Tungsten West plc

Annual Report & Accounts
Year ended 31 March 2024

Company number: 11310159

About us

Tungsten West plc ('The Group') is a London AIM-listed owner and operator of the historic Hemerdon tungsten and tin mine located near Plymouth in South Devon, England. Hemerdon Mine is estimated to be the second largest tungsten resource in the world, and an increasingly important project with demand for critical and strategic metals, including tungsten and tin, forecast to grow in all its end-use sectors.

The Group's business plan also includes the selling of high-quality aggregates that are produced as a secondary product from the mineral processing facility at the Hemerdon Mine. The Group has formed a specialist business unit, Aggregates West, to manage the screening and sale of aggregates, which is expected to generate additional stable cash flows over the life of the tungsten mine and beyond.

Tungsten West is an environmentally and socially focused mining company which aims to limit any negative impact of its operation to its stakeholders. In order to achieve this we have, throughout the financial year, engaged with key stakeholders to understand their views and consider how we can address their needs.

The Group had £1.6 million in cash at 31 March 2024, and on 8 June 2023 successfully raised £6.95 million via the placing of convertible loan notes (CLN) and £0.2 million via an open offer. In December 2023 and March 2024 the Company raised a further £1.8 million and £1.6 million respectively via further tranches of the CLN. After the period end a further tranche of the CLN raised £2.9 million in July 2024 and £2.0 million is expected to be raised via the issue of Tranche F of the CLN over the coming weeks to fund the Company's immediate working capital requirements. The Company has received letters of commitment from the CLN holders confirming their intent to fund Tranche F of the CLNs (as well as extend the covenant waiver in place), However, there can be no guarantee that such funds will be received and the Company currently has very limited cash reserves. Following the expected imminent Tranche F CLN issue, going concern is reliant on further funding being secured by the end of December 2024, without which the Group would be unable to pay its liabilities as they fall due beyond this point.

Strategic Report

Governance Report

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Our Purpose, Values and Culture

Our mission is to restore mining and mineral processing operations at the Hemerdon Mine, restarting production and providing a globally significant reserve of essential metals that bear significant strategic importance for both the UK and the Western World.

Our unwavering commitment to sustainability drives every decision we make, carefully considering the well-being of our local communities and the environment. The health and safety of our employees remains paramount. We strive to make a positive impact while unlocking the immense potential of this extraordinary mine.

Our culture drives us forward as we navigate the transition from a construction project to a mining and mineral processing operation. Creating a collaborative workplace is core to our business, and we pride ourselves on building an environment where employee values and visions are aligned with the Company. We believe in the power of working together, exchanging information and knowledge across all departments. Embracing a critical problem-solving approach is encouraged among our employees, especially in the face of the demanding inflationary environment, which requires our project to adapt and evolve.

↓ Underpinning our mission and culture are our values ↓

Care
When we say care, we mean to:

- Keep each other safe and well
- Look after the community and environment
- Take pride in your work and the company
- Value each other

Integrity
When we say integrity, we mean to:

- Treat people fairly
- Speak up even when it's hard
- Take ownership and bear the weight
- Uphold our standards

Teamwork
When we say teamwork, we mean to:

- Be a vital part of the team
- Work well with others
- Recognise each other's strengths, knowledge and expertise
- Be a good neighbour

Excellence
When we say excellence, we mean to:

- Strive for brilliance
- Be clear about our purpose
- Be an expert in your field
- Achieve valuable results

Our Strategy

Alistair Stobie, our Interim CEO, plays a pivotal role in driving our strategic progress and value creation throughout the organization.

Our long-term strategy is to bring the Hemerdon mine back into production in 2026. Thereby, creating a secure Tungsten supply chain for the UK and its allies and partners over the life of the mine. We will do so by creating a safe working environment, ensuring the successful execution of the project, and advocating for sustainable and environmentally friendly practices. These elements continue to shape our vision for the future.

Monitoring and measuring strategic goals is important to the Company. It provides a clear understanding of the progress made towards achieving those goals and enables effective decision-making and course correction when necessary.

By regularly tracking and assessing strategic goals, the Group can identify any deviations from the intended path and take proactive steps to realign efforts and economic resources. This monitoring process helps to keep everyone focused and accountable, ensuring that actions are aligned with the broader, long-term strategy. Additionally, it provides valuable insights into the effectiveness of different initiatives and enables the identification of areas of improvement or potential risks.

Safe working environment
We measure how safe our working environment is through number of LTI (Lost Time Injury) and MTI (Medical Treatment Injury) free days.

Project execution
We measure by providing departmental budgets vs actual costs spent. The CFO and the Board scrutinise the analysis on a weekly to monthly basis.

Promote sustainable and environmentally friendly practices
The Group has aligned its ESG framework with nine UN Sustainable Development Goals, all with individual objectives which we can measure against.

Chairman's Statement

Overview of FY2024

I am pleased to report on the Group's audited results for the year ended 31 March 2024.

The year has been one of reset. As I write this it is clear that the Company is once again moving towards reopening the Hemerdon tungsten and tin mine; providing a secure tungsten supply chain to the UK and its allies. We expect to restart mining and processing operations in 2026.

During the period James Macfarlane (Managing Director), Mark Thompson (Vice-Chairman), Neil Gawthorpe (CEO) and Nigel Widdowson (CFO) have all resigned from positions of significant management responsibility from the board, where applicable. Jeff Court has been appointed CEO and will join the board as soon as he has completed his duties at Capital where he was Chief Executive Officer – Mining & Chief Development Officer – Mining of Capital's drilling and mining services business. This will allow Alistair Stobie, who joined as CFO in November 2023, to focus on the capital raise needed to bring Hemerdon back in to production. I would like to thank everyone who has had the vision and enthusiasm to get Tungsten West to this point in its development.

The most significant achievement in the period was the granting of a draft permit for the Mineral Processing Facility (MPF) by the Environment Agency (EA) in January 2024. The full permit followed in June 2024 following a third public consultation. Testing and demonstrating that the Company could resolve the historical low frequency noise (LFN) issues took considerable input from experts from both the Company and the EA. Few metallurgical plant permits are issued in the UK, I would like to thank the EA for working with the Company and its consultants to deliver a workable MPF permit.

Until the MPF EA permit was issued, it became that clear the Company would not be able to close on the funding needed to reconfigure the MPF and recommence mining and processing. Accordingly, and painfully, costs were cut back so that only vital services were kept. The Company lost some very good people with significant deep knowledge of the project. I am delighted that some of those who left have subsequently rejoined. I am hopeful that we may yet entice a few more back along with global mining talent. Together, once funding has been secured, we are confident that we will see the restart of mining at Hemerdon.

None of this was possible without the support of a small group of investors who have kept funding the Company through five separate tranches of the Convertible Loan Note (CLN). There is an absence of risk capital in the City of London which particularly hurts companies at Tungsten West's stage of development.

On receipt of the EA's MPF draft permit the Company kicked off an optioneering study (Optioneering Study). The most significant outcome of the Optioneering Study was to remove the two phase approach to restarting operations. This has informed all our subsequent engineering decisions. On its completion and after the end of the period, the Company appointed ADP Marine and Modular (ADP), an engineering consultancy, to review options to reconfigure the MPF. These changes will be included in the updated feasibility study and will lead to front end engineering and design (FEED) and ultimately an EPC contract. This work coincided with the appointment of Mining Plus to write the Company's third feasibility study. Currently, we expect that the feasibility study will be completed by the end of 2024.

The engineering studies that ADP are undertaking are focused on three main areas; a reconfigured crushing and ore sorting front-end, the engineering and implementation of the LFN enclosure solutions agreed as part of the EA MPF Permit and a refurbishment of the main MPF which has not been in operation since it was restarted briefly in early 2023.

The new front-end crushing and ore sorting circuit addresses one of the main points of failure for Wolf Minerals. The installed rolls crushers were not sufficiently robust to deal with granite and were a constant point of failure. Tungsten West expects to install up to five Tomra ore sorters. After ore sorting, approximately 700,000 tonnes of highly mineralized ore will pass through the MPF per annum. We expect that the lower throughput will reduce unplanned downtime as well as reducing the uranium and thorium content in the final product. ADP, in conjunction with the Tungsten West team, are studying various options which we believe will reduce upfront capex and provide more space for run of mine (ROM) storage.

The work to install the LFN enclosures over the screens in the MPF focusses principally on ensuring that the screens can be easily maintained and serviced whilst ensuring that LFN is below the limits set at the measurement points around the mine. Adding up to eighteen enclosures to the MPF will require a considerable amount of strengthening to the building.

Whilst the updated feasibility study is underway, the Company is starting the process of capital raising to modify the MPF and restart mining operations. The initial focus has been opening discussions with Export Credit Agencies in the UK, US and individual states within the EU in addition to more traditional sources of mining finance. Tungsten is a mineral critical to the transition economy, in addition there is significant and growing defence-related demand. Hemerdon mine is a significant resource of tungsten available to the UK, EU, US and their allies and partners. Notwithstanding these factors, because the People's Republic of China (PRC) controls the mining and processing of approximately 85% of global tungsten supply, pricing continues to be set by the PRC. There have been numerous examples of PRC government-controlled companies selling critical minerals below their cost of production. Both the US and EU have started discussions around minimum pricing levels as better levers than either ESG taxes or the very blunt tool of imposing tariffs. The Company is seeking to have a voice in these discussions.

With the core of a strong management team in place, the engineering for a rebuild of the MPF and the work for a new feasibility study well underway, we expect to be in a position to formally kick-off our fund-raising efforts in the New Year. The project and development team will work on FEED whilst the capital raising process continues so that we will be in a position to commence work on rebuild as soon as possible after it is completed.

Finally, I would like to thank the team at Tungsten West who have stayed with, or returned to the Company, during this difficult time. It is your dedication that will enable us to recommence mining of this critical mineral in the south west of England.

DocuSigned by:
David Cather
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David Cather
Chairman

ESG Report

Our mission

Our primary goal is the re-development of the Hemerdon Mine and to restart the production of tungsten and tin with a strong commitment to environmental and social responsibility. We aim to establish ourselves as a mining operation in the UK that demonstrates the highest level of ESG practices.

We actively focus on three key aspects: environmental, social, and governance, commonly referred to as ESG. By incorporating ESG principles into our operations, we strive to minimise our ecological footprint, engage positively with local communities, and adhere to high standards of corporate governance.

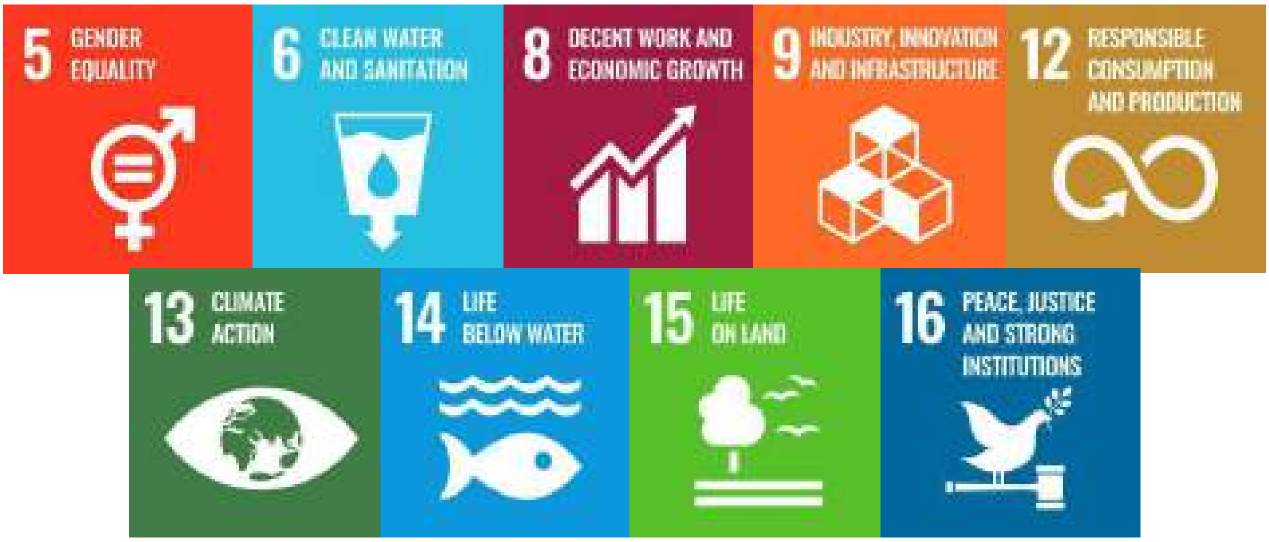
Our aim is to ensure that our mining activities have a positive and sustainable impact, not just on the environment but also on the social fabric of the communities in which we operate.

