ABERDEEN MINERALS EXPLORATION LTD
(FORMERLY ABERDEEN MINERALS LTD)

ANNUAL REPORT AND

FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 MARCH 2023

Aberdeen Minerals Exploration Ltd
Registered in Scotland
Registered company no. SC602791
Registered office address: Unit 8 Castle Street, Castlepark Industrial Estate, Ellon, AB41 9RF, Scotland

Company Information
for the Year Ended 31 March 2023

DIRECTORS:	P J Murphy T R Todd
SECRETARY:	D H Taylor
REGISTERED OFFICE:	Unit 8, Castle Street Castlepark Industrial Estate Ellon AB41 9RF Scotland
REGISTERED NUMBER:	SC602791 (Scotland)
INDEPENDENT AUDITOR:	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW

Directors' report

The directors present their report together with the audited financial statements for the twelve-month period ended 31 March 2023.

Principal activities

Aberdeen Minerals Exploration Ltd is a privately-owned company focused on mineral exploration for battery metals (copper, nickel and cobalt in particular) in North East Scotland.

The Company's aim is to create value for shareholders through the discovery and development of mineral deposits capable of producing domestic supplies of metals essential to the energy transition in Scotland and the UK.

Results and dividend

The Company statement of comprehensive income is set out on page 8 and shows the loss for the period.

The directors do not recommend the payment of a dividend.

Financial instruments

Details of the use of financial instruments is contained in note 15 to the Financial Statements on page 19.

Directors

The directors who held office at any time during the year ended 31 March 2023 and up to the date hereof, are as follows:

Name	Date of appointment	Date of resignation
Patrick Murphy	17 July 2018	n/a
Thomas Todd	17 July 2018	n/a

The Board of Directors is responsible for overseeing the long-term success and strategic direction of the Company and it is responsible for monitoring the activities of the executive management.

The directors do not have a direct interest in the shares of the Company, but as they are also directors of the Company's parent company, Aberdeen Minerals Ltd, they have an indirect interest in the shares of the Company. The interests of the directors in the shares of Aberdeen Minerals Ltd are disclosed in the financial statements of that company.

Details of directors' remuneration are disclosed in note 5.

Research and development

The directors consider that the Company's exploration for and evaluation of mineral resources ("E&E") constitutes research and development ("R&D") because its projects require innovation and scientific development to advance from an unknown location and amount of mineralisation to the demonstration of the technical feasibility and commercial viability of extracting a mineral resource.

Scientific and technological uncertainty are inherent in mineral exploration. The search for mineral deposits and determination of their quantity, quality and processing properties is a challenging and complex scientific field and requires the daily application of multi-disciplinary geoscientific research by the Group's technical team and world class advisers. It requires the systematic collection and interpretation of new data through application of geological, geochemical and geophysical techniques, including the use of the latest technological developments such as airborne and deep penetrating geophysical systems, mineralogical analysis and advanced three-dimensional computer modelling, to succeed in areas where historical exploration may have been ineffective.

Mineral processing methods must also be developed for the Group's projects. Although certain conventional methods used in other mineral projects and operating mines can be used as a reference, each mineral deposit's properties are unique, requiring rigorous test-work to develop an effective "flowsheet" to evidence the technical and economic feasibility of extracting and purifying the target minerals. The Group is looking to develop innovative mineral processing techniques for its projects to accelerate their development, reduce the environmental impact of battery metal production and supply domestic mineral products that can be used by UK manufacturing and make UK supply chains more resilient.

Directors' indemnity
The Company has agreed to indemnify its directors against claims against them by reason of the fact that they are or were a director of the Company, and the Company has in place a directors and officers insurance policy.

Related party transactions
Any related party transactions are disclosed in note 13.

Political donations and expenditure
No charitable or political contributions were made during the current or previous year.

Future developments
The Group began its 2023-24 financial year with a strong balance sheet, which allows the Company to build on the success of the September 2022 airborne geophysical survey and subsequent diamond core drilling programme, a vital step towards understanding the underlying mineralisation.

Initial results from this drill programme support the reports from historical drilling in the area, which adds confidence to the reliability of the historical data.

The results from the Company's existing drill programme are expected to lead to the delineation of a JORC-compliant model, and prove the continuation of mineralisation, including at depth.

Events after the reporting date
Any relevant events after the reporting date are described in note 14 on page 18.

Overseas branches
The Company has no overseas branches.

