Company has adopted a share dealing policy which sets out the requirements and procedures for dealings in any of its listed securities. The share dealing policy applies widely to all Directors of the Company and its subsidiaries, certain employees' and person closely associated with them. The policy complies with the Market Abuse Regulations, which came into effect on 10 July 2016 and was onshored into UK law on 31 December 2020.

### **Dividend policy**

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

### **Anti-bribery and corruption policy**

The Company has adopted an Anti-Corruption and Bribery Policy. It applies to the Directors and all employees of the Company. The Board believes that the Group, through its internal controls, has appropriate procedures in place to reduce the risk of bribery and that all employees, agents, consultants and associated persons are made fully aware of the Group's policies and procedures with respect to ethical behaviour, business conduct and transparency.

### **Health and safety**

The safety of the Group's employees and contractors is critical to its operations. The Company aims to prevent all incidents and accidents at its operations and in a reasonably practicable manner and strives to minimise hazards inherent in the working environment. The Company is committed to providing a working environment that is conducive to good health and safety; complying with applicable legal requirements; ensuring that appropriate resources, training and personal protective equipment are provided to improve occupational health and safety; ensuring that employees and contractors have the relevant skills to perform work-related tasks in a safe manner and that they are aware of their individual health and safety obligations and rights.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT SOUTHERN COPPER PLC**

**Opinion**

We have audited the financial statements of Great Southern Copper plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards 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 of the parent company's affairs as at 31 March 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the 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 on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 as applied to listed public interest entities, 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the group's budgets and cashflow projections which cover a period of at least 12 months from when the financial statements are authorised for issue;
- Challenging management's judgements and estimates agreed to supporting documentation, such as the review of post year end bank statements, post year end management accounts, and post year end regulatory news service announcements;
- Substantiating the key inputs to the model and stress tested as considered appropriate;
- Assessing the mathematical accuracy of the cashflow projections and comparing to the performance of the group post year end. We also assessed whether the cashflow projections were in line in with our understanding of the entity and management plans.

## GREAT SOUTHERN COPPER PLC

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Our application of materiality**

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. The materiality applied to the group financial statements was £225,000, based on 5% of the net assets. There was no group materiality in the prior year, as the acquisition of the subsidiary occurred during the year. The benchmark was selected as the intangible exploration assets is the primary asset of the business, and its development is the principal activity of the group.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. Given that there are relatively few transactions within the group, we have concluded that 70% of materiality is appropriate to set performance materiality for the group and parent company financial statements as a whole. The performance materiality for the group was £157,500. The materiality applied to the parent company financial statements was £200,000 (2020: £2,000) based on 5% of the net assets. The performance materiality for the parent company was £140,000 (2020: £1,600).

Component materiality for the subsidiary was set lower than our overall group materiality and was set at £58,000, based on 5% of net assets, with a performance materiality of £40,000. The benchmark was selected as the intangible exploration assets is the primary asset of the business.

We agreed with the audit committee that we would report all audit differences identified during the course of our audit in excess of £11,250 at group level, and £10,000 for the parent company (2021: £100), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

### **Our approach to the audit**

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimate and judgement included:

- the recoverability of intangible assets and investments in subsidiary undertakings, as the future exploration results are inherently uncertain; and
- the valuation of share based payments were assessed as areas which involved significant judgements by management.

## GREAT SOUTHERN COPPER PLC

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The accounting records of the parent company and the subsidiary undertaking are centrally located in London and audited by PKF Littlejohn in London. PKF Chile Tax & Legal SpA were engaged to report to us on specified procedures in relation to the subsidiary, namely the compliance with Chilean laws and regulations and for local banking confirmation.

The key audit matters and how these were addressed are outlined below.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter   | How our scope addressed this matter   |
|--|---|
| <p><b>Accounting for the acquisition of Pacific Trends Resources Chile SpA ("PTRC") (Note 12)</b></p> <p>On 27 July 2021, the company acquired the entire share capital of PTRC from Pacific Trends Resources Pty Limited ("PTR") for £1,220,000 (A\$2,090,000), satisfied by the issue of 121,111,100 new ordinary shares of £0.01 each, issue of 60,555,555 warrants and a cash payment of £10,450.</p> <p>There is a risk that:</p> <ul style="list-style-type: none"><li>• The consideration transferred is not properly accounted for, classified and measured in line with IFRS 3;</li><li>• the appropriate fair values have not been applied to the assets acquired and the resulting acquisition accounting is incorrect in accordance with IFRS 3; and</li><li>• the consolidation accounting entries and accounting are incomplete.</li></ul> <p>This is considered to be a key audit matter due to the significant judgement and estimates required by management in order to assess the fair values</p> | <p>Our work in this area included:</p> <ul style="list-style-type: none"><li>• Reviewing the Share Purchase Agreement between the company and PTR and reconciling the consideration recorded by management and the accounting treatment applied;</li><li>• Ensuring that the correct accounting treatment for the acquisition had been applied under IFRS 3;</li><li>• Reviewing the fair value assessment of the acquired assets and adjustments made by management against the book value of the assets, and challenging the assumptions and inputs made by management, with reference to external reports by relevant competent persons;</li><li>• Assessing and recalculating any resulting goodwill recorded in the financial statements; and</li><li>• Considering the appropriateness of the disclosures included in the financial statements.</li></ul> |

of the assets acquired and acquisition accounting.

Based on the audit procedures performed, nothing has come to our attention that would indicate that the acquisition accounting is materially misstated. Management considered the book value of the assets acquired to be equal to the fair value as a result of the early stage of exploration of the assets and lack of other reliable data to support a fair value adjustment. The consideration paid was equal to the book value of the assets and as a result, no purchase price allocation was performed, as all of the value was considered to be held in the licenses acquired and the intangible exploration asset.

**Carrying value of the intangible exploration and evaluation assets (group level) and the investment in subsidiary (company level) (Notes 11 and 12)**

The group has intangible assets in relation to capitalised exploration costs in respect of the San Lorenzo and Especularita projects in Chile, held within its subsidiary company, PTRC. The intangible assets are subject to annual impairment reviews. The exploration projects are at an early stage of development and as a result, determining whether an impairment is required requires management judgement and estimation.

The investment in the subsidiary is directly linked to the value of its underlying assets.

There is a risk that the investment and intangible asset is overstated as a result of additions being incorrectly capitalised under IFRS 6 'Exploration for and Evaluation of Mineral Resources,' and that indicators of impairment exist as at 31 March 2022 which have not been considered by management in their carrying value assessment.

Our work in this area included:

- Ensuring good title to the project licences and that any commitments or terms therein have been adequately met;
- Reviewing the costs capitalised and agreeing these to supporting documentation to ensure capitalised in accordance with IFRS 6;
- Critically assessing management's impairment review, and challenging their review with consideration from both internal and external indicators of impairment under IFRS 6;
- Obtaining and reviewing a copy of the competent person report and challenging management's impairment review based on the report;
- Reviewing management's review of the carrying value of the investment in subsidiary and challenging their impairment review with reference to the underlying assets of the subsidiary.

Based on the audit procedures performed, nothing has come to our attention that would indicate that the carrying value of the intangible asset or investment in subsidiary is materially misstated.

## GREAT SOUTHERN COPPER PLC

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 the 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 material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited 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 statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company 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.

## GREAT SOUTHERN COPPER PLC

In preparing the group and parent company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, and our expertise of the mineral exploration sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from the Companies Act 2006, IFRS accounting standards, the LSE Listing Rules, the operating terms set out in the exploration licences, as well as local laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - conducting enquiries of management regarding potential instances of non-compliance;
  - reviewing RNS announcements;
  - reviewing legal and professional fees ledger accounts;
  - using local experts in Chile to report on the good standing of the subsidiary; and
  - reviewing board minutes and other correspondence from management.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, whether key management judgements could include management bias was identified in relation to the carrying value of the exploration assets and we addressed this as outlined in the Key Audit Matters section. The potential for management bias also existed in the valuation of the share-based payments issued in the year and audit procedures were performed in this regard to recalculate the charge with reference to the underlying agreements.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals and reviewing accounting estimates for evidence of bias.
- Compliance with laws and regulations at the subsidiary level was ensured through enquiry of management, communication with local auditor and review of local auditor's work on the specified procedures and correspondence for any instances of non-compliance.