Our mission is to become a world-leading producer of tungsten, tin and aggregates, committed to adhering to international standards in mining operations, environmental conservation and safe working practices to enable the delivery of excellence and growth for our partner communities, investors, employees and other stakeholders.

United Nations Sustainable Development Goals

Tungsten West has aligned its policies and procedures with the UN Sustainable Development Goals ("SDGs"), which are widely regarded as the leading global standards for being a good corporate citizen.

Whilst we appreciate the value of all 17 UN SDGs, we have assessed where we can have the most significant positive impact and have therefore chosen to focus on the nine goals outlined below, which align with our known environmental and social impacts.



Using the UN SDGs as an ESG framework

By considering the results of stakeholder analysis and the environmental impacts identified within the project's Environmental and Social Impact Assessment ("ESIA") and Environmental Management System (EMS"), Tungsten West has developed the following ESG pillars that include themes aligning with the UN SDGs and 11 issues deemed most material to our business.

Our ESG Pillars	Applicable UN SDGs	Key issues identified
Environmental	• Clean Water and Sanitation • Industry, Innovation and Infra-structure • Climate Action • Life Below Water • Life on Land	• Sustainable Water Stewardship • Waste Management • Biodiversity • Climate Change
Social and Development	• Gender Equality • Decent Work and Economic Growth • Responsible Consumption and Production • Peace, Justice and Strong In-stitutions	• Gender Equality • Health, Safety and Wellbeing • Communities and Partnerships • Pioneering Sustainable Critical Metals • Social and Economic Development
Governance	• Decent Work and Economic Growth • Industry, Innovation and Infra-structure • Peace, Justice and Strong In-stitutions	• Ethics and Compliance • Enterprise Risk Management and Risk Appetite

Environmental

At Tungsten West, we have a strong commitment to environmental responsibility. By implementing our environmental pillars, we proactively identify and implement programmes to mitigate any associated risks.

UN SDGs: 6, 14

Sustainable Water Stewardship

Objective: 100% compliance with all water quality standards and permits

Current ongoing compliance initiatives include our water consumption limits and restoration plan. These are managed under the Hydrology and Optimisation Project and Environmental Development Management Plan.

- Total samples taken across the year: 348 (2023: 345)
  - Total surface water samples: 169
  - Total groundwater samples: 179

- 91.5% within permitted pollutant discharge limits, six Groundwater exceedances out of 179 samples largely relate to boreholes whereby the compliance limit set by the Environment Agency has not taken into account background levels. Tungsten West is currently in conversation with the Environment Agency about reassessing these limits.

UN SDGs: 9

Waste Management

Objective: Achieve 60:40 waste to recycling ratio at our head office facilities

Our waste management projects aim to limit our product waste sent to the mine waste facility ("MWF") and any operational waste that may end up in landfill. So far, our Aggregates West team have processed and sold 100,000 tonnes of aggregates to local and national infrastructure projects. As a by-product of the mining process, our aggregates are a low carbon, highly sustainable product. By selling this by-product we are reducing the amount of waste material that remains on-site.

Operational waste is minimised by engaging with local waste contractors to promote the circular economy where practicable. Tungsten West is proud to work with Devon Contract Waste which operates a zero waste to landfill scheme that Tungsten West participates in. An on-site recycling programme also encourages staff to think about their own personal waste management on a day-to-day work cycle.

UN SDGs: 15

Biodiversity

Objective: Maintain, care and prevent loss of existing trees planted by previous operator and Tungsten West.

As part of a Section 106 (Unilateral Undertaking) agreement between Devon County Council and the previous operator, there was a requirement to plant and maintain approximately 42,500 trees across the Hemerdon Mine site. By extension, this agreement is now the responsibility of Tungsten West, who in 2021, commissioned a report into the state of these tree planting sites. The findings of this report outlined that in each of the planting sites there was between an 85% and 90% establishment rate. Tungsten West originally planned to plant the lost trees during the 2022 planting season, however due to a mix of unseasonable weather and the erection of deer fencing in high value plots, this was not completed. Tungsten West successfully completed the planting of these trees (400) as well as an additional 400 trees within Q1 of 2023 and is fully committed to maintaining these areas.

A closure plan is being prepared which will represent a formal commitment to decommission and restore the Hemerdon Mine, in accordance with all regulatory requirements and to achieve outcomes agreed through consultation with all appropriate stakeholders.

The Closure Plan will provide the foundation from which Tungsten West will continue to develop the detail and update routinely, throughout the operational phase. This process will facilitate incorporation of any relevant development of environmental monitoring as agreed with the regulatory and community stakeholders.

UNSDGs: 13

Climate Change

Objective: Install sub-metering so we can baseline our office energy consumption

Objective: Baseline our scope three emissions for future assessment and target setting

We recognise our responsibility, as a contributor of greenhouse gas emissions, to identify and implement programmes to minimise energy usage where possible. Our Greenhouse Gas Emissions Project looks to address in the short term our on-site energy consumption whilst also looking ahead and forecasting our emissions intensity across all our products, meaning the Group can implement carbon emission reducing strategies when we reach production. Tungsten West has successfully carried out the installation of site wide electricity submetering so that the business can be better informed about where to target efficiency improvements or challenge cultural issues surrounding energy consumption. It is the intention of Tungsten West to widen the scope of these meters into the processing plant during operations so that the business can target efficiency improvements projects on significant energy users.

Primarily in response to the global energy crisis in 2022 as well as exploring ways to decarbonise as a business, Tungsten West has established an Energy Taskforce that comprises representatives from departments across the business responsible for significant energy users. This group reviews ongoing energy usage whilst also exploring energy efficiency / reduction strategies, renewable energy generation, and alternative fuels.

The revised design for the MPF is focused heavily on energy efficiency. The volume of waste hauled to the MWF is a key area of focus. This will be reduced by sale of a proportion of waste as aggregates.

Finally, plans to significantly reduce the ROM pad rehandling process will significantly reduce diesel consumption by earth-moving equipment.

Social and Development

UN SDGs: 5, 8, 12, 16

Gender Equality

Objective: Increase our gender diversity from 23% to 30%

Gender diversity and inclusion are important to Tungsten West as diverse societies, communities and teams produce significantly better outcomes for all members. Mining has historically been a male-dominated industry therefore the Company has targeted setting up an open forum for transparent communication at all levels within the business. We hope this can facilitate gender diversity throughout the Company as we work to build a diverse workforce.

UN SDGs: 8

Health, Safety and Wellbeing

Objective: 10% reduction in all time incident rate

Objective: 10% increase in near miss reporting frequency rate

Objective: 10% increase in hours of health and safety and emergency response training

The health, safety and wellbeing of our employees is always our number one priority. We encourage our employees to embrace a strong health and safety culture through first aid training and respecting health and safety procedures on-site.

As a tool to aid the objective, Tungsten West has successfully rolled out an incident reporting platform. This platform, which allows instantaneous reporting of incidents, near misses, and unsafe conditions, allows Tungsten West to monitor trends and target safety training or improvements in specific areas before more serious incidents are realised.

Tungsten West prioritises the physical and mental wellbeing of its employees, and as such has a number of initiatives and schemes to support staff needs led by its dedicated HR resource including an Employee Assistance Programme providing 24/7 access to counselling services and personal growth support, awareness days that seek to tackle issues of importance to staff welfare and staff events designed to bring the team together in a relaxed environment, such as all-staff lunches. Transparent communication with executive management is encouraged. This approach is underpinned by inclusive and supportive HR policies and processes, administered through the latest cloud-based HR systems aimed at promoting continuous professional development in a nurturing environment.

UN SDGs: 16

Communities and Partnerships

Objective: 100% of Stage 1 complaints responded to within timescales and 100% of interactions logged and acknowledged

Our ability to operate successfully is dependent on the continued support of our local communities. During this period of mine and plant upgrades, we concentrate our time on developing positive, constructive and professional relationships with our local communities, especially those who live and reside close to the mine site. Many local residents remember the legacy noise issues under the previous operator; therefore it is critical that we address any concerns ahead of the recommencing of mining operations so the local residents can have the peace of mind that as neighbours, we will operate in a conscientious and respectful manner.

One way we proactively manage these issues is to hold public engagement events in local parish venues. By studying the issues and designing world-class mitigations, we can demonstrate to our local communities how we aim to mitigate noise or light nuisances. Tungsten West also facilitates a Local Liaison Group comprising representatives from local parish / ward councils, the Environment Agency, Devon County Council and other interested parties with the aim of providing a forum for Tungsten West to discuss its future plans and address any stakeholder concerns. This culminated in the EA issuing an operating permit for the MPF, following a third public consultation.

UN SDGs: 12

Pioneering Sustainable Critical Metals

Objective: Increase digital followers (social media accounts) by 25% to raise awareness of the importance of sustainable critical metals

As countries continue to come forward with ambitious emission reduction targets, ensuring that critical minerals and materials are available for renewable technologies and electric vehicles is vital. Societies also want to see the positive benefits that arise from mineral extraction and processing; therefore we have a responsibility to ensure our processes always take into account the local environment and communities.

Tungsten West is a proud member of the UK Critical Minerals Association where we look to influence an industry that is in an urgent need of new sources of sustainable critical minerals.

UN SDGs: 5, 8

Social and Economic Development

Objective: Invest an agreed amount via a Community Investment Fund

Tungsten West is actively engaged with local education providers and regularly hosts educational site tours for students and other interested stakeholders.

To date, Tungsten West has hosted site visits by local schools as well as undergraduate and postgraduate students from the Cambourne School of Mines. Tungsten West understands the importance of educating and inspiring the next generation of mining professionals and highlighting the significance of Hemerdon on the global stage of critical metals.

Together with Oxford Sigma, a company focused on the fusion industry, the Company has sponsored a student studying physics at Bristol University to write an academic paper on the availability of tungsten for future fusion use.

Tungsten West has also signed Plymouth’s Armed Forces Covenant designed to support veterans and their families into work. As recruitment ramps up, more initiatives will be put into place to support local educational links and employment. A significant proportion of our security team have an Armed Forces background.

Additionally, Tungsten West has recently agreed to develop a Community Investment Fund, once production has recommenced, with the aim of supporting and working with individuals and groups in surrounding communities as part of its ‘give back’ objective.

Governance

UN SDGs: 9, 16

Ethics and Compliance

Objective: Obtain MWF and Mineral Processing Plant Permits

Objective: Retain all required ISO accreditations

To achieve our mission, Tungsten West looks to maintain the highest levels of ethical standards in our conduct and encourages the same for all our wider stakeholders, whilst working in full compliance with the laws and regulations that impact our operations.

During the year, Tungsten West obtained its MPF Permit from the EA.

During 2022/2023, Tungsten West also successfully completed its Integrated Management System audit including ISO 14001 (Environmental), 45001 (Health and Safety) and 9001 (Quality) as well as its Energy Management System audit (ISO 50001). The Company will renew these certifications ahead of start-up.

UN SDGs: 9

Enterprise Risk Management and Risk Appetite

Objective: Implement and host routine internal risk seminars to educate our employee base on key Company risks

Robust risk management and good corporate governance is the foundation from which we can promote optimal economic, social and environmental outcomes.

All departments are required to maintain risk registers and report to the Risk and Audit Committee any significant changes in risks. Cross-collaboration between departments allows critical analysis of each department’s risks to ensure all remain objective to the business as a whole.

Stakeholder Engagement

Understanding our stakeholders

Section 172 statement

All members of the Board of Directors understand the duties of directors under Section 172 of the Companies Act 2006.

All Directors act in a manner they consider, in good faith, to promote the success of the Company for the benefit of all stakeholders and in doing so consider:

- The likely consequence 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.
- The need to act fairly between members of the Company.

Tungsten West's purpose is to restart the world-class Hemerdon Tungsten-Tin Mine to provide essential strategic metals, doing so in a profitable, safe and sustainable manner. By promoting this approach, we look to create value throughout our stakeholder base.

Throughout the financial year we have engaged with all our key stakeholders which has allowed us to understand their views and consider how we can address their needs in order to align these with our strategy and core goals.

The key stakeholder zones

- Hemerdon and Sparkwell
- Cornwood and Lutton
- Shaugh Prior and Wotter
- Plympton – Chaddlewood and St Mary Wards
- Wider Plymouth

Restarting Hemerdon

The decision to pause operations and redevelop the business plan had a significant impact on stakeholders. The board considered the needs of shareholders, employees, suppliers, and other stakeholders throughout the process.