Going concern
The Board has assessed the prospects of the Group over a period of 12 months from the date of approval of these financial statements, involving a review of the Group's cash flow forecast prepared up to 31 December 2024 and taking account of the Board's intentions for future activities after that date. Based on the committed support of the Company's parent and its access to the necessary funding, it is expected there will be sufficient finance available for the minimum continuing working capital requirements of the Company for at least twelve months from the date of the financial statements. The Board considers this period of assessment to be appropriate because it contextualises the Group's financial position, business model and strategy. However, as at the date of approval of the financial statements, the cash flow forecast indicated that additional cash resources in excess of the funds held by the Company's parent will be required in order to meet the strategic aims of the Group and the directors therefore acknowledge this represents a material uncertainty as to the Company's and Group's ability to continue as a going concern. This is a common situation for early-stage exploration companies and is factored into the Group's business model.

Aberdeen Minerals Ltd, the Company's parent company, routinely and actively raises funds to advance the aims of the Group. The directors have reasonable expectations that the Company's parent will be successful in raising additional funds which will be applied to furthering the strategy of the Company, and therefore the financial statements have been prepared on the going concern basis.

The Board's assessment of the going concern statement is further described in note 1 to the accounts.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 in conformity with the requirements of the Companies Act 2006. 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 of the profit or loss of the Company for that period. 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 United Kingdom standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small companies provision statement

This report has been prepared in accordance with the special provision relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Auditors

The auditors, UHY Hacker Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the Board

David Taylor
Company Secretary

12 June 2023

Independent auditor's report to the members of Aberdeen Minerals Exploration Ltd

Opinion

We have audited the financial statements of Aberdeen Minerals Exploration Limited (the 'company') for the year ended 31 March 2023 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statement, including significant accounting policies.
In our opinion the financial statements:

- give a true and fair view of the state of company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard, comprising FRS 101 'Reduced Disclosure Framework' and applicable law), and
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which states that the forecasts consider current cash resources and assumptions around intended additional fundraising, whereby significant additional funding will be generated for newly issued ordinary shares. Whilst management are confident that sufficient funds will be available from its parent company raising additional equity fundraising, a failure to obtain such funding would require significant scaling back of the current operations of the Group. These conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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 financial statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement page 4 , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls).

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the regulators where applicable, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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.

H Hodgson-Grove

Harriet Hodgson-Grove
(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

UHY Hacker Young
4 Thomas More Square
London E1W 1YW

12 June 2023

Statement of Comprehensive Income
for the Year Ended 31 March 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
CONTINUING OPERATIONS			
Revenue		-	10,604
Administrative expenses		(1,041,906)	(382,250)
OPERATING LOSS		(1,041,906)	(371,646)
LOSS BEFORE INCOME TAX			
Income tax	6	-	-
LOSS FOR THE YEAR		(1,041,906)	(371,646)
Total comprehensive loss for the year attributable to equity holders of the parent		(1,041,906)	(371,646)

The notes on pages 11 to 19 form part of these financial statements

Statement of Financial Position
for the Year Ended 31 March 2023

	Note	Year ended 31 March 2023 £	Year ended 31 March 2022 £
FIXED ASSETS			
Tangible assets	7	86,378	-
CURRENT ASSETS			
Trade and other receivables	8	75,245	2,166
Cash and cash equivalents	9	926,650	849,179
TOTAL ASSETS		1,088,273	851,345
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company:			
Share capital	10	400,000	400,000
Accumulated deficit		(1,666,266)	(624,360)
TOTAL EQUITY		(1,266,266)	(224,360)
CURRENT LIABILITIES			
Trade and other payables	11	2,284,642	1,075,705
NON-CURRENT LIABILITIES			
Lease liabilities		69,897	-
TOTAL LIABILITIES		2,354,539	1,075,705
TOTAL EQUITY AND LIABILITIES		1,088,273	851,345

The financial statements were approved for issue by the Board of Directors on 12 June 2023 and were signed on its behalf by:

Thomas Todd
Director

The notes on pages 11 to 19 form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 March 2023

	Called up share capital £	Accumulated deficit £	Total equity £
Balance at 1 March 2021 (Unaudited)	**222,223**	**(252,714)**	**(30,491)**
Loss for the year	-	(371,646)	(371,646)
Total comprehensive loss for the year	-	-	-
Issue of share capital	177,777	-	177,777
Balance at 31 March 2022	**400,000**	**(624,360)**	**(224,360)**
Loss for the year	-	(1,041,906)	(1,041,906)
Total comprehensive loss for the year	-	-	-
Issue of share capital		-	-
Cost of share issue	-	-	-
Share based payments	-	-	-
Balance at 31 March 2023	**400,000**	**(1,666,266)**	**(1,266,266)**

The notes on pages 11 to 19 form part of these financial statements

Notes to the Financial statements

1. ACCOUNTING POLICIES

General information

Aberdeen Minerals Exploration Ltd, a private company limited by shares, is incorporated in Scotland under the Companies Act 2006. The Company's registered address and registered number can be found on the company information page.

Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The principal accounting policies adopted in the preparation of the financial statements are set out below.

The Company has adopted FRS 101 for the second time this year. The effective date of the transition was therefore 1 April 2020. The directors have examined the implications of the transition on the opening position as at 1 April 2020 and 1 April 2021 ensuring the FRS 101 policies have been consistently applied and the years presented restated as required, unless otherwise stated. No transition adjustments were identified.

The financial statements have been prepared on a historical cost basis. The presentation currency used in the financial statements is sterling rounded to the nearest pound (£).

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- certain disclosures regarding leases;
- requirement to disclose the Company's objective, policies and processes from managing capital;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group, headed by Strategic Minerals Europe Limited.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the Company's parent entity Aberdeen Minerals Ltd. These financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value).

The financial statements of Aberdeen Minerals Ltd can be obtained from Companies House.

Notes to the Financial statements

1. **ACCOUNTING POLICIES *(continued)***

Going Concern

The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

The directors' determination of the going concern status has principally been determined by examining the Company's cash position, determining which proportion of expenditure is discretionary, and assessing its future prospects for raising funds. In making this assessment, the directors have considered the likely impacts of future COVID-19 related restrictions and potential future delays to work schedules. The directors have also considered the likely impact of the war in Ukraine and continuing hostilities between Russia and other western nations, and the likely impact on demand, supply and market sentiment towards minerals exploration in Scotland.

The directors maintain cash flow forecasts looking ahead for periods not less than 12 months. As at the year-end, the Company's cash balance was £926,650 (2022: £849,179). However, as at the date of approval of the financial statements, the cash flow forecast indicated that additional cash resources will be required in order to meet the strategic aims of the Company and its parent company, Aberdeen Minerals Ltd; the directors therefore acknowledge this represents a material uncertainty as to the Company's and Group's ability to continue as a going concern This is a common situation for early-stage exploration companies, and is factored into the Company's business model. Investor sentiment towards investment in early-stage mineral exploration projects in the UK is therefore a key determinant as to the Company's ability to continue as a going concern.

The Company has historically been reliably supported by its parent company, Aberdeen Minerals Ltd, which has a successful track record in having raised finance in the past, but no assurance can be given that any additional funding will be available should it become required, or if such funding was available, that it would be offered on reasonable terms, albeit the founding shareholders and management team have indicated their likely support in providing additional funding to the Company.

Notwithstanding the above, the directors consider the Company to be a going concern and therefore have prepared these financial statements on a going concern basis.

Foreign currencies

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Finance income and costs

Finance costs includes interest expenses and similar charges. Interest expense is recognised on a time proportionate basis using the effective interest method.

Taxation

Taxes payable is based on taxable profit for the year which excludes items of income or expense that are taxable or deductible in other years. Taxable profit also excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as of the statement of financial position date.

Deferred income tax expense is calculated using the liability method in accordance with IAS 12 Income Taxes. Deferred tax assets and liabilities are classified as non-current in the statement of financial position and are measured based on the difference between the carrying value of assets and liabilities for financial reporting and their tax basis when such differences are considered temporary in nature.

Notes to the Financial statements

1. ACCOUNTING POLICIES *(continued)*

Deferred tax assets are reviewed for recoverability at every statement of financial position date, and the amount probable of recovery is recognised.

Deferred income tax expense represents the change in deferred tax asset and liability balances during the year, except for the deferred tax related to items recognised in Other Comprehensive Income or resulting from a business combination or disposal.

Changes resulting from amendments and revisions in tax laws and tax rates are recognised when the new tax laws or rates become effective or are substantively enacted. Uncertain tax positions are recognised in the financial statements based on management's expectations.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority.

Tangible fixed assets

Tangible assets are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Right-of-use assets are carried under the cost model. Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

Depreciation is provided at the following annual rates in order to write off each asset over its finite estimated useful life.

Plant and machinery	- 25% straight line basis
Right of use assets	- shorter of the useful life or the lease term, on a straight line basis

Leased assets

At inception of the contract, the company assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee unless the lease is considered to be low value or a short-term lease where payments made under these type of leases are charged to profit or loss on a straight-line basis over the period of the lease.

The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate which was assessed to be 5.25%. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made on or before the commencement day, less any lease incentives received and plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses (cost model as described above). Impairment is assessed as described above.