## GREAT SOUTHERN COPPER PLC

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### **Other matters which we are required to address**

We were appointed by the Audit Committee on 9 September 2021 to audit the financial statements for the period ended 31 March 2021 and subsequent financial periods. Our total uninterrupted period of engagement is two years, covering the periods ending 31 March 2021 to 31 March 2022.

Prior to our appointment as auditors of the company, we were engaged to provide reporting accountant services to the company in respect of the initial public offering on to the Standard Segment of the London Stock Exchange. We are satisfied that it does not meet the definition of accounting services under the FRC Ethical Standard which would be subject to an outright prohibition under the FRC Ethical Standard. This is because they do not involve the maintenance of accounting records nor do they involve the preparation of financial statements or other subject matter.

Our safeguards in respect of this non-audit service have centred on the fact that none of the reporting accountant work was relied upon during the audit and an independent review partner was engaged to review the audit. The service did not involve making any judgements on behalf of management. We confirm that this safeguard was applied and that it enables us to conclude that our professional judgement and our audit report are not affected by the provision of the services listed above and we remain independent of the company in conducting our audit.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Adam Humphreys (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**  
25 August 2022

15 Westferry Circus  
Canary Wharf  
London E14 4HD

GREAT SOUTHERN COPPER PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2022

|   |      | Year ended<br>31 March<br>2022<br>£ | Period ended<br>31 March<br>2021<br>£ |
|---|------|-------------------------------------|---------------------------------------|
|   | Note |                                     |                                       |
| <b>Continuing operations</b>  |      |                                     |                                       |
| Administrative expenses   | 6    | (1,037,076)                         | (34,541)                              |
| <b>Operating loss</b>   |      | (1,037,076)                         | (34,541)                              |
| <b>Operating loss and loss before taxation</b>                            |      | (1,037,076)                         | (34,541)                              |
| Taxation  | 9    | -                                   | -                                     |
| <b>Loss for the year attributable to the owners of the Company</b>        |      | (1,037,076)                         | (34,541)                              |
| <b>Other comprehensive income</b>   |      |                                     |                                       |
| <b>Items that may be reclassified subsequently to profit or loss:</b>     |      |                                     |                                       |
| Exchange rate differences on translation of foreign operations            |      | (24,178)                            | -                                     |
| <b>Total comprehensive loss attributable to the owners of the Company</b> |      | (1,061,254)                         | (34,541)                              |
| <b>Earnings per share – basic and diluted</b>                             | 10   | (0.938)                             | (3.934)                               |

The notes from pages 49 to 75 form part of these financial statements.

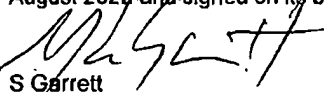
GREAT SOUTHERN COPPER PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

|   | Note | 2022<br>£        | 2021<br>£       |
|---|------|------------------|-----------------|
| <b>Assets</b>   |      |                  |                 |
| <b>Non-current assets</b>                                     |      |                  |                 |
| Intangible assets   | 11   | 1,489,379        | -               |
| <b>Total non-current assets</b>                               |      | <b>1,489,379</b> | <b>-</b>        |
| <b>Current assets</b>   |      |                  |                 |
| Trade and other receivables                                   | 13   | 333,292          | -               |
| Cash and cash equivalents                                     | 14   | 2,751,676        | 50,000          |
| <b>Total current assets</b>                                   |      | <b>3,084,968</b> | <b>50,000</b>   |
| <b>Total assets</b>   |      | <b>4,574,347</b> | <b>50,000</b>   |
| <b>Liabilities</b>  |      |                  |                 |
| <b>Current Liabilities</b>                                    |      |                  |                 |
| Trade and other payables                                      | 15   | (223,063)        | (34,541)        |
| <b>Total liabilities</b>                                      |      | <b>(223,063)</b> | <b>(34,541)</b> |
| <b>Net current assets</b>                                     |      | <b>2,861,905</b> | <b>15,459</b>   |
| <b>Net assets</b>   |      | <b>4,351,284</b> | <b>15,459</b>   |
| <b>Equity</b>   |      |                  |                 |
| Share capital   | 17   | 2,124,761        | 50,000          |
| Share premium   | 19   | 3,175,962        | -               |
| Share based payment reserve                                   | 18   | 140,160          | -               |
| Shares to be issued   | 19   | 6,196            | -               |
| Foreign currency translation reserve                          | 19   | (24,178)         | -               |
| Retained earnings   | 19   | (1,071,617)      | (34,541)        |
| <b>Total equity attributable to the owners of the Company</b> |      | <b>4,351,284</b> | <b>15,459</b>   |

These financial statements were approved by the Board of Directors and authorised for issue on 25 August 2022 and signed on its behalf by:

  
S Garrett

Chief Executive Officer

Company registered number: 12497319

The notes from pages 49 to 75 form part of these financial statements.

GREAT SOUTHERN COPPER PLC

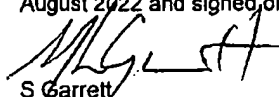
COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

|                                 | Note | 2022<br>£        | 2021<br>£       |
|---------------------------------|------|------------------|-----------------|
| <b>Assets</b>                   |      |                  |                 |
| <b>Non-current assets</b>       |      |                  |                 |
| Investments                     | 12   | 2,641,245        | -               |
| <b>Total non-current assets</b> |      | <b>2,641,245</b> | <b>-</b>        |
| <b>Current assets</b>           |      |                  |                 |
| Trade and other receivables     | 13   | 261,842          | 50,000          |
| Cash and cash equivalents       | 14   | 2,325,365        | -               |
| <b>Total current assets</b>     |      | <b>2,587,207</b> | <b>50,000</b>   |
| <b>Total assets</b>             |      | <b>5,228,452</b> | <b>50,000</b>   |
| <b>Liabilities</b>              |      |                  |                 |
| <b>Current liabilities</b>      |      |                  |                 |
| Trade and other payables        | 15   | (195,763)        | (34,541)        |
| <b>Total liabilities</b>        |      | <b>(195,763)</b> | <b>(34,541)</b> |
| <b>Net current assets</b>       |      | <b>2,391,444</b> | <b>15,459</b>   |
| <b>Net assets</b>               |      | <b>5,032,689</b> | <b>15,459</b>   |
| <b>Equity</b>                   |      |                  |                 |
| Share capital                   | 17   | 2,124,761        | 50,000          |
| Share premium                   | 19   | 3,175,962        | -               |
| Share based payments reserve    | 18   | 140,160          | -               |
| Shares to be issued             | 19   | 6,196            | -               |
| Retained earnings               | 19   | (414,390)        | (34,541)        |
| <b>Total equity</b>             |      | <b>5,032,689</b> | <b>15,459</b>   |

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 by choosing not to present its Individual Statement of Comprehensive Income and related notes that form part of these approved financial statements. The Company's loss for the period from operations is £379,849 (2021 - £34,541)

These financial statements were approved by the Board of Directors and authorised for issue on 25 August 2022 and signed on its behalf by:

  
S Garrett

Chief Executive Officer

Company registered number: 12497319

The notes from pages 49 to 75 form part of these financial statements.