- Shareholders were kept informed through public announcements.
- Suppliers were notified immediately and the Group managed capital items and payment structures to maintain supplier relationships.
- Employees were informed through meetings.
- The surrounding communities and officials were briefed monthly via email, social media and a variety of face-to-face meetings.

The following are our key stakeholders and how we engaged with them during the financial year.

Employees

WHO - Our workforce is an adaptable and dedicated group of individuals, recruited mainly from the local area, together with experts in their field from many different countries across the globe.

HOW – The Company maintains an open-door policy, encouraging employees to voice their opinions and raise questions to management. Newsletters share comprehensive updates across different departments, while town hall meetings serve as a platform for the Executive Committee (ExCo) to provide strategic updates.

WHAT – Whilst awaiting the EA MPF Permit and during rounds of redundancies there was considerable uncertainty as to individual and the Company's future.

OUTCOME – Senior management regularly update the whole Company on events and meetings are more inclusive.

Shareholders and funders

WHO - the Company has a wide range of shareholders and CLN Noteholders from financial institutions to retail investors, whilst continuing to engage with potential long-term strategic lenders. Their support is vital so we can build a long-term viable mining company that seeks to deliver sustainable shareholder and lender value.

HOW – The Company leverages its social media presence to deliver informal and engaging updates, while the CEO and CFO have attended mining conferences to address strategic issues raised by investors. Regular RNS announcements deliver timely and market sensitive updates.

WHAT – Shareholders and CLN Noteholders expressed concerns throughout the year regarding the future of Tungsten West.

OUTCOME – The Company engaged in one-to-one meetings with the key CLN Noteholders and largest shareholders updating them on progress.

Local Communities

WHO - We really need the support and understanding of our local communities around the mine site so we can operate effectively and respectfully. Engaging with the community helps us make smarter decisions for the long-term success of the mine.

HOW - The Company maintains a Mine Local Liaison Group to offer regular updates to elected officials from neighboring community councils. Additionally, the Company has enthusiastically welcomed visits from local primary schools, aiming to inspire the next generation of miners.

WHAT – The main concern of our local communities remains focused on Low Noise Frequency ("LFN"). Additionally, we receive regular interest in our environmental responsibilities, including our commitment to maintaining the deer fencing and tree planting programme.

OUTCOME – A local "working group" has been established to provide community members with updates outside of the Parish Council meetings. We have shared information about joining this group through Facebook pages and community noticeboards. Additionally, we have extended invitations to visit and witness the LFN trial in action.

Regulators

WHO - It's crucial for us to establish trust with regulators to make sure we are compliant with our permitting and planning duties. Being a mining company, we understand the importance of respecting the Hemerdon landscape and carrying out our mining operations responsibly to protect the environment.

HOW - We actively collaborate with Devon County Council and the Environment Agency to ensure we meet our compliance obligations for the mine site. This includes monitoring and reporting our water discharge performance in line with regulations. Additionally, we work closely with the national government & the Critical Minerals Association, playing a crucial role in promoting the UK Critical Minerals Strategy.

WHAT – Our regulators are particularly interested in our ongoing compliance obligations relating to water and our future permitted activities.

The Government and CMA are also keen to understand the Company's role in the UK Critical Mineral Strategy.

OUTCOME - Through regular meetings and calls, we have fostered strong working relationships with our regulators, prioritising transparent and open communication, so as to establish a foundation of trust and collaboration.

Suppliers

WHO - The Company depends on third-party service providers and suppliers to acquire equipment, services, infrastructure, and raw materials necessary for our business and operations. Our goal is to establish long-term partnerships in the mining industry, building a network that supports our needs effectively.

HOW – We actively engage with our suppliers by sharing our procurement process. Additionally, we remain involved in supplier tendering to ensure that our costs are kept reasonable and in line with market standards. As part of our commitment to the industry, we are proud members of various trade bodies, including the Chamber of Commerce and the Critical Minerals Association.

WHAT – Whilst awaiting the EA MPF Permit and restarting the feasibility study, the Companyhas engaged with suppliers to ensure that they will be able to support the Company upon restart.

OUTCOME – The Company relies upon a range of suppliers and consultants to achieve our aims. Notwithstanding, financial constraints we seek to ensure a safe and happy work environment.

Financial Review

The project is preparing to restart with a new Feasibility Study underway and early stage financing discussions progressing well.

KPI	2024	2023
Cash and cash equivalents	£1.6m	£3.4m
Investment raised (net of issue costs)	£9.2m	£0.3m
Asset under construction carrying value at year end	£14.1m	£13.6m
LTI and MTI incidents	0 / 0	3 / 1

	2024	2023
Operating Loss	(£7.25m)	(£10.79m)
Deduct other gains (note 7)	(£3.08m)	(£0.71m)
Adjusted loss	(£10.33m)	(£11.50m)

Overall, the Group made a net loss after tax of £9.7 million (2023: £10.3 million) and an adjusted operating loss of £10.3 million, reconciled above (2023: £11.5 million).

The Company sold £0.7 million of tungsten and tin from inventory during the course of the year. No sales of aggregates were made.

Headcount was reduced during the course of the year, at period end the Company had 21 employees.

During the year, the Group engaged with tax consultants who undertook an R&D review on our 2023 research projects. The claims resulted in a £0.2 million credit being recognised during the reporting period (2023: £0.5 million) with a further claim (£0.3 million) being deferred until 2025.

The Group held cash and cash equivalents of £1.6 million (2023: £3.4 million). The decrease is due to continued capital expenditure on equipment stage payments, payments to the front-end rebuild contractors and pre-operating maintenance and administration costs.

The Group has capitalised all costs to Asset Under Construction that relate to the ongoing project to upgrade the processing plant and mine site. At the year-end, total capitalised costs have increased to £14.1 million (2023: £13.6 million).

Included within deposits are £2.3 million (2023: £4.3 million) of stage payments on the Tomra Ore Sorters, Metso Semi Mobile Crushing unit and lab equipment. These payments are not capitalised to fixed assets until the balance of any payment is made.

The Group recognised impairments to the Assets Under Construction (£1.4 million) and deposits (£2.2 million) during the financial year.

Funding

In May 2023, for the Group to be able to meet its near-term contractual liabilities and achieve its short term strategic objectives, surrounding financing and permitting activities, the Group announced it had raised £6.95 million by way of convertible loan notes ("CLN") and £0.2 million via an open offer. The CLN will accrue interest with an effective rate of 20%, compounding every six months. The CLN are convertible at the lesser of 3p per share or a 50% discount to the offer price of an equity raise.

In December 2023 and March 2024 the Company announced that it had raised a further £1.8 million and £1.6 million respectively by way of the CLN.

Further discussion of the financial position of the Group can be seen in the Going Concern section of the Directors' Report.

Subsequent events

In July the Company raised a further £3.0 million and in September received non-binding commitments to a further £2.0 million by way of Tranche F of the CLN. These funds were primarily raised to complete the feasibility study and cover G&A expenses.

DocuSigned by:
Alistair Stobie
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Alistair Stobie
Chief Financial Officer

Principal Risks and Uncertainties

During the year, the Group made significant progress in enhancing risk management practices. We achieved a stronger focus and engagement from all levels of management, recognising the ongoing and evolving nature of risk management. With robust frameworks and improved communication, we fostered a culture that values risk awareness and proactive mitigation. This commitment safeguards our interests, protects stakeholders, and supports sustainable growth.

Emerging Risks

In addition to addressing principal risks, the board proactively addresses emerging risks to bolster the Group's resilience during uncertain times. Heightened UK inflation and economic instability pose direct risks, particularly as significant mine and plant upgrades are anticipated. To navigate this period, the board is actively managing costs and engaging with suppliers to secure the most competitive quotes, ensuring prudent financial management and operational efficiency.

Risk Appetite

During the period the Group's appetite to risk reflected the uncertainty on the EA MPF Permit. Following receipt of the EA MWF Permit, the Company has focused on engineering of the MPF required to complete the feasibility study.

Principal risks

Outlined below are the principal risk factors that the board feels may affect performance and economic return. The risks detailed below are not exhaustive, and further risks and uncertainties may exist which are currently unidentified or considered to be immaterial.

Risk		Impact	Mitigation	Change	
Access to Capital	There is a risk of withdrawal or no access to finance required to complete the project.	If project risks and returns prove unattractive to investors, there could be insufficient capital available to complete the project and restart production.	Adapt our business model to keep operations insulated from inflationary pressures and provide attractive returns to investors. Ensure that the MPF rebuild costs are minimized to increase financial chance of success Address cheaper, government-backed pools of capital to reduce the overall cost of capital to the business	Whilst there are significant pools of governmental capital via ECA's and other supply chain pools, the risk capital environment has not changed significantly. In addition the ECA pools of capital are relatively new; the decision making process is not always transparent.	↑
Key Personnel Risk	The Group's ability to compete in the competitive mineral resource sector depends upon its ability to attract and retain highly qualified management, operational and technical personnel.	The loss of key management and/or technical personnel could delay the development of the Group's assets and negatively impact the ability of the Group to compete in the tin/tungsten resource sector and therefore have an adverse effect on the project's profitability.	The board and executive monitor employee attrition closely and have put together an attractive employment package to secure and retain the best personnel.	Staff turnover, resulting from both redundancies and resignations, has been high throughout and post-year end. This increase has elevated the Key Personnel Risk, as there is a potential for insufficient or delayed replacement of key personnel or further departures from the project. The board and executive is actively monitoring employee turnover and market conditions to ensure they can offer competitive remuneration packages and career opportunities as well as maintaining an excellent working environment.	↑

Geopolitical Risk	There is a risk that geopolitical events outside the Company's control could materially impact the business plan.	Geopolitical events could result in repeats of energy price spikes experienced over 2022 and exchange rate volatility. Failure to react to geopolitical events may result in unnecessary cost absorptions, lack of access to key materials and skilled labour.	Monitor price changes in key materials such as energy, fuel and reagents. Consider price fixing if there is anticipation of volatile prices due to geopolitical risk. Engage with advisers on foreign currency strategy. Consider hedging products to manage risk.	The worsening trade environment between the US, EU and China could make supplies significantly more expensive and supply chains more unstable.	↑
Development Risk	The site and plant enhancements at the Hemerdon Mine may be subject to unexpected cost overruns and delays.	Whilst best estimates are used to prepare capital project budgets, any unexpected problems will increase costs, delay revenues, and erode cash reserves and project returns	Management and the board regularly review and update forecasts whilst comparing budgets against project expenditure to date. The Group also ensures there is access to a sufficient buffer of capital (contingency) to absorb overruns and Opex until project profitability. In a scenario where the Group anticipates unacceptable cost increase, the Group will seek alternative measures to reduce costs or delay operational readiness and hiring.	Development risk has changed due to the engineering work being undertaken to allow the plant to optimally operate at 3.5 mtpa. The purpose of the engineering work being undertaken by ADP is to enhance the efficacy of the MPF. However, given its historical failings development risk remains extant.	↔
Safety and Wellbeing	There is an inherent risk in the mining industry that accidents will occur as a result of a failure in adhering to health and safety procedures.	Accidents can result in serious or fatal injuries which will impact the trust our employees and contractors have to operate safely on-site. A severe failure in health and safety will have an overall impact throughout the business including financial penalties, project delays, recruitment and negative employee morale.	Build awareness of health and safety throughout the business with regular health and safety training and updates. Undertake rigorous risk assessments for all construction and mining activities. Ensure all our health and safety standards and procedures adhere to ISO 45001.	Health and safety on a mine site is paramount due to the inherent risks involved in mining operations. The nature of mining and construction activities poses significant dangers to workers' well-being. As a result, maintaining a high level of health and safety awareness is crucial to safeguarding the well-being of employees and contractors. The board acknowledge that the importance of this issue will not change and must always be at the forefront of the Groups operations.	↔
Foreign Exchange (FX) Risk	The Group has exposure to foreign currency risk as its tungsten and tin revenues are predominantly in US Dollar	As the Group's operating costs are predominantly in Pound Sterling and the reporting currency is also in Pound Sterling, a weakened US Dollar would impact project returns. Fluctuations in exchange rates also introduce volatility in the Group's financial results that are not necessarily related to the Group's underlying operations.	The Group has a hedging policy approved by the board and lenders if they were to use hedging products to protect the FX exposure.	FX risk has remained relatively unchanged. However, it is essential to recognise that FX risk continues to be a significant concern. Adverse movements in exchange rates can have a detrimental impact on project economics, particularly as revenues are denominated in US Dollar.	↔
Volatility of Commodity Prices	Fluctuations in tungsten, tin and aggregates prices which are beyond the Group's control.	Off-take agreements are linked to market prices which are subject to fluctuations out of the Group's control. A fall in commodity prices will adversely impact revenues and margins.	The board and management regularly monitor commodity prices so they can adapt and scale back projects if they anticipate lower returns.	Due to the minimal volatility observed in tin and tungsten prices, commodity price risk remains unchanged.	↔