Notes to the Financial statements

1. ACCOUNTING POLICIES (*continued*)

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

If payment is due after more than one year or if there is any other indication of a financing transaction, trade and other receivables are recorded initially at fair value less attributable transaction costs. In this situation, fair value is equal to the amount expected to be received, discounted at a market-related interest rate.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

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

Financial instruments
Financial instruments at amortised costs
The Company has currently only recognised basic financial instruments as defined in FRS 101. The financial assets and financial liabilities of the company are as follows:

Financial assets – trade and other debtors, accrued income, amounts owed by group undertakings and other debtors are basic financial instruments, and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

The basic financial assets are assessed annually for impairment. The general approach incorporates a review of any significant increase in counterparty credit risk since inception. The review includes assumptions about the risk of default and expected loss rates. Any impairment or reversal of a prior impairment is expensed within the profit and loss.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, amounts owed to group undertakings, bank loans, accrued expenses and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security and corporation tax creditors are not included in the financial instruments disclosure definition.

Financial instruments at fair value through profit or loss ("FVPL")
As noted above the company has only recognised basic financial instruments. The Company has the option to negotiate exclusivity rights over certain leases and the right to negotiate for a prospecting access agreement which will include an option for an exclusive mineral rights agreement.

At the year-end it has not been deemed appropriate to recognise an asset at fair value in relation to these options as the directors have not currently identified, with sufficient certainty, a site that will provide probable future economic benefit.

Notes to the Financial statements

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the financial statements the directors make certain critical estimates and assumptions. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and evaluation expenditure

The directors are continuously assessing economic potential of the identified deposits and/or other projects. When confident that there is a high degree of commercial viability, with the expected return appropriate when compared to the perceived risks the company will commence capitalising the expenditure.

3. SEGMENTAL REPORTING

The Company has one activity only. The whole of the value of the Company's net assets at 31 March 2023 and 2022 was attributable to UK assets and liabilities.

4. OPERATING LOSS

The audit fee for the Company has been borne by Aberdeen Minerals Ltd.

5. EMPLOYEES AND DIRECTORS

The average number of persons employed by the Company in the financial year (including directors) was 2 (2022: 2).

The key management personnel of the Company are the directors. Key management personnel did not receive any remuneration from the Company during either the current or prior years.

No termination payments were made during the years ended 31 March 2023 or 2022.

6. INCOME TAX

The charge for the year is made up as follows:

	2023	2022
	£	£
Current tax	-	-
Tax charge for the year	-	-

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 March 2023. No deferred tax asset has been recorded on tax losses carried forward.

Notes to the Financial statements

6. INCOME TAX (*continued*)

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Loss on ordinary activities before tax	(1,041,906)	(371,646)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	(197,962)	(70,613)
Effects of:		
Non-deductible expenses		
Income not chargeable to tax		
Unrelieved tax losses carried forward	197,962	70,613
Tax expense	-	-

7. TANGIBLE ASSETS

	Right of use assets	Plant and machinery	Total
	£	£	£
COST			
Balance at 1 April 2022	-	-	-
Additions	97,659	1,464	99,123
Disposals	-	-	-
Balance at 31 March 2023	97,659	1,464	99,123
ACCUMULATED DEPRECIATION			
Balance at 1 April 2022	-	-	-
Depreciation charge for the year	12,379	366	12,745
Depreciation on disposal/revaluations	-	-	-
Balance at 31 March 2023	12,379	366	12,745
NET BOOK VALUE			
At 31 March 2023	85,280	1,098	86,378
At 31 March 2022	-	-	-

Right-of-use assets

The right-of-use assets relate to leased property. At 31 March 2023, the company is committed to £84,602 (2022: £nil) in future lease payments, none of which relates to short-term leases. The carrying amount of the lease liabilities approximates the fair value. Of these commitments £18,300 (2022: £nil) is due within 1 year and £66,302 (2022: £nil) is due after more than one year. No amount is due in more than 5 years. In line with the accounting policy the liability recognised within the financial statements reflects the net present value of the future lease payments with £14,706 being recognised as due within one year and £69,896 being recognised as due over 1 year.

A depreciation charge of £12,379 (2022: £nil) has been recognised in profits in relation to right-of use assets.

An interest expense of £3,185 (2022: £nil) has been recognised in profits in relation to right-of use assets.

Notes to the Financial statements

8. TRADE AND OTHER RECEIVABLES

	2023	2022
	£	£
Prepayments	8,759	-
VAT	66,486	2,166
	75,245	2,166

9. CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Bank accounts	926,650	849,179
	926,650	849,179

10. SHARE CAPITAL

Called up, allotted and fully paid share capital

	No. Ordinary shares	Allotment price (£)	Share Capital (£)	Share Premium (£s)
Total as at 31 March 2022 - £1.00 each	400,000	1.00	400,000	-
Share issue - £1.00 each	-	-	-	-
Total as at 31 March 2023 - £1.00 each	400,000	1.00	400,000	-

All Ordinary shares of the Company are fully paid.