GREAT SOUTHERN COPPER PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

|  | Share<br>capital<br>£ | Share<br>premium<br>£ | Shares to<br>be issued<br>£ | Share<br>based<br>payments<br>£ | Foreign<br>currency<br>translation<br>reserve | Retained<br>earnings<br>£ | Total<br>Equity<br>£ |
|--|-----------------------|-----------------------|-----------------------------|---------------------------------|---|---------------------------|----------------------|
| As at 4 March 2020   | -                     | -                     | -                           | -                               | -   | -                         | -                    |
| Loss for the period  | -                     | -                     | -                           | -                               | -   | (34,541)                  | (34,541)             |
| Total comprehensive<br>expense for the period                        | -                     | -                     | -                           | -                               | -   | (34,541)                  | (34,541)             |
| Transactions with<br>shareholders:                                   |                       |                       |                             |                                 |   |                           |                      |
| Issue of share capital   | 50,000                | -                     | -                           | -                               | -   | -                         | 50,000               |
| As at 31 March 2021  | 50,000                | -                     | -                           | -                               | -   | (34,541)                  | 15,459               |
| Loss for the year  | -                     | -                     | -                           | -                               | -   | (1,037,076)               | (1,037,076)          |
| Exchange rate differences<br>on translation of foreign<br>operations | -                     | -                     | -                           | -                               | (24,178)                                      | -                         | (24,178)             |
| Total comprehensive<br>expense for the year                          | -                     | -                     | -                           | -                               | (24,178)                                      | (1,037,076)               | (1,061,254)          |
| Transactions with<br>shareholders:                                   |                       |                       |                             |                                 |   |                           |                      |
| Issue of share capital, net of<br>issue costs (Note 17)              | 2,074,761             | 3,175,962             | -                           | -                               | -   | -                         | 5,250,723            |
| Shares to be issued  | -                     | -                     | 6,196                       | -                               | -   | -                         | 6,196                |
| Share based payments   | -                     | -                     | -                           | 140,160                         | -   | -                         | 140,160              |
| As at 31 March 2022  | 2,124,761             | 3,175,962             | 6,196                       | 140,160                         | (24,178)                                      | (1,071,617)               | 4,361,284            |

GREAT SOUTHERN COPPER PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2022

|  | Share<br>capital<br>£ | Share<br>premium<br>£ | Shares to be<br>issued<br>£ | Share Based<br>payments<br>£ | Retained<br>earnings<br>£ | Total<br>equity<br>£ |
|--|-----------------------|-----------------------|-----------------------------|------------------------------|---------------------------|----------------------|
| As at 4 March 2020                               | -                     | -                     | -                           | -                            | -                         | -                    |
| Loss for the period                              | -                     | -                     | -                           | -                            | (34,541)                  | (34,541)             |
| Total comprehensive expense<br>for the year      | -                     | -                     | -                           | -                            | (34,541)                  | (34,541)             |
| <i>Transactions with<br/>shareholders:</i>       |                       |                       |                             |                              |                           |                      |
| Issue of shares                                  | 50,000                | -                     | -                           | -                            | -                         | 50,000               |
| As at 31 March 2021                              | 50,000                | -                     | -                           | -                            | (34,541)                  | 15,459               |
| Loss for the year                                | -                     | -                     | -                           | -                            | (379,849)                 | (379,849)            |
| Total comprehensive expense<br>for the year      | -                     | -                     | -                           | -                            | (379,849)                 | (379,849)            |
| <i>Transactions with<br/>shareholders:</i>       |                       |                       |                             |                              |                           |                      |
| Issue of shares, net of issue<br>costs (Note 17) | 2,074,761             | 3,175,962             | -                           | -                            | -                         | 5,250,723            |
| Shares to be issued                              | -                     | -                     | 6,196                       | -                            | -                         | 6,196                |
| Share based payments                             | -                     | -                     | -                           | 140,160                      | -                         | 140,160              |
| As at 31 March 2022                              | 2,124,761             | 3,175,962             | 6,196                       | 140,160                      | (414,390)                 | 5,032,689            |

GREAT SOUTHERN COPPER PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2022

|   | Year ended<br>31 March<br>2022<br>£ | Period ended<br>31 March<br>2021<br>£ |
|---|-------------------------------------|---------------------------------------|
| <b>Cash flows from operating activities</b>         |                                     | -                                     |
| Loss for the year                                   | (1,037,076)                         | (34,541)                              |
| <b>Adjustments for:</b>                             |                                     |                                       |
| Share based payments                                | 83,796                              | -                                     |
| <b>Working capital adjustments</b>                  |                                     |                                       |
| Increase in trade and other receivables             | (155,383)                           | -                                     |
| Increase in trade and other payables                | (24,214)                            | 34,541                                |
| <b>Net cash outflow from operations</b>             | <b>(1,132,877)</b>                  | <b>-</b>                              |
| <b>Cash flows from investing activities</b>         |                                     |                                       |
| Purchase of subsidiary undertaking                  | (10,450)                            | -                                     |
| Net cash acquired with subsidiary undertaking       | 2,735                               | -                                     |
| Purchase of intangible assets                       | (191,753)                           | -                                     |
| <b>Net cash used in investing activities</b>        | <b>(199,468)</b>                    | <b>-</b>                              |
| <b>Cash flows from financing activities</b>         |                                     |                                       |
| Issue of ordinary share capital, net of issue costs | 4,020,976                           | 50,000                                |
| <b>Net cash generated from financing activities</b> | <b>4,020,976</b>                    | <b>50,000</b>                         |
| <b>Net increase in cash and cash equivalents</b>    | <b>2,688,631</b>                    | <b>50,000</b>                         |
| Exchange gains on cash and cash equivalents         | 13,045                              | -                                     |
| <b>Cash and cash equivalents brought forward</b>    | <b>50,000</b>                       | <b>-</b>                              |
| <b>Cash and cash equivalents carried forward</b>    | <b>2,751,676</b>                    | <b>50,000</b>                         |

Significant non-cash transactions from investing activities are as follows:

|   | Year ended<br>31 March<br>2022<br>£ | Period ended<br>31 March<br>2021<br>£ |
|---|-------------------------------------|---------------------------------------|
| Equity consideration for business combination | 1,211,111                           | -                                     |
| Broker warrants                               | 56,364                              | -                                     |
| Remuneration settled through issue of shares  | 6,196                               | -                                     |

GREAT SOUTHERN COPPER PLC

COMPANY STATEMENT OF CASH FLOWS

Year ended 31 March 2022

|   | Year ended<br>31 March<br>2022<br>£ | Period ended<br>31 March<br>2021<br>£ |
|---|-------------------------------------|---------------------------------------|
| <b>Net cash flows from operating activities</b>     |                                     |                                       |
| Loss for the year                                   | (379,849)                           | (34,541)                              |
| <b>Adjustments for:</b>                             |                                     |                                       |
| Share based payments                                | 83,796                              | -                                     |
| <b>Working capital adjustments</b>                  |                                     |                                       |
| Increase in long term receivables                   | (1,419,683)                         | -                                     |
| Increase in trade and other receivables             | (186,841)                           | -                                     |
| Increase in trade and other payables                | 167,417                             | 34,541                                |
| <b>Net cash used in operations</b>                  | <b>(1,735,161)</b>                  | <b>-</b>                              |
| <b>Cash flows from investing activities</b>         |                                     |                                       |
| Payments to acquire investments                     | (10,450)                            | -                                     |
| <b>Net cash from investing activities</b>           | <b>(10,450)</b>                     | <b>-</b>                              |
| <b>Cash flows from financing activities</b>         |                                     |                                       |
| Issue of ordinary share capital                     | 4,020,976                           | 50,000                                |
| <b>Net cash generated from financing activities</b> | <b>4,020,976</b>                    | <b>50,000</b>                         |
| <b>Net increase in cash and cash equivalents</b>    | <b>2,275,365</b>                    | <b>50,000</b>                         |
| <b>Cash and cash equivalents brought forward</b>    | <b>50,000</b>                       | <b>-</b>                              |
| <b>Cash and cash equivalents carried forward</b>    | <b>2,325,365</b>                    | <b>50,000</b>                         |

Significant non-cash transactions from investing activities are as follows:

|   | Year ended<br>31 March<br>2022<br>£ | Period ended<br>31 March<br>2021<br>£ |
|---|-------------------------------------|---------------------------------------|
| Equity consideration for business combination | 1,211,111                           | -                                     |
| Broker warrants                               | 56,364                              | -                                     |
| Remuneration settled through issue of shares  | 6,196                               | -                                     |



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2022

### 1. GENERAL INFORMATION

Great Southern Copper plc ('the Company') and its subsidiaries (together 'the Group') principal activity is currently focused upon the exploration for copper and gold in Chile. Further detail is covered in the Chairman's Statement and also in the Operations Report.

The Company is a public limited Company, which is listed on the London Stock Exchange and incorporated and domiciled in England and Wales. The address of its registered office is Salisbury House, London Wall, London, United Kingdom, EC2M 5PS.