Key Contractors and Suppliers	The Group has a reliance on key contractors and suppliers due to the specific nature of the plant upgrades.	If the Group experiences any difficulties in retaining suitably qualified contractors, this will have a material impact on plant upgrades and an increase in costs to secure replacement contractors. This will cause delays in project timelines and erode project profitability.	The Company has retained ADP to undertake the engineering of the MPF. Its executives will work closely with ADP to ensure that FEED and engineering work are carried on schedule and budget. Fairport have been replaced by ADP.	Key contractor risk has remained unchanged as the Company has maintained good relationships with its contractors, and there have been no significant issues throughout the year.	
Environmental and Social Responsibilities	The Group's operations are subject to various laws and regulations relating to the protection of the environment and the local community. Before mining can recommence, the Group must reapply for a number of operating permits of which there can be no guarantee that these applications will be successful.	A delay or failure to obtain or retain the necessary environmental and social licences will have an adverse effect on the Group's revenues and profitability	The Group continues to improve its communication and transparency on its environmental and social responsibilities. Included within this Annual Report is the Group's first Sustainability Report which addresses in detail its approach to good ESG practice. The Group also continues to engage with local authorities and communities. The Group enforces strong ESG principles across its operations which are regularly reviewed by the board and ESG Manager.	Failing to prioritise environmental and social responsibilities could result in negative consequences, including environmental degradation, community conflicts, reputational damage, and legal liabilities. Therefore, the risk remains the same throughout this construction phase. Maintaining a strong commitment to environmental conservation, sustainable practices and community engagement is not only ethically important, but also key for the long-term success and social acceptance of the Hemerdon mining operations.	
Data Security/ Market Abuse	Employees throughout the business have access to sensitive, non-public information, and there is a risk that a) employees abuse their position and share this information outside of the business and b) the breach of non-public information leads to market abuse.	There is a reputational risk to the business if the Company cannot protect market-sensitive information. Fines and sanctions if employees are found to be abusing their position and sharing non-public information.	Keep sensitive information within senior management groups and restrict access to data where required. Secure physical data within the office to reduce accidental sharing of information. Provide training and support to staff to ensure there is Company-wide awareness of market abuse. Automate processes where possible to reduce the manual handling of sensitive data.	Data security risk remains unchanged as the Company remains in the construction phase. While the construction phase involves various activities such as infrastructure development and establishment of systems, the Company does not handle operational data or store sensitive customer information during this period. As a result, the inherent risks associated with data security are relatively low during this phase. However, it is important for the Company to proactively establish robust data security procedures in anticipation of the operational phase.	
Plant Viability	There is a risk that the plant cannot produce a competitively priced product and the quality of product expected from our off-takers.	Adapt our business model to keep operations insulated from inflationary pressures and provide attractive returns to investors. Routinely report to lenders and key investors and remain engaged on key issues or concerns they may have. Engage with professional advisers on any issues that could cause withdrawal of facilities.	Operator training and experience will improve and maintain required performance of the processing facility. Ore storage between unit operations will allow longer running times and improved stability performance. Ensure availability of trained personnel.	The work on the updated feasibility study is expected to bring about improvements in project economics and output, which directly improves the plant's viability and competitiveness in the market. By incorporating updated technological advancement and refined operational strategies, the revised study provides an improved assessment of the project's capabilities.	

Operating Cost Risk	The Group is exposed to inflationary pressures that impact the core materials required for the operations, mainly being reagents, energy and diesel costs.	Whilst best estimates are used to prepare operating cost budgets, recent events have shown the adverse impact of an inflationary environment on operating costs	Management regularly update forecasts and apply sensitivity analysis whilst comparing budgets against expenditure to date. The project team have reviewed the processing facility restart plan to ensure the most profitable and cost efficient processes are being utilised to minimise consumption on costly materials.	The operating cost risk has experienced a mixed trend due to contrasting factors. On one hand, there has been a decrease in operating cost risk as energy prices have been declining, although market forecasts suggest these may increase again in the medium term. The operating cost risk has also increased due to the heightened inflationary environment in the UK. The board continue to monitor energy prices closely and update forecasts regularly as inflation continues to push supplier costs upwards.	↔
Reserve Estimates	The Group's reported reserves of tungsten, tin and aggregates are only estimates and there is no certainty that the estimated resources will be mined.	Any material reductions in the estimates could have a material adverse effect on the Group's future profitability and project returns.	The mine's reserves have been prepared by a team of independent qualified specialists. Ongoing estimates will be complemented by an experienced onsite team of geoscientists and engineers.	The risk associated with the reserve estimate has decreased due to the revised calculations obtained during the Optioneering Study. This reduction in risk is key for a mining company as it enhances our decision-making process regarding resource allocation, project planning, and financial forecasting. The use of up-to-date estimates ensures that the mineral reserve estimate is based on the most current and reliable information available, minimising potential errors or inaccuracies.	↓

Board of Directors

David Connal Cather	Martin John Wood	Richard (Rick) Maxey	Guy Charles Edwards
Independent Non-Executive Chairman (Appointed to Chairman November 2022)	**Senior Independent Non-Executive Director (appointed November 2022)**	**Non-Executive Director**	**Non-Executive Director (Appointed September 2023)**
David joined the Company in September 2021 as a Non-Executive Director and was appointed Chairman in November 2022. David has participated in numerous acquisitions and IPOs of mining companies on various stock exchanges and has significant expertise in mine development. He is currently Non-Executive Chairman of Metals Exploration pte, an Independent Director of JSC AK Altynalmas, a Kazakhstan-listed mid-tier gold producer and of Galantas Gold Corporation, a Northern Irish underground gold developer listed onn three exchanges (AIM:TSX.V:OTCQX).	Martin is the founder and Managing Director of Vicarage Capital, an FCA registered, full service brokerage house which provides assistance to junior and mid-cap resources companies. Martin established Vicarage Capital in 2003 and has advised many companies on their AIM listings and long-term mining strategies.	Richard joined the Company as a Non-Executive Director in December 2020. He has over 20 years' experience in finance, both in public and private markets, and including running a specialised private resources fund investing in public and private mining businesses worldwide. He informally represents the Company's shareholders Henry Maxey and Eden Rock.	Guy was formerly CEO of Aggregate Industries UK and prior to that CEO of Aggregate Industries USA, with turnovers in excess of £1billion respectively. Guy's previous roles include Managing Director of Midland Quarry Products and twenty five years of senior management experience with Hanson PLC. He has participated in numerous acquisitions both in the UK and USA and has significant expertise in aggregates and business development. He is currently Integration Director of Sigma Roc PLC(AIM listed) and co-founder of sustainability startup company XEROC.
David is Chair of the Board.	Martin is the Senior Independent NED, Chair of the Remuneration Committee.	Richard acts as a Non-Independent Non-Executive Director. He is Chair of the Audit and Risk Committee	

Adrian Richard Bougourd	Kevin John Ross	Alistair Stobie
Non-Executive Director (Appointed September 2023)	**Non-Executive Director (Appointed September 2023)**	**Chief Financial Officer (Appointed July 2024)**
Adrian is a member of the Developed Markets Team at Lansdowne Partners (UK) LLP. Adrian is a seasoned and highly experienced senior financial analyst who has spent the last 20years analysing, advising and investing in the cyclical and industrial space around the world. Prior to joining Lansdowne in 2010 Adrian was a financial analyst at Perry Capital where he was responsible for sourcing and analysing public and private Investment opportunities across the capital structure – mostly focusing on turn around and restructuring special situations. Adrian started his career at Merrill Lynch in 2003 where he worked as a Sell Side Research Analyst until 2006. In this role Adrian covered Capital Goods, Leisure and Transportation stocks for the Investment Bank.	Kevin is a European Engineer (Eur Ing) with an honours degree in Mining Engineering from the Royal School of Mines. Across the last 24 years, he has held numerous COO roles for operating and development companies in Greece, Australia and Canada. He has been part of the senior management teams of two acquired companies, Red Back Mining, which was acquired by Kinross, and Orca Gold, which was acquired by Perseus Mining, and is currently the COO of Montage Gold Corp, which is developing a large-scale gold project in Cote d'Ivoire. Kevin is Chair of the Technical Committee	Alistair has successfully raised investment for capital-intensive projects and has a proven track record of delivering complex projects on time and within budget. Adept at managing and overseeing multiple projects simultaneously with strong analytical skills and the ability to identify and mitigate risks. His career focus has been delivering sector strategic growth-oriented CFO roles within operations, delivering on capital raising, private equity, early stage and emerging markets.

Corporate Governance Statement

Our Approach

Tungsten West recognises the importance of robust corporate governance and accountability to all its stakeholders. By promoting sound governance, the risks set out on pages 14 to 17 can be mitigated and improved performance can be promoted, therefore, the Group view this as an important factor in reaching its medium to long-term goals.

On 21 October 2021, Tungsten West plc listed on the London Alternative Investment Market ('AIM'). AIM Rule 26 requires quoted companies to adopt a recognised corporate governance code and Tungsten West has therefore chosen to adopt the Quoted Companies Alliance's ('QCA') Corporate Governance Code for Small and Mid-sized Quoted Companies.

Our QCA Code disclosures within this Annual Report are summarised in the table below.

Principle	Disclosure within this report	
Establish a strategy and business model which promote long-term value for shareholders.	See Our Mission	**– page 5**
Seek to understand and meet shareholder needs and expectations.	See Our Governance Structure	**– page 8 - 9**
Take into account wider stakeholder and social responsibilities and their implications for long-term success.	See ESG Report, Stakeholder Engagement and Our Governance Structure.	**– page 8 - 10**
Embed effective risk management, considering both opportunities and threats, throughout the organisation.	See Principal Risk and Uncertainties	**– page 14 – 17**
Maintain the Board as a well-functioning, balanced team led by the Chair.	See Board Composition	**– page 18 to 19**
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	See Board Composition	**– page 21**
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	See Our Governance Structure	**– page 23**
Promote a corporate culture that is based on ethical values and behaviours.	See Our Governance Structure	**– page 23**
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	See Our Governance Structure	**– page 22**
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	See Our Governance Structure	**– page 23**

Board Composition

The Board comprises individuals with extensive and diverse experience, each contributing a wealth of knowledge and expertise to the Group. The majority of the board members possess backgrounds in the mining industry, along with expertise in complementary fields such as capital markets, project execution, and financial risk and control.

Each Director maintains their skillset through a combination of continual professional development and attendance of relevant industry conferences. All of our Directors will retire on rotation at regular intervals in line with the Company's Articles of Association.

By incorporating individuals with specific skills and backgrounds, the board aims to cultivate a well-rounded and balanced representation capable of effectively addressing emerging challenges and opportunities. This strategic move reflects the board's commitment to enhancing its collective knowledge and ensuring comprehensive decision-making processes.

The following table highlights each Director's core competencies relevant to the successful development of the Group.

Key Strengths

	Mining & Mineral Extraction	Project Execution	Financial, Risk & Control	Corporate Governance	ESG	Capital Markets
David Cather	x	x	x	x	x	x
Neil Gawthorpe (In office until July 2024)	x	x	x	x	x	x
Nigel Widdowson (In office until August 2023)	x	x	x	x		x
Martin Wood	x	x	x	x	x	x
Richard M Maxey	x	x	x	x		x
Mark Thompson (In office until May 2023)	x	x	x	x		x
Adrian Richard Bougourd (Appointed September 2023)			x	x	x	x
Guy Charles Edwards (Appointed September 2023)	x	x	x	x	x	
Kevin John Ross (Appointed September 2023)	x	x	x		x	x
Alistair Stobie (Appointed July 2024)		x	x	x	x	x

The Board and Culture

For the Group to deliver on its strategy and to maximise shareholder value, the board believes it must instill a corporate culture based on ethical values and behaviours that align with its strategic objectives. The board is therefore responsible for delivering this message down and throughout the business, ensuring the whole Company respects and applies such behaviours in their day-to-day work.

Besides setting and delivering on the strategy of the Group, the board is responsible for making key decisions on financial planning and on an annual basis, will approve the Group budget. The board routinely reviews short and medium term liquidity. The board members have a wide range of experience in financial planning and forecasting, therefore can draw upon their experiences to suitably challenge and critique the forecasts.