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

11. TRADE AND OTHER PAYABLES

	2023	2022
	£	£
Trade payables	192,288	36,673
Amounts owed to group undertakings	2,073,606	1,039,032
Lease liabilities	14,706	-
Accruals and deferred income	4,042	-
	2,284,642	1,075,705

12. LEASES

At inception of a lease contract, the Company assesses whether a contract is, or contains, a lease. At the year end the Company, having assessed its lease contracts considered them to be low value and/or a short-term and so have not recognised either an asset or liability at the year end.

The Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	35,350	22,800
Later than 1 year and not later than 5 years	64,450	25,394
	99,800	48,194

Notes to the Financial statements

13. RELATED PARTY DISCLOSURES

Details of directors' remuneration are given in note 5. During the current and prior years, the directors have provided funding to the Company, including through contributing funding through the Company's immediate parent company, Aberdeen Minerals Ltd. At the year end the directors were owed £nil (2022: £nil).

On 21 October 2021, the Company and its parent company Aberdeen Minerals Ltd, entered into a tripartite agreement with Dalmunzie Investments Ltd, a company wholly owned by Thomas Todd. Under the terms of that agreement, as consideration for the cash receipt of £12,724, Aberdeen Minerals Exploration Ltd granted to Dalmunzie Investments Ltd ("Dalmunzie") a 1.0% net smelter royalty ("NSR") over the Company's Aberdeenshire project, covering the area of Scotland to the north and east of the location 57° 00' 00.0" N 3° 30' 00.000" W. The underlying interest in the NSR is shared equally amongst the founding shareholders of the Company. Each of the present directors of the Company is a founding shareholder of the Company.

Under the terms of the Dalmunzie agreement, Aberdeen Minerals Ltd agreed to act as guarantor for Aberdeen Minerals Exploration Ltd, for the benefit of Dalmunzie.

14. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that are required to be disclosed.

15. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise cash and cash equivalents and other receivables/payables. The Company's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial assets, financial liability and equity instrument are set out in note 1. The Company does not use financial instruments for speculative purposes.

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

	2023	2022
Financial assets at amortised cost	**£**	**£**
Cash and Cash equivalents	926,650	849,179
Prepayments and accrued income	8,759	-
	935,409	849,179

	2023	2022
Financial liabilities at amortised cost	**£**	**£**
Trade payables	192,288	36,673
Amounts owed to group undertakings	2,073,606	1,039,032
Lease liabilities	84,602	-
Accruals and deferred income	4,042	-
	2,354,538	1,075,705

a) Financial risk management objectives and policies

The Company's major financial instruments include bank balances, amounts payable to suppliers and connected parties. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The Directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Notes to the Financial statements

15. FINANCIAL INSTRUMENTS (*continued*)

b) Commodity price risk
The Company is carrying out exploration activities, seeking to delineate deposits of copper, nickel and/or cobalt. Market sentiment for companies involved in exploration activities for these metals is influenced by the current market price, as well as the forecast price, of these commodities. Therefore the price at which the Company is able to raise additional finance is impacted by the price of these commodities.

c) Cash flow risk
The directors are obliged to pursue the stated strategy of the Company, which requires the investment of funds in its stated activity. As the Company has no recurring revenues, the pursuit of the strategy results in the depletion of cash resources, and future exploration is therefore dependent on the availability of additional funding.

d) Liquidity risk
Liquidity risk arises from the Company's management of working capital and funding arrangements.

The Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations. The Directors have considered the liquidity risk as part of their going concern assessment (see note 1). Controls over expenditure are carefully managed in order to maintain its cash reserves whilst it targets a suitable transaction. Financial liabilities are all due within one year.

e) Credit risk
The Company's credit risk is wholly attributable to its cash balance. The credit risk from its cash and cash equivalents is limited because the counterparties are banks with high credit ratings and have not experienced any losses in such accounts.

f) Interest risk
The Company's exposure to interest rate risk is the interest received on the cash held, which is immaterial.

g) Capital risk management
The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The Company has no non-connected borrowings. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

h) Fair value of financial assets and liabilities
There are no material differences between the fair value of the Company's financial assets and liabilities and their carrying values in the financial information.

16. ULTIMATE CONTROLLING PARTY

On 22 June 2020, the entire share capital of the company was acquired by Aberdeen Minerals Ltd. Aberdeen Minerals Ltd is both the immediate and ultimate controlling company.