### 2. BASIS OF PREPARATION

The consolidated Group financial statements and Company financial statements have been prepared in accordance with United Kingdom ("UK") adopted International Accounting Standards ('IFRS') and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated Group financial statements and Company financial statements are presented in Sterling and rounded to the nearest whole pound unless otherwise indicated. The financial statements are prepared on the historical cost basis, except for certain financial instruments and share-based payments that have been measured at fair value.

#### GOING CONCERN BASIS

In common with many other mineral exploration companies, the Group has raised finance for its exploration. Further finance will need to be raised as and when justified by progress at any of its projects. Success in raising funds in December 2021 is no guarantee that it will be able to do so in the future.

As at 31 March 2022, the Group's cash at bank amounted to £2,751,676; at the date of signing this Report, the balance amounted to £2,136,236.

The Board has reviewed the Group's cash flow forecast up to 31 December 2023, taking into account its current resources and its operational objectives. The Board is satisfied that the cash reserves are sufficient to finance both planned project expenditure and overheads. The Board continues to monitor closely both its cash and operating costs and has taken into account the resources available to it as at the date of signing this Report. The Board has also considered the likelihood of probable success of future fundraising activities that may be necessary. Accordingly, the Board continues to adopt the going concern basis for the preparation of these financial statements.

### 3. ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

#### BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets, liabilities, income and expenses of the Company and entity controlled by the Company (its subsidiary) made up to the Company's accounting reference date. Control is achieved when the Company has the power over the investee, is exposed or has rights to variable return from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### 3. ACCOUNTING POLICIES (continued)

#### BASIS OF CONSOLIDATION (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the date that the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of a subsidiary to bring the accounting policies used into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses and cash flows, relating to transactions between the members of the Group, are eliminated on consolidation.

The results of overseas subsidiaries are translated at the monthly average rates of exchange during the period and their statements of financial position at the rates ruling at the reporting date. Exchange differences arising on translation of the opening net assets and on foreign currency borrowings or deferred consideration, to the extent that they hedge the Group's investment in such subsidiaries, are reported in the statement of comprehensive income. The financial statements of the subsidiary are drawn up to 31 December, with management information utilised to take this out to 31 March in line with the reporting period of the Group.

#### CURRENCIES

##### PRESENTATIONAL CURRENCY

Items included in the financial statements are measured using the currency of the primary economic environment in which the ultimate parent undertaking operates which is Sterling (£). The functional currency of the only subsidiary of the group is the United States Dollar (\$).

##### TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

##### REVENUE RECOGNITION

Revenue is recognised in the individual company financial statements in respect of management fees charged to the subsidiary company. Revenue is recognised in respect of the period that the service has been completed.

##### INTANGIBLE ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

Mineral exploration and evaluation expenditure relates to costs incurred in the exploration and evaluation of potential mineral resources and includes exploration and mineral licences, researching and analysing historical exploration data, exploratory drilling, trenching, sampling and the costs of pre-feasibility studies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**3. ACCOUNTING POLICIES (continued)**

**INTANGIBLE ASSETS – EXPLORATION AND EVALUATION EXPENDITURE (continued)**

Exploration and evaluation expenditure for each area of interest, other than that acquired from another entity, is charged to profit or loss as incurred except when the expenditure is expected to be recouped from future exploitation or sale of the area of interest and it is planned to continue with active and significant operations in relation to the area, or at the reporting period end, the activity has not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves, in which case the expenditure is capitalised. Purchased exploration and evaluation assets are recognised at their fair value at acquisition. As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated.

Exploration and evaluation assets have an indefinite useful life and 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 profit or loss.

**INCOME TAX**

The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

**CURRENT INCOME TAX**

Current tax is based upon taxable income for the year and any adjustment to tax from previous years. Taxable income differs from net income in the income statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The calculation uses the latest tax rates for the year that have been enacted or substantively enacted by the reporting date.

**DEFERRED TAX**

Deferred tax is calculated at the latest tax rates that have been substantively enacted by the reporting date that are expected to apply when settled. It is charged or credited to profit or loss, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income and is accounted for using the liability method. Deferred tax liabilities and assets are not discounted.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### 3. ACCOUNTING POLICIES (continued)

#### DEFERRED TAX (continued)

Deferred tax assets and liabilities are offset when there is a right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority, on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

#### PAYROLL EXPENSE AND RELATED CONTRIBUTIONS

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

#### PENSION COSTS

The Group operates a defined contribution pension scheme for employees. The annual contributions payable are charged to profit or loss.

#### SHARE-BASED COMPENSATION

The Group issues share-based payments to certain employees and Directors. Equity-settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, along with a corresponding increase in equity. The Group has measured share based payments using the Black Scholes and Monte Carlo option (Note 18) models.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of any revision is recognised in profit or loss, with a corresponding adjustment to equity reserves.

The fair values of share options are determined using the Monte Carlo and Black Scholes models, taking into consideration the best estimate of the expected life of the option and the estimated number of shares that will eventually vest.

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

#### IMPAIRMENT OF FINANCIAL INSTRUMENTS

The Group recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate ('EIR'). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### 3. ACCOUNTING POLICIES (continued)

#### IMPAIRMENT OF FINANCIAL INSTRUMENTS (continued)

IFRS 9.5.5.1 ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### TRADE AND OTHER RECEIVABLES

Trade and other receivables, and amounts owed by Group undertakings, are classified at amortised cost and recognised initially at fair value and subsequently measured at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) less provisions for impairment. These assets are held to collect contractual cash flows being solely the payments of the principal amount and interest. Provisions for impairment of trade receivables are recognised for expected lifetime credit losses using the simplified approach. Impairment reviews of other receivables, including those due from related parties, use the general approach whereby twelve month expected losses are provided for and lifetime credit losses are only recognised where there has been a significant increase in credit risk, by monitoring the creditworthiness of the other party.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held at amortised cost and consist of cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Further details are given in Note 14.

#### TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method. This method allocates interest expense over the relevant period by applying the 'effective interest rate' to the carrying amount of the liability.

#### CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**3. ACCOUNTING POLICIES (continued)**

**EQUITY INSTRUMENTS**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

**ACCOUNTING DEVELOPMENTS**

New standards, amendments and interpretations adopted in the preparation of the financial statements.

The IASB has issued the following standards and amendments, which have been adopted by the Group in either the current or comparative period, none of which have had a material impact on the financial statements.

| Standard   | Impact   |
|--|--|
| Amendments to References to the Conceptual Framework in IFRS Standards | The Group adopted the amendments References to the Conceptual Framework for IFRS Standards for the accounting period commencing 4 March 2020.                    |
| Amendments to IAS 1 and IAS 8: Definition of material                  | The Group adopted the amendments to IAS 1 and IAS 8 to clarify the definition of material and its application for the accounting period commencing 4 March 2020. |
| IFRS 3: Definition of a business                                       | The Group adopted the amendments to IFRS 3 to clarify the definition of a business and its application for the accounting period commencing 4 March 2020.        |

The Group does not expect any standards issued by the IASB, but not yet effective, to have a material impact on the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at each reporting date and the reported results. Actual results could differ from these estimates. Information about such judgements and estimations is contained in individual accounting policies.

#### ACCOUNTING JUDGEMENTS

The key accounting judgements used in the preparation of the financial statements are as follows:

##### RECOGNITION AND VALUATION OF EXPLORATION ASSETS

Exploration and evaluation assets include mineral rights and exploration and evaluation costs, including geophysical, topographical, geological and similar types of costs. Exploration and evaluation costs are capitalised if management concludes that future economic benefits are likely to be realised and determines that economically viable extraction operation can be established as a result of exploration activities and internal assessment of mineral resources. According to 'IFRS 6 Exploration for and evaluation of mineral resources', the potential indicators of impairment include: management's plans to discontinue the exploration activities, lack of further substantial exploration expenditure planned, expiry of exploration licences in the period or in the nearest future, or existence of other data indicating the expenditure capitalised is not recoverable. At the end of each reporting period, management assesses whether such indicators exist for the exploration and evaluation assets capitalised, which requires significant judgement. As of 31 March 2022 total exploration and evaluation costs capitalised amounted to £1,489,379 (2021 - £Nil), all of these assets were acquired in 2021. Refer to Note 11 for more information.