The board typically convenes at least eight times a year. The CEO and CFO, as appropriate, carry out their day-to-day duties at the Hemerdon Mine, meaning they can remain close to the project and immediately react to any risks that threaten the success of the project. After Neil Gawthorpe's resignation and prior to Jeff Court taking up his appointment, Alistair Stobie combined the CEO and CFO roles. This is a temporary solution and will be reversed shortly following the publication of these results.

A total of 12 board meetings were held during the 2024 financial year. Due to the bespoke nature of the mine and plant upgrade, senior technical and operations management are invited to attend board meetings to provide updates on the project.

The board considers that there is an appropriate balance between the Executives and Non-Executives (both independent and non-independent) and that no individual or small group dominates the board's decision making. The Group is committed to aligning with globally recognised standards, such as the UN Sustainable Development Goals, for diversity both at board level and across the organisation.

Attendance at Board Meetings

The attendance of board and Committee members who served during the year at the scheduled meetings and calls is shown below:

	Board	Audit & Risk	Remuneration
David Cather	10/12	2/2	0/0
Neil Gawthorpe (In office until July 2024)	12/12	-	-
Nigel Widdowson (In office until August 2023)	3/7	-	-
Martin Wood	11/12	-	-
Richard M Maxey	10/12	1/1	-
Mark Thompson (In office until May 2023)	0/0	-	-
Adrian Richard Bougourd (Appointed September 2023)	5/5	1/1	-
Guy Charles Edwards (Appointed September 2023)	5/5	-	-
Kevin John Ross (Appointed September 2023)	5/5	-	-
Alistair Stobie (Appointed July 2024)	-	-	-

Our Governance Structure

The board is supported by three Committees, specifically the Audit & Risk, Remuneration and Technical Committees. In view of the size of the Company, the board will not at this time establish a nominations committee. However, the board will consider the principles of the QCA Code on nomination and succession matters.

Our governance arrangements are summarised below:

Tungsten West plc Board

The board of Tungsten West is responsible for setting the vision and strategy for the Group to deliver value to all stakeholders by effectively putting in place its business model.

Audit & Risk Committee

The Audit and Risk Management Committee is chaired by Richard Maxey with Adrian Bougourd and David Cather.
The role of an audit and risk committee is to ensure the integrity of financial reporting and internal controls, and to monitor risk management systems.

Remuneration Committee

The Remuneration Committee is led by Martin Wood, who acts as Chair, David Cather and Richard Maxey.

The Remuneration Committee's main function includes formulating and agreeing with the board the framework for the remuneration of the Executive Directors and overseeing the remuneration of senior management. The Committee also approves awards under the Company's short and long-term incentive plans.

Technical Committee

The Technical Committee comprises Kevin Ross, who acts as Chair and David Cather and Guy Edwards.

The Technical Committee's main functions include reviewing and monitoring the standards and procedures adopted for its operations to ensure they meet legal requirements, under both local jurisdiction and international standards.

Board Changes

In March 2023, Neil Gawthorpe joined the executive team as CEO, he resigned as CEO and as a director in July 2024. Alistair Stobie was appointed as Interim CEO and director in July 2024 in his place.

The board strengthened its non-executive management with the appointment of Guy Edwards, Adrian Bougourd and Kevin Ross in September 2023.

Mark Thompson resigned as Executive Vice-Chairman in May 2023.

The board would like to thank all departing directors for all their hard work in the foundation of the Company through to IPO.

Evaluation Of Board Performance
The Chairman is responsible for reviewing board performance whilst the Remuneration Committee is responsible for ensuring executive remuneration is benchmarked against competitors and motivates the executive team to tackle challenges ahead.

Support to Directors
The board has the full support of the Company Secretary who acts as secretary to the board and its Committees. The board also retains the services of external advisers who are on hand to all board members to provide advice and support where required.

The board receives regular and timely information on the Group's operational and financial performance in order to perform their functions. Relevant and detailed information is circulated to all Directors ahead of Board and Committee meetings.

Shareholder Engagement
The board maintains a clear and transparent dialogue with the shareholders of the Company. With institutional investors, engagement is led through the Non-Executive Directors and the CFO whilst the Company aims to take on feedback from the wider shareholder and stakeholder base through the Company's Annual General Meeting and local feedback sessions with community stakeholders.

Approved and authorised by the Board on 1 October 2024

Signed on their behalf by

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David Cather
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David Cather
Chairman

Directors' Report

The Directors of Tungsten West plc present their report and the consolidated financial statements for the year ended 31 March 2024.

Principal Activities
The principal activity of the Group (Tungsten West and its subsidiaries) is the mining of tungsten and tin and the processing of secondary aggregates at the Hemerdon Mine, Devon, UK.

Review of Business
A review of the current and future development of the Group's business is given in the Strategic Report on pages 2 - 4.

Financial Risk Management
The Group is exposed through its operations to the following financial risks:

- Commodity price risk
- Foreign currency risk
- Credit risk
- Interest rate risk
- Liquidity risk
- Inflation risk

The Group undertakes certain policies and procedures to mitigate these risks as much as is practicable, including purchasing in advance foreign currency when exchange rates are favourable, using creditworthy financial institutions and using short-term deposits to manage interest rate and liquidity risks.

As the Group transitions to production, it will continually review these risk mitigation policies to any potential exposure to commodity prices and increase exposure to foreign exchange risks.

The Group is also exposed to financial risks that arise from its operations; these along with management's policies surrounding financial risk management are explained in note 3 to the financial statements.

Financial Review
Please see the Financial Review within the Strategic Report for a comprehensive financial review.

Dividends
The Directors do not recommend payment of a dividend (2023: £nil).

Going Concern
The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. Over the last year this has been dependent on raising funds via issues of CLN. There is no signed commitment from investors to provide further funds under the existing CLN agreement. The Group previously notified CLN holders of multiple defaults of on the terms of the CLN agreement. A waiver was subsequently agreed but expired in June 2024. In the absence of a waiver the notes can be called in for immediate redemption. For the Group to remain a going concern it is reliant on the continued support of the Noteholders by not exercising their rights under the Defaults. . The CLN holders have provisionally agreed to reinstate the waiver as part of the expected imminent Tranche F funding as set out below.

At the year-end, the Group had £1.6 million in cash reserves and £0.04 at the end of September 2024. The Group is in the process of finalising the documentation in respect of a £2.0 million Tranche F funding round with its existing CLN holders. The Group has received letters of commitment from the CLN holders that they will provide the Tranche F funding and also extend the waiver that expired in June 2024. The Group has very limited cash reserves and is reliant upon this Tranche F funding being received. If the Group did not receive the Tranche F funding or it was delayed, these limited cash reserves are forecast to be exhausted in October 2024.

Following the expected Tranche F CLN issue, going concern is also reliant on further funding being secured by the end of December 2024, without which the group would be unable to pay its liabilities as they fall due beyond this point.

In addition to short-term financing via the CLN, the Group still requires additional funding to complete the MPF rebuild and is in discussions with financing partners to provide the additional capital. The quantum of financing will be determined at the completion of FEED.

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

Until the additional capital is secured, the Group will continue to proceed by utilising existing cash reserves and drawing on the 2023 CLN facility. The board will not commit to significant further capital expenditure until the full finance package is in place to complete the rebuild.

Model 1 – Funding to Complete Feasibility Study and Obtain Financing
This scenario models management's expectation of cash required to complete the ongoing feasibility study and general and administrative expenses, including maintaining the existing mine permits. This does not include any expenses related to FEED, or capital expenditures to restart operations. The Company is in discussion with a number of parties regarding financing of operations to complete FEED and capital

raising operations.

As a result, they intend that the group to be able to operate as a going concern for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing these financial information despite the material uncertainty referred to above.

Share Capital
Details of the authorised and issued share capital are shown in note 27.

Directors and Directors' Interests
The Directors who served during the year, together with their beneficial interest in shares of the Company as of 31 March 2024 are as follows:

	31 March 2024		31 March 2023	
	Shares	**Options**	Shares	Options
Richard M Maxey*	**16,434,593**	**–**	**16,434,593**	**–**
Mark Thompson** (In office until May 2023)	**4,317,238**	**5,121,586**	**4,317,238**	**5,121,586**
Anthony (Nigel) Widdowson (In office until August 2023)	**–**	**400,000**	**–**	**400,000**
Neil Gawthorpe (Appointed March 2023 and resigned July 2024)	**–**	**–**	**–**	**–**
Martin Wood	**–**	**–**	**–**	**–**
David Cather	**–**	**–**	**–**	**–**
Adrian Richard Bougourd (Appointed September 2023)	**–**	**–**	**–**	**–**
Guy Charles Edwards (Appointed September 2023)	**-**	**-**	**-**	**-**
Kevin John Ross (Appointed September 2023)	**-**	**-**	**-**	**-**

* Held by Richard Maxey's brother, Henry Maxey. Henry Maxey holds £1,593,763 of CLN which may convert into Common Shares as described in the CLN terms.
** Held by Mark Thompson and his wife, Nicola Zoe Haylings.

Directors' Statement as to Disclosure of Information to Auditor
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditor is unaware and the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

Directors' Indemnity Insurance
The Group provided Directors' and Officers' liability insurance for both the current and prior period.

Political Donations
During the year the Group made payments totalling £nil (2023: £31,750) that are considered to be political donations. £Nil (2023: £25,000) was paid by Drakelands Restoration Limited. £Nil (2023: £6,570) was paid by Tungsten West PLC.

Future Developments
The Company is currently completing an updated feasibility study. Following which, and subject to funding, the Company will undertake front end engineering and design prior to reconfiguring the MPF. Subject to financing, the Company expects to recommence mining operations in 2H 2026.

Research and Development
The Group is currently engaged in research and development activities in respect of LFN implementation.

Events after the Reporting Date
The events after the reporting date are set out in note 35 to the Financial Statements.

Auditors
The auditor, PKF Francis Clark, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Francis Clark has signified its willingness to continue in office as auditor.

Approved and authorised by the Board on 01 October 2024

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Director

Tungsten West plc Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 Group and Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted International 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 accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent Auditor's Report to the members of Tungsten West plc

Opinion

We have audited the financial statements of Tungsten West Plc (the "Group") for the year ended 31 March 2024, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 group 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 entities, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit

We planned and performed our audit by obtaining an understanding of the Group and its environment, including the accounting processes and controls, and the industry in which it operates. The Group comprises the following components (all 100% subsidiaries based in the UK):

- Tungsten West plc ("Parent company")
- Tungsten West Services Limited
- Drakelands Restoration Limited
- Aggregates West Limited

Drakelands Restoration Limited and Aggregates West Limited were subject to full scope audits carried out by the group audit team. Tungsten West Services Limited was subject to analytical review by the group audit team. Our audit work at the component level is executed at levels of materiality appropriate for such components, which range from 8% to 99% of Group materiality.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	RESPONSE AND CONCLUSION
Management override of controls **The Group continues to require significant further investment to fund the rebuild of the processing plant. There is a significant risk of management bias to manipulate results in order to secure investment during the year and/or potentially further finance in the future.**	Our audit work included: • Considered the incentives and opportunities for management override within the financial statements leading to the identification of other key audit matters • Obtained an understanding of the controls around journal entries and significant accounting estimates • Consideration of the appropriateness of journal entries made during the year, and those posted to adjust the management accounts to produce the final accounts. • Challenge of the assumptions underlying material provisions at the balance sheet date to ensure that they are included on a consistent basis with IFRS. • Review of accounting estimates for potential biases. • Review of the disclosure of the results to check that they are fair and balanced. As a result of the procedures performed, we are satisfied that we did not identify any material bias in the financial statements
Impairment of property, plant and equipment and intangible assets **The market capitalisation of the Group has been below the net asset position which is an indicator of impairment. This event indicates a risk that the property, plant and equipment or intangible assets held on the group balance sheet could be impaired.**	Our audit work included: • Discussions and enquiries with management. • Physical inspection of the property, plant and equipment within the processing plant. • Comparison of management's inputs to supporting evidence and challenge of the reasonableness of assumptions underlying management's new plan and the calculation of value in use. • Reperformance of elements of management's discounted cash flow forecast and stress testing for key assumptions.