##### CARRYING VALUE OF INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Management must consider the carrying value of investments in subsidiary companies based on the ongoing performance of said company. The nature of the judgement will impact whether or not there is deemed to be any indicators of impairment, which could materially impact the carrying value of those investments. The key driver of the assessment is linked to the impairment review carried out in respect of exploration assets.

##### SHARE BASED PAYMENTS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Monte Carlo or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted, see Note 18 for further details.

### 5. OPERATING SEGMENTS

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board. The Board is responsible for allocating resources and assessing performance of operating segments.

The Group has two reportable segments, exploration and corporate, which are the Group's strategic divisions. For each of the strategic divisions the Board reviews internal management reports on a regular basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**5. OPERATING SEGMENTS (continued)**

The Group's reportable segments are:

**Exploration:** the exploration segment is presented as an aggregate of all Chile licences held. Expenditure on exploration activities for each licence is used to measure agreed upon expenditure targets for each licence to ensure the licence clauses are met.

**Corporate:** the corporate segment includes the holding company costs in respect of managing the group.

Segment result:

|                        | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|------------------------|--|--|
| Exploration - Chile    | (657,227)                              | -  |
| Corporate - UK         | (379,849)                              | (34,541)                                 |
| <b>Loss before tax</b> | <b>(1,037,076)</b>                     | <b>(34,541)</b>                          |
| Taxation               | -                                      | -  |
| <b>Loss after tax</b>  | <b>(1,037,076)</b>                     | <b>(34,541)</b>                          |

Segment assets and liabilities:

| <b>Non current assets</b> | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|---------------------------|--|--|
| Exploration - Chile       | 1,489,379                              | -  |
| Corporate - UK            | -                                      | -  |
| <b>Total</b>              | <b>1,489,379</b>                       | <b>-</b>                                 |

| <b>Total assets</b> | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|---------------------|--|--|
| Exploration - Chile | 1,987,140                              | -  |
| Corporate - UK      | 2,587,207                              | 50,000                                   |
| <b>Total</b>        | <b>4,574,347</b>                       | <b>50,000</b>                            |



GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

5. OPERATING SEGMENTS (continued)

| Total liabilities   | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|---------------------|--|--|
| Exploration - Chile | (27,300)                               | -  |
| Corporate - UK      | (195,763)                              | (34,151)                                 |
| <b>Total</b>        | <b>(223,063)</b>                       | <b>(34,151)</b>                          |

6. OPERATING EXPENSES

|  | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|--|--|--|
| Staff costs (including share based payments) | 272,738                                | 3,131                                    |
| Foreign exchange (gain)/loss                 | (25,036)                               | -  |
| Auditors' remuneration                       | 108,500                                | 12,000                                   |
| Travel expenses                              | 38,409                                 | -  |
| IPO Costs                                    | 222,473                                | -  |
| Legal, professional & consultancy fees       | 230,012                                | 19,410                                   |
| Insurance                                    | 17,326                                 | -  |
| Other administrative expenses                | 172,654                                | -  |
| <b>Total</b>                                 | <b>1,037,076</b>                       | <b>34,541</b>                            |

7. AUDITOR'S REMUNERATION

|  | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|--|--|--|
| Fees payable to the Company's auditor for the audit of the parent and consolidated annual accounts | 40,000                                 | 8,000                                    |
| <b>Total audit fees</b>  | <b>40,000</b>                          | <b>8,000</b>                             |
| Audit-related assurance services   | 68,500                                 | 4,000                                    |
| <b>Total non-audit fees</b>  | <b>68,500</b>                          | <b>4,000</b>                             |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**8. EMPLOYEE NUMBERS AND COSTS**

The average monthly number of people employed was:

|                              | <b>Group</b>    |                 | <b>Company</b>  |                 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
|                              | <b>Year</b>     | <b>Period</b>   | <b>Year</b>     | <b>Period</b>   |
|                              | <b>Ended</b>    | <b>Ended</b>    | <b>Ended</b>    | <b>Ended</b>    |
|                              | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> |
|                              | <b>2022</b>     | <b>2021</b>     | <b>2022</b>     | <b>2021</b>     |
|                              | <b>Number</b>   | <b>Number</b>   | <b>Number</b>   | <b>Number</b>   |
| Average number of employees: |                 |                 |                 |                 |
| Directors                    | 4               | 1               | 4               | 1               |
| Administrative staff         | 2               | -               | 1               | -               |
| <b>Total</b>                 | <b>6</b>        | <b>1</b>        | <b>5</b>        | <b>1</b>        |

The aggregate remuneration of all employees, including Directors, comprises:

|                       | <b>Group</b>    |                 | <b>Company</b>  |                 |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
|                       | <b>Year</b>     | <b>Period</b>   | <b>Year</b>     | <b>Period</b>   |
|                       | <b>Ended</b>    | <b>Ended</b>    | <b>Ended</b>    | <b>Ended</b>    |
|                       | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> | <b>31 March</b> |
|                       | <b>2022</b>     | <b>2021</b>     | <b>2022</b>     | <b>2021</b>     |
|                       | <b>£</b>        | <b>£</b>        | <b>£</b>        | <b>£</b>        |
| Wages and salaries    | 158,322         | 3,131           | 144,359         | 3,131           |
| Social security costs | 23,622          | -               | 22,494          | -               |
| Other pension costs   | 6,998           | -               | 6,998           | -               |
| Share based payments  | 83,796          | -               | 83,796          | -               |
| <b>Total</b>          | <b>272,738</b>  | <b>3,131</b>    | <b>257,647</b>  | <b>3,131</b>    |

Details of Directors' remuneration and pension entitlements are disclosed in the Remuneration Report on page 16. Please refer to the Directors Remuneration report and related party note (Note 20) for additional disclosure relating to key management personnel.

Social security costs payable in respect of the Directors were £Nil (2021 – £Nil)

The aggregate amount of gains made by Directors on the exercise of share options was £nil (2021 – £nil)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

## 9. TAXATION

|   | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|---|--|--|
| <b>Current tax</b>                                |  |  |
| Current period – UK corporation tax               | -                                      | -  |
| Adjustments in respect of prior periods           | -                                      | -  |
| Foreign current tax expense                       | -                                      | -  |
| <b>Total current tax</b>                          | -                                      | -  |
| <b>Deferred tax</b>                               |  |  |
| Origination and reversal of temporary differences | -                                      | -  |
| Adjustments in respect of prior periods           | -                                      | -  |
| Impact of change in tax rate                      | -                                      | -  |
| <b>Total deferred tax</b>                         | -                                      | -  |
| <b>Total tax charge</b>                           | -                                      | -  |

Corporation tax is calculated at 19% (2021 - 19%) of the estimated assessable profit for the year. In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023 and this rate was substantively enacted on 24 May 2021. Deferred tax balances at the year-end have been measured at 25% (2021 - 19%).

The tax charge for the year can be reconciled to the loss per the income statement as follows:

|  | Year<br>ended<br>31 March<br>2022<br>£ | Period<br>ended<br>31 March<br>2021<br>£ |
|--|--|--|
| <b>Loss before tax</b>                                 | (1,037,076)                            | (34,541)                                 |
| Tax charge at 19.0 % (2021 – 19.0 %)                   | (197,044)                              | (6,563)                                  |
| Expenses not deductible for tax                        | 138,115                                | -  |
| Remeasurement of deferred tax for changes in tax rates | (14,822)                               | -  |
| Difference in overseas tax rates                       | (39,434)                               | -  |
| Movement in deferred tax not recognised                | 113,185                                | 6,563                                    |
| <b>Total tax expense</b>                               | -                                      | -  |

Deferred tax in relation to carried forward losses is not recognised as they are not deemed to be recoverable.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**10. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, adjusted for the effects of potentially dilutive options. The dilutive effect is calculated on the full exercise of all potentially dilutive ordinary share options granted by the Group, including performance-based options which the Group considers to have been earned

The calculations of earnings per share are based upon the following:

|   | <b>Year<br/>ended<br/>31 March<br/>2022<br/>£</b> | <b>Period<br/>ended<br/>31 March<br/>2021<br/>£</b> |
|---|---|---|
| Loss for the year                           | (1,037,076)                                       | (34,541)  |
|   | <b>Number</b>                                     | <b>Number</b>                                       |
| Weighted average number of shares in issue  | 110,584,402                                       | 877,845   |
| Weighted average number of shares – basic   | 110,584,402                                       | 877,845   |
| Share options                               | 49,981,998  | -   |
| Weighted average number of shares – diluted | 160,556,400                                       | 877,845   |
|   | <b>Pence</b>                                      | <b>Pence</b>  |
| Earnings per share – basic                  | (0.938)   | (3.934)   |
| Earnings per share – diluted                | (0.938)   | (3.934)   |

In the comparative period earnings per share was calculated using the number of shares after the re-designation, rather than the actual number in issue at 31 March 2021.