KEY AUDIT MATTER	RESPONSE AND CONCLUSION
Note 17 explains that the Group prepared a discounted cash flow forecast for the mine, which it considers to be a single CGU, and based on this it concluded that no impairment was required.	• Review of the disclosures regarding impairment considerations made by management together with the status of the revised plans. As a result of the procedures performed, we are satisfied that no further material impairment to the carrying value of either property, plant and equipment or intangible assets is required.
Restoration provision **The Group holds a restoration provision as a result of the contractual obligation to restore the mining site back to its original state once mining ceases. The provision is equal to the expected outflows that will be incurred at the end of the mine's useful life discounted to present value. This is a significant accounting estimate with a number of uncertain underlying assumptions such as discount rate, life of mine and the estimate of restoration costs.**	Our audit work included: • Assessment and challenge of the key assumptions applied by management. Cross-checking consistency of assumptions with business forecasts. • Obtained representations from the board. • Inspection of third party estimates of the expected restoration costs. • Reperformance of management's calculation. • Assessment of the accuracy and completeness of accounts disclosure in the light of the above. As a result of the procedures performed, we are satisfied that the restoration provision is accounted for and disclosed correctly.
Capitalisation of costs **The Group has capitalised significant costs associated with the improvement of the extraction plant within property plant and equipment under IAS16.** **The risk is that costs are capitalised that are not directly attributable to the project and will not result in future economic benefits flowing to the Group. This is a key area of judgement.**	Our audit work included: • Inspecting documentation relating to a sample of fixed asset additions. • Review of the disclosures made of the nature of the costs capitalised. As a result of the procedures performed, we are satisfied that property, plant and equipment has been recognised in line with IAS16.
Convertible loan notes **Within the year the Group has drawn down on four tranches of convertible loan notes. These are complex financial instruments with significant judgement required to determine the appropriate accounting.** **The Group breached the terms of the underlying agreement during the year and subsequently received a waiver. There is a risk that if the instruments were in breach at year end there would be a significant impact on the financial statements due to the fact the notes would be repayable on demand at twice the original principal.**	Our audit work included: • Inspecting the underlying convertible loan note agreement and considering the accounting treatment adopted by management. • Challenging the reasonableness of underlying assumptions. • Assessing the quality of work, independence and judgements made by management's expert. • Re-performing the calculation and stress testing the valuation. • Inspecting the signed waiver documents and considering compliance with terms of the agreement and associated waivers at year end. • Assessment of the accuracy and completeness of accounts disclosure in the light of the above. As a result of the procedures performed, we are satisfied that the convertible loan note have been accounted for and disclosed correctly.

Our application of materiality

Misstatements, including omissions, are considered to be material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We use quantitative thresholds of materiality, together with qualitative assessments in planning the scope of our audit, determining the nature, timing and extent of our audit procedures and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

MATERIALITY MEASURE	GROUP
Overall materiality	£368,000
Performance materiality	£220,800
Basis for determination	Overall materiality was set as 1% of the Group's gross assets. As the Group is not currently making significant commercial Tungsten sales, stakeholder sensitivity will centre on the assets under the control of the Group (freehold property, leasehold property, the processing plant and machinery and the mining licence enabling rights and access to the Tungsten and Tin in the Drakelands

	mine). Consequently we have deemed it appropriate to set Group materiality on a gross assets basis. Performance materiality is set as 60% of overall materiality based on our assessment of inherent risk.
Threshold used for communicating unadjusted differences	£18,400

Range of materiality for the two components subject to full scope audits: £28,000 - £367,000 and used a mix of gross assets and loss before tax to determine materiality depending on the nature of the component operations.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial statements, which indicates that the group has yet to secure the finance it needs to complete the plant rebuild and continue in operational existence for the foreseeable future. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the group'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 directors' 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 ability to continue to adopt the going concern basis of accounting included:

- Review and challenge of management's assessment of going concern (including assessment at the planning stage of the audit process). Due to the project requiring an updated feasibility study to obtain project financing we focussed on the forecasts provided by management. These forecasts assume the feasibility study will be completed in Q4 2024 and that project financing will be received in 2025. Our work included assessing the amount of cash outflows in the supporting forecast models, with reference to historical actual results and sensitivities applied. We also checked the integrity and mathematical accuracy of the models used.
- Assessment of the consistency of management's forecasts with known committed future expenditure.
- Review of the convertible loan note facility and specific terms included in the agreement as well as a review of any signed waivers put in place to cover the breaches in these terms.
- Consideration of the going concern related disclosures in the financial statements to ensure they are appropriate.
- Consideration of the post balance sheet events disclosure for consistency with our review and the potential impact on going concern.

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 annual report. 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 this gives rise to 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 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 their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters 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, 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 set out on page 27, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's 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 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 legal and regulatory framework applicable to the group and the industry in which it operates. We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (IFRS and Companies Act 2006) and the relevant tax compliance regulations in the UK. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty, including compliance with the Health and Safety at Work etc Act 1974 and the ongoing monitoring requirements imposed by the UK Environment Agency under the Environment Act 1995.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:
• Review of legal and professional costs to identify legal costs in respect of non compliance;
• Discussions and enquiries with management whether there have been any known instances, allegations or suspicions of fraud or non compliance with laws and regulations; and
• Review of board minutes and correspondence with regulators where available including the UK Environment Agency.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fraudulent financial reporting. Our procedures involved the following:
• Review of nominal journal entries for reasonableness; and
• Review of significant accounting estimates for bias, in particular the key accounting estimates set out in Note 2.

Further details on the procedures planned are included in the key audit matters section of this report above.

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor's-responsibilities-for. 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 audit 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.

PKF Francis Clark

Duncan Leslie
(Senior Statutory Auditor)

PKF Francis Clark
Melville Building East
Unit 18, 23 Royal William Yard
Plymouth
Devon
PL1 3GW

Date: 01/10/2024

Consolidated Statement of Comprehensive Income
Year ended 31 March 2024

	Note	**2024** **£**	2023 £
Revenue	5	722,036	626,460
Cost of sales		(2,099,895)	(1,984,983)
Gross loss		(1.377,859)	(1,358,523)
Administrative expenses		(8,966,124)	(10,160,088)
Other operating income	6	14,424	18,947
Other gains/(losses)	7	3,079,384	710,710
Operating loss	8	(7,250,175)	(10,788,954)
Finance income		200,175	454,196
Finance costs		(2,844,319)	(495,279)
Net finance cost	9	(2,644,144)	(41,083)
Loss before tax		(9,894,319)	(10,830,037)
Income tax credit	13	194,403	544,602
Loss for the year		(9,699,916)	(10,285,435)
Total comprehensive loss		(9,699,916)	(10,285,435)
Profit/(loss) attributable to:			
Owners of the Company		(9,699,916)	(10,285,435)
		£	£
Basic and diluted loss per share	14	(0.05)	(0.06)

The above results were derived from continuing operations.

Consolidated Statement of Financial Position
Year ended 31 March 2024

TUNGSTEN WEST

	Note	**31 March 2024 £**	31 March 2023 £
Assets			
Non-current assets			
Property, plant and equipment	15	19,266,279	19,054,864
Right-of-use assets	16	1,895,584	2,022,672
Intangible assets	17	5,058,686	5,090,016
Deferred tax assets	13	1,382,901	1,390,346
Escrow funds receivable	19	11,059,151	5,146,986
		38,662,601	32,704,884
Current assets			
Inventories	22	29,850	114,173
Trade and other receivables	20	2,809,893	6,163,593
Cash and cash equivalents	21	1,581,535	3,438,018
		4,421,278	9,715,784
Total assets		43,083,879	42,420,668
Equity and liabilities			
Equity			
Share capital	27	1,870,741	1,805,516
Share premium		51,949,078	51,882,761
Share option reserve		256,278	357,366
Warrant reserve		-	740,867
Retained earnings		(32,764,067)	(23,805,018)
Equity attributable to owners of the Company		21,312,030	30,981,492
Non-current liabilities			
Loans and borrowings	24	1,803,533	1,901,583
Provisions	25	5,137,646	5,701,771
Deferred tax liabilities	13	1,382,901	1,390,346
		8,324,080	8,993,700
Current liabilities			
Trade and other payables	23	1,754,903	2,330,603
Loans and borrowings	24	11,692,866	114,873
		13,447,769	2,445,476
Total liabilities		21,771,849	11,439,176
Total equity and liabilities		43,083,879	42,420,668

The financial statements were approved by the Board on 01 October and signed on its behalf by:

Alistair Stobie
Director

DocuSigned by:
Alistair Stobie
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Company Registration Number: 11310159

Consolidated Statement of Changes in Equity
Year ended 31 March 2024

TUNGSTEN WEST

	Share capital £	Share premium £	Share option reserve £	Warrant reserve £	Retained earnings £	Total £
At 31 March 2023	**1,805,516**	**51,882,761**	**357,366**	**740,867**	**(23,805,018)**	**30,981,492**
Loss for the year	–	–	–	–	**(9,699,916)**	**(9,699,916)**
Total comprehensive income	–	–	–	–	**(9,699,916)**	**(9,699,916)**
New share capital subscribed	65,225	66,317	–	–	–	131,542
Expired warrants	–	–	–	(740,867)	740,867	–
Share options charge	–	–	85,138	–	–	85,138
Forfeiture of share options	–	–	(186,226)	–	–	(186,226)
At 31 March 2024	**1,870,741**	**51,949,078**	**256,278**	–	**(32,764,067)**	**21,312,030**

	Share capital £	Share premium £	Share option reserve £	Warrant reserve £	Retained earnings £	Total £
At 31 March 2022	**1,793,682**	**51,610,414**	**241,861**	**1,408,730**	**(14,187,446)**	**40,867,241**
Loss for the year	–	–	–	–	**(10,285,435)**	**(10,285,435)**
Total comprehensive income	–	–	–	–	**(10,285,435)**	**(10,285,435)**
New share capital subscribed	11,834	272,347	–	–	–	284,181
Exercise of warrants	–	–	–	(334,378)	334,378	–
Expired warrants	–	–	–	(333,485)	333,485	–
Share options charge	–	–	134,610	–	–	134,610
Forfeiture of share options	–	–	(19,105)	–	–	(19,105)
At 31 March 2023	**1,805,516**	**51,882,761**	**357,366**	**740,867**	**(23,805,018)**	**30,981,492**

Consolidated Statement of Cash Flows
Year ended 31 March 2024

	Note	**2024** **£**	2023 £
Cash flows from operating activities			
Loss for the year		(9,699,916)	(10,285,435)
Adjustments to cash flows from non-cash items			
Depreciation and amortization	8	522,898	514,394
Loss on disposal of right to use asset	8	6,807	124,528
Loss on disposal of tangible fixed assets	8	3,137	-
Loss on disposal of intangible asset	8	-	73,401
Impairment of asset under construction	7	2,157,923	108,947
Fair value (gains)/losses on escrow account	7	(5,721,727)	3,495,064
Fair value gains on restoration provision	7	(889,126)	(4,205,774)
Finance income	9	(200,175)	(454,196)
Finance costs	9	2,844,319	495,279
Share-based payment transactions	10	(101,088)	115,505
Impact of foreign exchange	9	(49,551)	74,724
Income tax credit	13	(194,403)	(544,602)
		(11,320,902)	(10,488,165)
Working capital adjustments			
Income tax received		458,975	544,602
Decrease/(Increase) in trade and other receivables	20	3,353,698	(2,336,084)
Decrease in trade and other payables	23	(840,270)	(1,959,020)
Decrease in inventories	22	84,323	42,771
Net cash outflow from operating activities		(8,264,176)	(14,195,896)
Cash flows from investing activities			
Interest received	9	9,713	99,082
Acquisitions of property, plant and equipment	15	(2,703,810)	(10,892,254)
Proceeds from sale of vehicle		-	4,167
Acquisitions of intangibles	17	(39,952)	(191,523)
Net cash outflows from investing activities		(2,734,049)	(10,980,528)
Cash flows from financing activities			
Interest paid	9	(9,793)	(4,084)
Proceeds from issue of Ordinary Shares, net of issue costs		131,542	–
Proceeds from the exercise of warrants		-	284,181
Proceeds from the issue of convertible loan notes, net of issue costs	24	9,241,830	–
Payments to hire purchase		(20,302)	(63,294)
Payments to lease liabilities		(201,535)	(357,749)
Net cash inflows/(outflows) from financing activities		9,141,742	(140,946)
Net decrease in cash and cash equivalents		(1,856,483)	(25,317,370)
Cash and cash equivalents at 1 April		3,438,018	28,755,388
Cash and cash equivalents at 31 March		1,581,535	3,438,018

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

The address of its registered office is:	The principal place of business is:
Shakespeare Martineau LLP	Hemerdon Mine
6th Floor	Drakelands
60 Gracechurch Street	Plympton
London	Devon
EC3V 0HR	PL7 5BS
United Kingdom	United Kingdom

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

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

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

Going concern

The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. Over the last year this has been dependent on raising funds via issues of CLN. There is no signed commitment from investors to provide further funds under the existing CLN agreement. The Group previously notified CLN holders of multiple defaults of on the terms of the CLN agreement. A waiver was subsequently agreed but expired in June 2024. In the absence of a waiver the notes can be called in for immediate redemption. For the Group to remain a going concern it is reliant on the continued support of the Noteholders by not exercising their rights under the Defaults. The CLN holders have provisionally agreed to reinstate the waiver as part of the expected imminent Tranche F funding as set out below.