In accordance with IAS 33, basic and diluted earnings per share are identical for the group as the effect of the exercise of the share options would be to decrease the loss per share.

GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

11. INTANGIBLE ASSETS

| <b>Group</b>                    | <b>Exploration</b> |
|---------------------------------|--------------------|
| <b>Cost</b>                     | <b>assets</b>      |
|                                 | <b>£</b>           |
| As at 4 March 2020              | -                  |
| Additions                       | -                  |
| As at 1 April 2021              | -                  |
| Business combinations           | 1,229,076          |
| Additions                       | 191,753            |
| Exchange difference             | 68,550             |
| As at 31 March 2022             | 1,489,379          |
| <b>Accumulated Amortisation</b> |                    |
| As at 4 March 2020              | -                  |
| Charge for the period           | -                  |
| As at 1 April 2021              | -                  |
| Charge for the year             | -                  |
| As at 31 March 2022             | -                  |
| <b>Carrying Amount:</b>         |                    |
| As at 31 March 2022             | 1,489,379          |
| As at 31 March 2021             | -                  |

Exploration projects in Chile 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.

In accordance with IFRS 6, the Directors undertook an assessment of the following areas and circumstances which 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.
- Sufficient data exists to indicate that the book value may not be fully recovered from future development and production.

Following their assessment, the Directors concluded that no impairment charge was necessary for the year ended 31 March 2022.

The Company had no intangible assets at 31 March 2022 or 31 March 2021.

GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**12. INVESTMENTS**

| Company                           | Amounts<br>owed by<br>subsidiary<br>£ | Shares in<br>group<br>undertakings<br>£ | Total<br>£ |
|-----------------------------------|---------------------------------------|---|------------|
| At 1 April 2021                   |                                       |   | -          |
| Additions                         | 1,419,684                             | 1,221,561                               | 2,641,245  |
| Carrying value at end of the year | 1,419,684                             | 1,221,561                               | 2,641,245  |

At 31 March 2022 the Company owned the following subsidiary:

|  | Registered<br>Office | Holding         | Proportion of<br>Voting Rights<br>and Shares<br>Held | Nature of Business     |
|--|----------------------|-----------------|--|------------------------|
| Pacific Trends<br>Resources Chile<br>SpA | 1                    | Ordinary Shares | 100%   | Mining and exploration |

1. Avenue El Bosque Central No. 92, 7th floor, Borough of Las Condes, Metropolitan Region

The credit risk of related parties is estimated based on the expected recoverable amount, taking into account the creditworthiness of the other party. Any expected credit loss is calculated based on the general approach as set out in IFRS 9. The Directors have determined that there has not been an increased credit risk within the year and no impairment charge has been recognised against these balances.

Amounts owed by group undertakings are interest free and are due on demand.

**Acquisitions**

On 27 July 2021 the Company entered into an acquisition agreement under which the Company acquired the entire share capital of Pacific Trends Resources Chile SpA ("PTRC") from Pacific Trends Resources Pty Limited, the majority shareholder of the Company, for AUS\$2,090,000, by the issue of the 121,111,100 new ordinary shares of £0.01 each, the issue of 60,555,555 warrants and a cash payment of £10,450. The principal activity of PTRC is the exploration and development, subject to proven economic discovery, of copper-gold projects in Chile, which aligns with the strategic objectives of the Company. Transaction costs of £nil have been expensed under administrative expenses in the statement of comprehensive income.

GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**12. INVESTMENTS (continued)**

The net assets of PTRC at the acquisition date have been considered with no fair value adjustments made, with the following acquired:

|                                | £                |
|--------------------------------|------------------|
| <b>Non-current assets</b>      |                  |
| Intangible assets              | 1,229,076        |
| Deferred tax asset             | 26,799           |
| <b>Current assets</b>          |                  |
| Cash                           | 2,735            |
| Trade and other receivables    | 98,870           |
| Current tax recoverable        | 53,068           |
| <b>Total assets</b>            | <b>1,410,548</b> |
| <br><b>Current liabilities</b> |                  |
| Trade and other payables       | £                |
|                                | (188,987)        |
| <b>Total liabilities</b>       | <b>(188,987)</b> |
| <b>Net assets</b>              | <b>1,221,561</b> |

Details of the allocation of the purchase price is as follows:

|                      |                  |
|----------------------|------------------|
| <b>Consideration</b> |                  |
| Issue of shares      | 1,211,111        |
| Cash payment         | 10,450           |
| <b>Net assets</b>    | <b>1,221,561</b> |

As a result of the consideration being equal to the fair value of assets acquired there is no goodwill created on consolidation.

The contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

|                      | £         |
|----------------------|-----------|
| Revenue              | -         |
| Loss before taxation | (657,227) |

GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**13. TRADE AND OTHER RECEIVABLES**

|                                | <b>Group</b>   |             |
|--------------------------------|----------------|-------------|
|                                | <b>2022</b>    | <b>2021</b> |
|                                | <b>£</b>       | <b>£</b>    |
| Other receivables              | 159,337        | -           |
| Prepayments and accrued income | 173,955        | -           |
|                                | <b>333,292</b> | <b>-</b>    |

|                                | <b>Company</b> |             |
|--------------------------------|----------------|-------------|
|                                | <b>2022</b>    | <b>2021</b> |
|                                | <b>£</b>       | <b>£</b>    |
| Other receivables              | 157,548        | -           |
| Prepayments and accrued income | 104,296        | -           |
|                                | <b>261,842</b> | <b>-</b>    |

Other receivables consist of amounts owed in respect of shares subscribed for as part of the IPO, as well as amounts due in respect of VAT.

**14. CASH AND CASH EQUIVALENTS**

|              | <b>Group</b> |             |
|--------------|--------------|-------------|
|              | <b>2022</b>  | <b>2021</b> |
|              | <b>£</b>     | <b>£</b>    |
| Cash at bank | 2,751,676    | 50,000      |

|              | <b>Company</b> |             |
|--------------|----------------|-------------|
|              | <b>2022</b>    | <b>2021</b> |
|              | <b>£</b>       | <b>£</b>    |
| Cash at bank | 2,325,365      | 50,000      |

Cash at bank amounting to £2,078,502 is held on trust by PTR Holdings Limited, a registered Company in Australia, which is a related party by virtue of common control. The cash was held in a bank account under the name of PTR Holdings Limited and was governed by a treasury agreement, specifying that the cash belonged to the Group and would be used to settle Group expenses. On the basis that the movement of cash was controlled by the Group it has been included within these financial statements as cash and cash equivalents of the Group. All cash held was transferred to a Group bank account on 1 April 2022.



GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**15. TRADE AND OTHER PAYABLES**

|                                 | <b>Group</b>   |               |
|---------------------------------|----------------|---------------|
|                                 | <b>2022</b>    | <b>2021</b>   |
|                                 | <b>£</b>       | <b>£</b>      |
| Other payables                  | 107,277        | 34,541        |
| Accruals                        | 115,646        | -             |
| Other taxes and social security | 140            | -             |
|                                 | <b>223,063</b> | <b>34,541</b> |

Other payables principally consist of amounts outstanding for trade purchases and ongoing costs. They are non-interest bearing and are typically settled on 30 to 60 day terms.