At the year-end, the Group had £1.6 million in cash reserves and £0.04 at the end of September 2024. The Group is in the process of finalising the documentation in respect of a £2.0 million Tranche F funding round with its existing CLN holders. The Group has received letters of commitment from the CLN holders that they will provide the Tranche F funding and also extend the waiver that expired in June 2024. The Group has very limited cash reserves and is reliant upon this Tranche F funding being received. If the Group did not receive the Tranche F funding or it was delayed, these limited cash reserves are forecast to be exhausted in October 2024.

Following the expected Tranche F CLN issue, going concern is also reliant on further funding being secured by the end of December 2024, without which the group would be unable to pay its liabilities as they fall due beyond this point.

In addition to short-term financing via the CLN, the Group still requires additional funding to complete the MPF rebuild and is in discussions with financing partners to provide the additional capital. The quantum of financing will be determined at the completion of FEED.

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

Until the additional capital is secured, the Group will continue to proceed by utilising existing cash reserves and drawing on the 2023 CLN facility. The board will not commit to significant further capital expenditure until the full finance package is in place to complete the rebuild.

Model 1 – Funding to Complete Feasibility Study and Obtain Financing
This scenario models management's expectation of cash required to complete the ongoing feasibility study and general and administrative expenses, including maintaining the existing mine permits. This does not include any expenses related to FEED, or capital expenditures to restart operations. The Company is in discussion with a number of parties regarding financing of operations to complete FEED and capital raising operations.

As a result, they intend that the group to be able to operate as a going concern for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing these financial information despite the material uncertainty referred to above.

Basis of consolidation
The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March 2024.

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

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

Changes in accounting policy
None of the standards, interpretations and amendments effective for the first time from 1 April 2023 have had a material effect on the financial statements.

Revenue recognition
In the year revenue has mainly related to the sale of low grade concentrate which was left behind by the previous mining operator. This is recognised upon pick up by customers at the fair value of consideration receivable at that date.

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

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

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

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

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

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

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

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

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

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

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

Goodwill
Goodwill is recognised at cost and reviewed for impairment annually.

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

The mining rights are subject to amortisation over the useful life of the mine which is 27 years (2023: 27 years). Amortisation will be charged from the date the mine is brought into use.

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

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

Research and development activities
All research costs are expensed. Costs related to the development of products are capitalised when they meet the following conditions:
(i) It is technically feasible to complete the development so that the product will be available for use or sale.
(ii) It is intended to use or sell the product being developed.
(iii) The Group is able to use or sell the product being developed.
(iv) It can be demonstrated that the product will generate probable future economic benefits.
(v) Adequate technical, financial and other resources exist so that product development can be completed and the product subsequently used or sold.
(vi) Expenditure attributable to the development can be reliably measured.

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

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

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

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

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

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

Escrow funds
These funds are held with a third party to be released to the Group as it settles its obligation to restore the mining site once operations cease. The debtor has been discounted to present value assuming the funds will be receivable useful life of mining operations.

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

Convertible debt

Convertible loan notes issued by the group have been assessed as a host liability contract with the conversion option meeting the recognition criteria for an embedded derivative financial liability. The group has taken the option available under IFRS to designate the entire instrument at fair value through profit and loss. The instrument is initially recognised at transaction price net of directly attributable costs incurred. The instrument is remeasured to fair value at each reporting point with the resulting gain or loss recognised in profit and loss.

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

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

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

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

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

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

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

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

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

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

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

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

Financial instruments

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

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

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

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

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

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

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

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

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

Significant accounting judgements

Impairment of non-current assets
To consider the impairment of the Group's non-current assets, management has calculated a value in use of the Group's cash-generating unit which comprises the Hemerdon Mine. This was determined using a discounted cashflow approach, supported by project cashflow forecasts prepared by management. The value of assets impacted is £24.3 million (2023: £24.1 million).

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

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

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

Management did separately recognise an impairment of £2.2m (2023: £0.1m) in relation to specific costs capitalised to an area of the Mineral Process Facility which has since been eliminated from the process.

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

Capitalisation of asset under construction costs
The Directors have reviewed any costs relating to the upgrade of the mineral processing facility in accordance with IAS 16 and have capitalised costs if it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. At the year end, £14.1 million (2023: £13.6 million) of costs at carrying value have been capitalised. The company acquired the pre-existing machinery in the mineral processing facility for nil cost. Due to the significant period of inactivity, refurbishment of the existing machinery has commenced to bring the machinery back into use. The direct costs of restoring or improving the functionality of the plant and machinery have been capitalised on the basis these costs will increase the future cashflows to be generated by the asset. In situations where parts have been replaced no matched disposal has been required in instances where the original asset is carried at nil value.

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

Key sources of estimation uncertainty

Restoration provision

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

A 1% change in the discount rate on the Group's restoration estimates would result in an impact of £1.1 million to £1.6 million (2023: £1.2 million to £1.6 million) on the restoration provision. A 5% change in cost on the Group's restoration estimates would result in an impact of £0.3 million (2023: £0.3 million) on the provision for restoration. More information on the restoration provision is disclosed in note 25.

Escrow account

These are funds being held under escrow with a third party and will be released back to the Company on the cessation of mining once restoration works have been completed. The key assumptions that would lead to significant changes in the escrow account fair value are the discount rate, the future interest rate and the useful life of the mine.

A 1% change in the discount rate on the Group's escrow account estimate would result in an impact of £2.4 million to £3.1 million (2023: £1.1 million to £1.5 million) on the escrow account valuation. A one-year change in useful mining life would result in an impact of £0.1 million (2023: £0.2 million) on the escrow account valuation. More information on the escrow account is disclosed in note 19.

Convertible loan notes

The convertible loan notes are measured at fair value at each reporting point. Due to the fact that the instrument will be settled at a future point in time either by the conversion into equity shares, conversion into an equivalent debt instrument or repayment in cash the valuation is subject to inherent estimation uncertainty. Management commissioned an external expert to calculate the fair value at the year end. The fair value has been calculated using a scenario pricing model and the key underlying assumptions are the probabilities assessed for each underlying scenario, the discount rate selected and the dates of conversion or redemption.

A two month earlier date of conversion or redemption assumption would result in a £2.1m increase to the fair value of the year end liability.

Discount rates

The Group has had to assess reasonable discount rates based on market factors to use under IFRS. These discount rates have been used on the right-of-use assets, escrow funds, the restoration provision and share based payments. The discount rate on the right-of-use asset is the rate for an equivalent debt instrument. The escrow funds are discounted at the risk free rate which is the yield on an equivalent long-term UK government bond. The restoration provision is discounted at the risk-free rate plus a premium based on the specific risk associated with this liability. The UK risk-free rate increased over the financial year to 4.4% (2023: 3.7%).

3 Financial risk management

Group

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

Credit risk

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

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

Liquidity risk

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

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

Market risk

Interest rate risk

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

Foreign exchange risk

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

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

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

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

4 Operating segments

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

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

	2024 **£**	2023 £
Customer A	**–**	118,276
Customer B	**435,072**	–
Customer C	**286,964**	508,184

5 Revenue from contracts with customers

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

	2024 **£**	2023 £
Tungsten	**497,388**	508,184
Tin	**224,648**	–
Aggregates	**-**	118,276
Sale of goods	**722,036**	626,460

6 Other income

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

	2024 **£**	2023 £
Sale of scrap metal	**14,424**	13,962
Sublease rental income	–	4,985
	14,424	18,947

7 Other gains and losses

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

	2024 **£**	2023 £
Gain on restoration provision due to change in discount rate	**889,126**	4,205,774
Gain/(loss) on escrow account due to change in discount and interest rate	**5,721,727**	(3,495,064)
Impairment on assets under construction deposits	**(1,373,546)**	–
Impairment on assets under construction assets	**(2,157,923)**	–
Other gains and losses	**3,079,384**	710,710

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

8 Operating loss

Arrived at after charging/(crediting):

	2024 £	2023 £
Depreciation of property, plant and equipment	**331,335**	276,995
Depreciation of right-of-use assets	**120,281**	216,039
Loss on disposal of right to use asset	**6,807**	124,528
Loss on disposal of tangible fixed assets	**3,137**	-
Impairment of asset under construction assets and deposits	**3,531,469**	108,947
Amortisation of intangibles	**71,282**	21,360
Staff costs	**3,352,821**	5,562,095

9 Finance income and costs

	2024 £	2023 £
Finance income		
Notional interest income on the escrow funds receivable	**190,438**	272,026
Other interest income	**9,713**	99,082
Foreign exchange gains	**24**	83,088
	200,175	454,196
Finance costs		
Interest expense on other financing liabilities	**(118,985)**	(101,772)
Notional cost on the restoration provision	**(325,001)**	(381,060)
Fair value movement in convertible loan notes designated fair value through profit and loss	**(2,345,391)**	–
Bank charges	**(5,367)**	(4,083)
Foreign exchange losses	**(49,575)**	(8,364)
Total finance costs	**(2,844,319)**	(495,279)
Net finance costs	**(2,644,144)**	(41,083)

10 Staff costs

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

	2024 £	2023 £
Wages and salaries	**2,724,119**	3,888,672
Social security costs	**331,690**	427,748
Pension costs, defined contribution scheme	**164,738**	161,908
Share based payment	**(101,088)**	115,505
Amounts capitalised to asset under construction	**233,362**	968,262
	3,352,821	5,562,095

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

	2024 No.	2023 No.
Project, maintenance, administration and support	**44**	74
Directors	**5**	7
	49	81

11 Directors' remuneration
The Directors' remuneration for the year was as follows:

	2024 £	2023 £
Remuneration	**487,035**	873,029
Pension contribution	**19,130**	21,019
Benefits in kind	**1,884**	2,340
Total cash remuneration	**508,049**	896,388
Share-based payment	**4,025**	66,993
Total remuneration	**512,074**	**963,381**

Included in the remuneration above was £nil (2023: £nil) paid in shares rather than cash.

Remuneration by each Director is as follows:

	2024 Salary £	2024 Pension £	2024 Loss of office £	2024 Benefits £	2024 Share-based payment £	2024 Total £
Richard M Maxey	28,000	–	–	–	–	**28,000**
Mark Thompson	28,077	–	–	–	–	**28,077**
Nigel Widdowson	64,625	**8,130**	–	**1,884**	**4,025**	**78,664**
David Cather	52,500	–	–	–	–	**52,500**
Martin Wood	33,833	–	–	–	–	**33,833**
Guy Edwards	2,000	–	–	–	–	**2,000**
Kevin Ross	14,000	–	–	–	–	**14,000**
Neil Gawthorpe**	264,000	**11,000**	–	–	–	**275,000**
Adrian Bougourd	-	-	-	-	-	-
	487,035	**19,130**	–	**1,884**	**4,025**	**512,074**

** Denotes the highest paid Director.

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

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

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

** Denotes the highest paid Director.

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

12 Auditors' remuneration

	2024 £	2023 £
Audit of these financial statements	50,000	50,000
Other fees to auditors		
Audit-related assurance services	83,500	89,000
	133,500	139,000

13 Income tax

Tax charged/(credited) in the income statement:

	2024 £	2023 £
Current taxation		
Adjustments in respect of prior periods	(194,403)	(544,602)

The tax on profit for the year is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are reconciled below:

	2024 £	2023 £
Loss before tax	(9,894,319)	(10,830,037)
Corporation tax at standard rate	(2,473,580)	(2,057,707)
Fixed asset differences	587,065	12,498
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	370,996	300,510
Other differences	37	512
Surrender of tax losses for R&D tax credit refund	(194,403)	(544,602)
Remeasurement of deferred tax for changes in tax rates	-	(550,799)
Income not taxable	-	-
Decrease/(increase) from tax losses for which no deferred tax asset was recognised	1,515,482	2,294,986
Total tax credit	(194,403)	(544,602)

Deferred tax
Group

	2024 Intangibles £	**2024 Tangibles £**	**2024 Losses £**	**2024 Other £**	**2024 Total £**
At 1 April 2023	961,084	429,262	(1,390,346)	-	-
Charged to profit and loss	-	(7,445)	7,445	-	-
At 31 March 2024	961,084	421,817	(1,382,901)	-	-

The net deferred tax of £nil is made up of a liability of £1,382,901 and asset of £1,382,901. The unrecognised deferred tax asset for carried forward losses at 31 March 2024 was £8,970,420.