The Directors consider that the carrying value of trade and other payables approximates their fair value. Trade and other payables are denominated in Sterling. Great Southern Copper plc has financial risk management policies in place to ensure that all payables are paid within the credit time frame and no interest has been charged by any suppliers as a result of late payment of invoices during the period.

|                 | <b>Company</b> |               |
|-----------------|----------------|---------------|
|                 | <b>2022</b>    | <b>2021</b>   |
|                 | <b>£</b>       | <b>£</b>      |
| Other creditors | 80,117         | 34,541        |
| Accruals        | 115,646        | -             |
|                 | <b>195,763</b> | <b>34,451</b> |

**16. FINANCIAL INSTRUMENTS**

**PRINCIPAL FINANCIAL INSTRUMENTS**

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

**FINANCIAL ASSETS**

The Group held the following financial assets at amortised cost:

|  | <b>Group</b>     |               |
|--|------------------|---------------|
|  | <b>2022</b>      | <b>2021</b>   |
|  | <b>£</b>         | <b>£</b>      |
| Cash and cash equivalents                        | 2,751,676        | 50,000        |
| Other receivables (excluding VAT and prepayment) | 81,564           | -             |
|  | <b>2,833,239</b> | <b>50,000</b> |

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**16.FINANCIAL INSTRUMENTS (continued)****FINANCIAL LIABILITIES**

The Group held the following financial liabilities, classified as other financial liabilities at amortised cost:

|                             | <b>Group</b> |             |
|-----------------------------|--------------|-------------|
|                             | <b>2022</b>  | <b>2021</b> |
|                             | <b>£</b>     | <b>£</b>    |
| Other payables and accruals | 222,923      | 34,541      |
|                             | 222,923      | 34,541      |

**FINANCIAL ASSETS**

The Company held the following financial assets at amortised cost:

|   | <b>Company</b> |             |
|---|----------------|-------------|
|   | <b>2022</b>    | <b>2021</b> |
|   | <b>£</b>       | <b>£</b>    |
| Cash and cash equivalents                         | 2,325,365      | 50,000      |
| Other receivables (excluding VAT and prepayments) | 79,774         | -           |
|   | 2,405,139      | 50,000      |

**FINANCIAL LIABILITIES**

The Company held the following financial liabilities, classified as other financial liabilities at amortised cost:

|                             | <b>Company</b> |             |
|-----------------------------|----------------|-------------|
|                             | <b>2022</b>    | <b>2021</b> |
|                             | <b>£</b>       | <b>£</b>    |
| Other payables and accruals | 195,763        | 34,541      |
|                             | 195,763        | 34,541      |

The Group's activities expose it to certain financial risks: market risk, credit risk and liquidity risk. The overall risk management programme focuses upon the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Directors, who identify and evaluate financial risks in close cooperation with key members of staff.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**16. FINANCIAL INSTRUMENTS (continued)****MARKET RISK**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

**FOREIGN CURRENCY RISK MANAGEMENT**

Currency risk is the risk that the financial results of the Group will be adversely affected by changes in exchange rates to which the Group is exposed. The Group undertakes certain transactions denominated in foreign currencies. The majority of the Company's expenditures are denominated in Pound Sterling, while its exploration expenses are incurred in US Dollars, accordingly, the result for the year are adversely impacted by depreciation of the Pound Sterling against the US\$ while the Group's assets are positively impacted by appreciation of the US\$ against the Pound. Currency risk is monitored on a regular basis.

The following is a note of the assets and liabilities denominated at each period end in US Dollars:

|                           | <b>Group</b>   |             |
|---------------------------|----------------|-------------|
|                           | <b>2022</b>    | <b>2021</b> |
|                           | <b>\$</b>      | <b>\$</b>   |
| Other receivables         | 2,348          | -           |
| Cash and cash equivalents | 582,899        | -           |
| Other payables            | (34,891)       | -           |
|                           | <b>550,356</b> | <b>-</b>    |

**LIQUIDITY RISK**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. The Directors monitor rolling forecasts of the Group's liquidity and cash and cash equivalents based upon expected cash flow.

**CREDIT RISK**

Credit risk is the risk that a customer may default or not meet its obligations to the Group on a timely basis, leading to financial losses to the Group. Credit risk arises from cash and deposits kept with banks, advances paid and other receivables. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Generally, other receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**16. FINANCIAL INSTRUMENTS (continued)****CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to enable the Group to continue its exploration and evaluation activities, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

At 31 March 2022 the Group had borrowings of £Nil (2021 - £Nil) and defines capital based on the total equity of the Group. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

**FAIR VALUE ESTIMATION**

The carrying value of other receivables and payables are assumed to approximate to their fair values because of the short-term nature of such assets and the effect of discounting liabilities is negligible.

The Group is exposed to the risks that arise from its financial instruments. The policies for managing those risks and the methods to measure them are described earlier in this note.

**MATURITY OF FINANCIAL ASSETS AND LIABILITIES**

All of the Group's non-derivative financial liabilities and its financial assets at the reporting date are either payable or receivable within one year.

**17. SHARE CAPITAL****NUMBER OF SHARES IN ISSUE**

|                          | <b>2022</b>   |           |
|--------------------------|---------------|-----------|
|                          | <b>Number</b> | <b>£</b>  |
| Issued and fully paid:   |               |           |
| Ordinary shares of £0.01 | 212,476,100   | 2,124,761 |
| Total shares             | 212,476,100   | 2,124,761 |

|                        | <b>2021</b>   |          |
|------------------------|---------------|----------|
|                        | <b>Number</b> | <b>£</b> |
| Issued and fully paid: |               |          |
| Ordinary shares of £1  | 50,000        | 50,000   |
| Total shares           | 50,000        | 50,000   |

**RIGHTS OF SHARE CAPITAL**

Ordinary shares carry rights to dividends and other distributions from the Company, as well as carrying voting rights.

On 20 April 2021, the Company sub divided its ordinary shares from 50,000 shares with a nominal value of £1 to 5,000,000 shares with a nominal value of £0.01.

On the 27 July 2021 the Company issued 121,111,100 shares following the acquisition of Pacific Trends Resources Chile SpA. The shares were issued at nominal value of £0.01.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**17.SHARE CAPITAL (continued)**

On 20 December 2021 the Company was admitted to trading on the standard segment of the main market of the London Stock Exchange. As part of the initial public offering ("IPO") the following shares were issued:

- 16,000,000 ordinary shares were issued following the conversion of advanced subscription of monies received £800,000. This transaction resulted in an addition to share capital of £160,000 and share premium of £640,000.
- 70,365,000 ordinary shares were issued as part of the main placing of shares, at a placing price of £0.05 per share. This transaction resulted in an addition to share capital of £703,650 and share premium of £2,814,600.

Costs associated with the IPO of £222,274 were debited against the share premium account. Costs associated with the Broker warrants in relation to the IPO were debited against share premium of £56,364.

**18.SHARE BASED PAYMENTS**

The Group had warrants and share option schemes in place during the year ended 31 March 2022 as follows:

**Warrants**

On 7 December 2021 the Company issued 148,327,850 warrants. The warrants were granted in the following tranches:

- 1.) 60,555,550 granted to Pacific Trends Resources Pty Ltd following the acquisition of Pacific Trends Resources Chile SpA.
- 2.) 1,407,300 Broker warrants granted as part of the IPO.
- 3.) 70,365,000 placing warrants granted as part of the IPO.
- 4.) 16,000,000 conversion warrants granted to Foreign Dimensions Pty Ltd, the largest individual shareholder.

All warrants with the exception of the Broker Warrants entitle the holder to prescribe for one ordinary share at a price of £0.10 per share. The warrants became exercisable on admission and have a maximum life of two years. If the warrants have not been exercised within that time they will expire. The Broker warrants have an exercise price of £0.05 and a life of three years.

| <b>Warrants</b>                           | <b>Number of<br/>warrants<br/>2022</b> | <b>Weighted<br/>average<br/>exercise<br/>price<br/>2022</b> | <b>Number of<br/>warrants<br/>2021</b> | <b>Weighted<br/>average<br/>exercise<br/>price<br/>2021</b> |
|---|--|---|--|---|
| Outstanding at beginning of the year      | -                                      | -   | -                                      | -   |
| Exercised during the year                 | -                                      | -   | -                                      | -   |
| Granted during the year                   | 148,327,850                            | £0.10   | -                                      | -   |
| Lapsed during the year                    | -                                      | -   | -                                      | -   |
| <b>Outstanding at the end of the year</b> | <b>148,327,850</b>                     | <b>£0.10</b>  | <b>-</b>                               | <b>-</b>  |

Broker warrants fall within the scope of IFRS 2 – Share Based Payments as there is an associated service attached to their issue, whilst the other warrants referred to above do not confer any such service so have not been subject to valuation. The weighted average contract length of the warrants was 2 years (2021 – Nil), whilst the remaining average contractual life was 1 year and 8 months (2021 – Nil).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**18.SHARE BASED PAYMENTS (continued)**

## VALUATION

The warrants have been valued at 2% of the capital raised by SI Capital. This totalled £56,364 (2021: £nil) and has been debited to share premium.

**Share options**

On 7 December 2021 the Company issued 11,702,232 options to directors and key personnel employed within the group as follows:

- 1.) 10,105,554 options were granted to directors and a key employee of Great Southern Copper Plc. These options are split into 2 equal tranches, all carry an exercise price of £0.05 per share and have the following vesting conditions:
  - a.) 50% vest in 3 tranches, 1/3 on admission, 1/3 on the first anniversary of admission and 1/3 on the second anniversary of admission.
  - b.) 50% vest in 3 tranches, 1/3 when the share price reaches £0.10, 1/3 when the share price reaches £0.15 and 1/3 when the share price reaches £0.20.

The options must be exercised by the third anniversary of admission.

- 2.) 1,596,678 options were granted to other key personnel, including employees of Pacific Trends Resources Chile SpA. These options all carry an exercise price of £0.01 and vest in 3 tranches, 1/3 on admission, 1/3 on the first anniversary of admission and 1/3 on the second anniversary of admission.

The options must be exercised by 7 December 2026.

| Share options                             | Number of<br>options<br>2022 | Weighted<br>average<br>exercise<br>price<br>2022 | Number of<br>options<br>2021 | Weighted<br>average<br>exercise<br>price<br>2021 |
|---|------------------------------|--|------------------------------|--|
| Outstanding at beginning of the year      | -                            | -  | -                            | -  |
| Exercised during the year                 | -                            | -  | -                            | -  |
| Granted during the year                   | 11,702,232                   | £0.04  | -                            | -  |
| Lapsed during the year                    | -                            | -  | -                            | -  |
| <b>Outstanding at the end of the year</b> | <b>11,702,232</b>            | <b>£0.04</b>                                     | <b>-</b>                     | <b>-</b>   |

The weighted average contract length on the options was 4 years (2021 – Nil). The remaining average contractual life of the options was 3 years 8 months (2021 – Nil).

## VALUATION

Given the existence of market based vesting conditions in certain of the options, the valuation exercise has been split into 2 parts with the options including those conditions being valued using a Monte Carlo option pricing model, whilst the other options have been valued using the Black Scholes option pricing model.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**18.SHARE BASED PAYMENTS (continued)**

## Options at 31 March 2022 – Monte Carlo Model

|                              |         |
|------------------------------|---------|
| Share price at date of grant | £0.0455 |
| Fair value at the year end   | £0.02   |
| Exercise price               | £0.05   |
| Time to expiry (years)       | 3 years |
| Risk-free rate (%) – 3 years | 0.46%   |
| Volatility (%)               | 70.0%   |
| Dividend yield (%)           | 0%      |
| Employee retention rate (%)  | 100 %   |

## Options at 31 March 2022 – Black Scholes Model

|  |   |
|--|---|
| Share price at date of grant               | £0.0455   |
| Fair value at the year end – £0.01 options | £0.04   |
| Fair value at the year end – £0.05 options | £0.02   |
| Exercise price                             | £0.05; £0.01  |
| Time to expiry (years)                     | 3 and 5 years   |
| Risk-free rate (%) – £0.01 options         | 0.46%   |
| Risk-free rate (%) – £0.05 options         | 0.46%   |
| Volatility (%)                             | 70.0%   |
| Dividend yield (%)                         | 0%  |
| Employee retention rate (%)                | 100% for employees with £0.01 options,<br>100% for employees with £0.05 options |

Volatility is measured using a weekly share price over a period of 5 years prior to the date of grant.

The risk-free rate is derived using a 3 and 5 year gilt rate.

The total share-based payment expense recognised in the year is £83,796.

**19.RESERVES****SHARE PREMIUM**

Consideration received for shares issued above their nominal value net of transaction costs.

**SHARE BASED PAYMENTS**

The cumulative share-based payment expenses

**SHARES TO BE ISSUED**

Shares to be issued to a director in lieu of cash remuneration.

**FOREIGN CURRENCY TRANSLATION**

Cumulative gains and losses in respect of the translation of the results of overseas subsidiaries into the presentational currency of the Group.

**RETAINED EARNINGS**

Cumulative profit and loss net of distributions to owners.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**20. RELATED PARTY TRANSACTIONS****REMUNERATION OF KEY PERSONNEL - GROUP**

Remuneration of key management personnel, considered to be the Directors and other senior management of the Group is as follows:

|                         | Year<br>ended<br>31 March<br>2022<br>£'000 | Period<br>ended<br>31 March<br>2021<br>£'000 |
|-------------------------|--|--|
| Short-term remuneration | 166,853                                    | -  |
| Other pension costs     | 6,998                                      | -  |
| Share-based payments    | 55,930                                     | -  |
|                         | 229,781                                    | -  |

**TRANSACTIONS AND BALANCES WITH KEY PERSONNEL - GROUP**

Balances outstanding to key personnel at year end totalled to £489 (2021 - £Nil).

During the year the majority shareholder provided funding to the group, in advance of the IPO, totalling £821,668 (2021 - £Nil). As part of the IPO £800,000 of this loan was converted into 16,000,000 ordinary shares of the Company. As at 31 March 2022 a balance of £21,668 was owed to the shareholder (2021 - £Nil).

During the year £222,274 (2021 - £Nil) was paid to SI Capital Limited for the services relating to the IPO. In addition to this, SI Capital Limited were issued with broker warrants (see Note 18). The charge in relation to Broker warrants of £56,364 (2021 - £Nil) is included within share premium. At 31 March 2022 amounts owed to the Group by SI Capital Limited totalled £75,000 (2021 - £Nil). SI Capital Limited are a related party through common key management personnel.

During the year payments were made to third parties in respect of services provided by two of the Directors prior to their appointment. Payments made to Hillstone Resources and SI Capital Limited totalled £20,617 and £21,758 respectively (2021 - £Nil), with no amounts outstanding at either period end.

During the year payments in respect of the services of the Chief Executive were made through Metal Ventures Inc totalling £69,984 (2021 - £Nil), with £16,209 outstanding at year end (2021 - £Nil).

The Directors' disclosures have been included in the Directors Remuneration report.

**21. CONTINGENCIES AND COMMITMENTS**

The option agreements held by the Company in relation to the San Lorenzo and Especularita projects give the Company the discretionary right to acquire the relevant concessions, provided the quotas of US\$117,080 and the fees of US\$3,010,000 due by March 2024 specified in such agreements have been paid in full. There are no royalty, third party payments, or other obligations in favour of third parties regarding the option payments or the concessions to which they relate.



GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**22.POST BALANCE SHEET EVENTS**

There are no post balance sheet events that require separate disclosure.

**23.ULTIMATE CONTROLLING PARTY**

In the opinion of the Directors, Colin Bourke is the controlling party as he owns greater than 50% of the voting rights of the shares in issue.

GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**COMPANY INFORMATION**

**Directors**

|                |                        |
|----------------|------------------------|
| Samuel Garrett | Chief Executive        |
| Charles Bond   | Non-Executive Chairman |
| Stuart Greene  | Non-Executive Director |
| Nick Briers    | Non-Executive Director |

**Company Secretary**

Frank Ronaldson

**Registered Office**

Salisbury House, London Wall  
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United Kingdom  
EC2M 5PS

**Auditors**

PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London E14 4HD

**Broker**

SI Capital Limited  
19 Berkeley Street  
London  
W1J 8ED

**Registrars**

Share Registrars Limited  
The Courtyard  
17 West Street  
Farnham  
Surrey  
GU9 7DR

**Registered Number**

12497319

GREAT SOUTHERN COPPER PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2022

**Solicitors**

Druces LLP  
Salisbury House  
London Wall  
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EC2M SPS

**Principal Bankers**

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7 Westferry Circus  
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London  
England  
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Bendigo Bank  
The Bendigo Centre  
Bendigo VIC 3550  
Australia