The rate used for the deferred tax is 25% (2023: 25%).

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

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

14 Basic and diluted loss per share
Basic and diluted loss per share is calculated as follows:

	2024 £	2023 £
Loss for the year	**(9,699,916)**	(10,285,435)
Weighted average number of shares in issue	**185,755,355**	180,511,110
Basic and diluted loss per share	**(0.05)**	(0.06)

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

15 Property, plant and equipment

Group	**Land and buildings £**	**Furniture, fittings and equipment £**	**Computer equipment £**	**Motor vehicles £**	**Other property, plant and equipment £**	**Asset under construction £**	**Total £**
Cost or valuation							
At 1 April 2022	4,446,750	27,327	171,420	8,740	196,755	3,904,548	8,755,540
Additions	228,570	87,382	141,980	141,500	46,700	10,326,594	10,972,726
Reclassifications	514,041	-	-	-	-	(514,041)	-
Disposal	-	-	-	(8,740)	-	-	(8,740)
At 31 March 2023	**5,189,361**	**114,709**	**313,400**	**141,500**	**243,455**	**13,717,101**	**19,719,526**
Additions	-	53	2,100	-	7,726	2,693,931	2,703,810
Disposal	-	-	(3,137)	-	-	-	(3,137)
At 31 March 2024	5,189,361	114,762	312,363	141,500	251,181	16,411,032	22,420,199
Depreciation							
At 1 April 2022	235,797	1,578	9,932	5,047	33,576	-	285,930
Charge for the year	103,891	12,916	72,397	37,598	50,193	-	276,995
Disposals	-	-	-	(7,210)	-	-	(7,210)
Impairment	-	-	-	-	-	108,947	108,947
At 31 March 2023	**339,688**	**14,494**	**82,329**	**35,435**	**83,769**	**108,947**	**664,662**
Charge for the year	105,429	20,804	101,245	46,695	57,162	-	331,335
Impairment	-	-	-	-	-	2,157,923	2,157,923
At 31 March 2024	445,117	35,298	183,574	82,130	140,931	2,266,870	3,153,920
Carrying amount							
At 31 March 2024	4,744,244	79,464	128,789	59,370	110,250	14,144,162	19,266,279
At 31 March 2023	4,849,673	100,215	231,071	106,065	159,686	13,608,154	19,054,864
At 31 March 2022	4,210,953	25,749	161,488	3,693	163,179	3,904,548	8,469,610

Included within the net book value of land and buildings above is £4,047,460 (2023: £4,142,662) in respect of freehold land and buildings.

Impairment – Asset under construction
The amount of impairment loss included in profit and loss is £2,157,923 (2023: £108,947). The impairment relates to costs capitalised to an area of the MPF which has since been eliminated from the process.

16 Right-of-use assets

	Property £	Total £
Cost or valuation		
At 1 April 2022	1,955,184	1,955,184
Additions	619,503	619,503
Disposals	(233,117)	(233,117)
At 31 March 2023	**2,341,570**	2,341,570
Write off	(6,807)	(6,807)
At 31 March 2024	2,334,763	2,334,763
Depreciation		
At 1 April 2022	211,448	211,448
Charge for the year	216,039	216,039
Disposals	(108,589)	(108,589)
At 31 March 2023	**318,898**	**318,898**
Charge for the year	120,281	120,281
At 31 March 2024	439,179	439,179
Carrying amount		
At 31 March 2024	1,895,584	1,895,584
At 31 March 2023	2,022,672	2,022,672

Depreciation on right-of-use assets charged through the profit and loss totals £120,281 (2023: £216,039). Interest expense on lease liabilities charged through the profit and loss totals £118,985 (2023: £101,722).

Lease liabilities

	2024 Future lease payments £	**2024 Discount £**	**2024 Lease liability £**
Within one year	213,175	(107,530)	105,645
In two to five years	662,214	(377,706)	284,508
In over five years	2,784,622	(1,265,597)	1,519,025
	3,660,011	**(1,750,833)**	**1,909,178**

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

The lease liabilities are presented as follows:

	31 March 2024 £	31 March 2023 £
Current liabilities	105,645	114,873
Non-current liabilities	1,803,533	1,901,583
	1,909,178	**2,016,456**

17 Intangible assets
Group

	Goodwill £	**Mining rights £**	**Software £**	**Total £**
Cost				
At 1 April 2022	1,075,520	3,844,333	80,000	4,999,853
Additions	-	-	191,523	191,523
Disposals	-	-	(80,000)	(80,000)
At 31 March 2023	1,075,520	3,844,333	191,523	5,111,376
Additions	-	-	39,952	39,952
At 31 March 2024	1,075,520	3,844,333	231,475	5,151,328
Amortisation				
At 1 April 2022	-	-	6,599	6,599
Amortisation charged to the profit and loss	-	-	21,360	21,360
Disposals	-	-	(6,599)	(6,599)
At 31 March 2023	-	-	21,360	21,360
Amortisation charged to the profit and loss	-	-	71,282	71,282
At 31 March 2024	-	-	92,642	92,642
Carrying amount				
At 31 March 2024	1,075,520	3,844,333	138,833	5,058,686
At 31 March 2023	1,075,520	3,844,333	170,163	5,090,016
At 31 March 2022	1,075,520	3,844,333	73,401	4,993,254

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

The carrying amount of the mining rights is £3,844,333 (2023: £3,844,333). The mining rights will begin to be amortised when mining operations restart.

Software amortisation of £71,282 (2023: £21,360) has been charged to the profit and loss presented in administrative expenses.

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

	2024	2023
Discount rate	**8%**	**5%**
Expected duration of mining activities	**27 years**	**27 years**
Tungsten grade	**>0.45**	**0.55**
Tungsten metal price	**$350**	**$340**
Foreign exchange rate	**1.28**	**1.20**

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

18 Investments
Group subsidiaries
Details of the Group subsidiaries as at 31 March 2024 are as follows:

			Proportion of ownership interest and voting rights held	
Name of subsidiary	Principal activity	Registered office	**2024**	2023
Drakelands Restoration Limited* Company number 11854467	Mining of tungsten and tin	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%
Tungsten West Services Limited** Company number 12430582	Provision of services to the Group	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%
Aggregates West Limited* Company number 12575686	Sales of aggregates	Shakespeare Martineau LLP, 6th Floor, 60 Gracechurch Street, London, United Kingdom EC3V 0HR England and Wales	**100%**	100%

* Indicates direct investment of Tungsten West plc in the subsidiary.
** Tungsten West Services Limited are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as Tungsten West plc has guaranteed the subsidiary company under Section 479C of the Act.

19 Escrow funds

	31 March 2024 £	31 March 2023 £
Non-current financial assets		
Escrow funds	**11,059,151**	5,146,986

These are funds being held under escrow with a third party which will be released back to the Group on the cessation of mining once restoration works have been completed. The funds have been discounted to present value over the expected useful life of the mine. During the year, the discount rate was revised to 4.4% (2023: 3.7%) and the expected future interest yield to 3.7% (2023: 0.0%) resulting in a gain of £5,721,727 (2023: loss of £3,495,064). The actual funds held in the escrow account at year end were £13,740,012 (2023: £13,230,653).

20 Trade and other receivables

	31 March 2024 £	31 March 2023 £
Trade receivables	**56,373**	297,800
Deposits	**2,631,435**	4,458,031
Prepayments	**37,431**	816,723
Other receivables	**84,654**	591,039
	2,809,893	6,163,593

The average credit period on sales of goods is 30 days (2023: 30 days). No interest is charged on outstanding trade receivables. The carrying amount of trade and other receivables approximates the fair value.

As the Group is in the early phases of operations and making a few minor sales, expected credit losses are being considered on a customer-by-customer basis. At the year-end, trade receivables include a provision of £68,262 (2023: £69,873).

21 Cash and cash equivalents

	31 March 2024 £	31 March 2023 £
Cash at bank	**1,581,535**	3,438,018

22 Inventories

	31 March 2024 £	31 March 2023 £
Inventories	**29,850**	114,173

23 Trade and other payables

	31 March 2024 £	31 March 2023 £
Trade payables	**434,515**	544,064
Accrued expenses	**950,512**	1,578,986
Social security and other taxes	**94,304**	156,978
Outstanding defined contribution pension costs	**11,000**	33,233
Corporation tax liability	**264,572**	-
Other payables	-	17,342
	1,754,903	2,330,603

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 45 days (2023: 45 days). No interest is charged on overdue amounts.

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

24 Loans and borrowings

	31 March 2024 £	31 March 2023 £
Non-current loans and borrowings		
Lease liabilities	**1,771,527**	1,843,016
Hire purchase	**32,006**	58,567
	1,803,533	1,901,583

	31 March 2024 £	31 March 2023 £
Current loans and borrowings		
Lease liabilities	**80,557**	91,617
Hire purchase	**25,088**	23,256
Convertible loan notes	**11,587,221**	-
	11,692,866	114,873

Convertible loan notes

Throughout the year the company issued 4 tranches of Convertible Loan Notes with a nominal value of £10,356,043. The bonds were initially due for conversion into ordinary shares 365 days from the first issue date, being June 2024. The holders have the option to exchange the convertible loan notes for an equivalent instrument prior to conversion. The notes bear interest at 20% per annum.

The instrument contains a host liability contract and an embedded derivative option and has been designated as a single instrument at fair value through profit and loss.

During July 2023 the group notified Lansdowne Partners, the majority holder of multiple breaches of the terms of the loan. The breaches resulted from management implementing measures to conserve the cash flow of the group to match the sources of finance available from the facility.

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

- Terminate the agreement and cancel the Notes
- Demand the notes be repurchased immediately at the redemption price, plus any interest is repaid. The redemption price is a sum equal to two times the principal amount of the notes.
- Exercise its rights to enforce security under the terms of the note purchase agreement and security deed.

On 16 August 2023 the note holders agreed a waiver of the breaches which would have expired on 31 January 2024. On 15 December 2023 the note holders agreed a waiver of the breaches until 30 June 2024. The waiver was not extended after 30 June 2024 and therefore the agreement reverted to in breach post year end.

On 25 March 2024 an amendment was agreed to the original terms of the note purchase agreement to extend the conversion date to 598 days from the first issue date, being January 2025.

Movement in liability

	31 March 2024 £	31 March 2023 £
Brought forward	–	–
Cash received	**10,356,043**	–
Directly attributable costs incurred	**(1,114,213)**	–
Fair value movement in year	**2,345,391**	–
Carried forward	**11,587,221**	–

25 Provisions
Group

	Restoration provision £	Total £
At 1 April 2023	**5,701,771**	5,701,771
Change in inflation and discount rate	**(889,126)**	(889,126)
Increase due to passage of time or unwinding of discount	**325,001**	325,001
At 31 March 2024	**5,137,646**	5,137,646
Non-current liabilities	**5,137,646**	5,137,646

This provision is for the obligation to restore the mine to its original state once mining operations cease, discounted back to present value based on the estimated life of the mine. Prior to discounting the Directors estimate the provision at current costs to be £13,201,256 (2023: £13,201,256).

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

Management has considered these risks and used a discount rate of 6.4% (2023: 5.7%), an inflation rate of 2% – 7.5% (2023: 2.5% - 9%) and an estimated mining period of 27 years (2023: 27 years). At the reporting date these assumptions represent management's best estimate of the present value of the future restoration costs.

26 Pension and other schemes
Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £164,738 (2023: £161,908).

Contributions totaling £11,000 (2023: £33,233) were payable to the scheme at the end of the year and are included in creditors.

27 Share capital
Allotted, called up and fully paid shares

	31 March 2024		31 March 2023	
	No.	**£**	No.	£
Ordinary Shares of £0.01 each	187,074,111	1,870,741	180,551,615	1,805,516

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

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

	31 March 2024 £	31 March 2023 £
Number of shares brought forward	**180,551,615**	179,368,215
Issue of shares on 13 June 2023 at £0.03 per share	**6,522,496**	–
	187,074,111	179,368,215
Warrants exercised	**–**	1,183,400
	187,074,111	180,551,615

28 Share-based payments

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

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

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

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**2,170,740**	4,095,219
Granted during the year	**–**	–
Exercised during the year	**–**	(1,183,400)
Expired during the year	**(2,170,740)**	(741,079)
Outstanding, end of year	–	2,170,740

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

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

The exercise price of warrants outstanding at 31 March 2024 is £Nil and their remaining contractual life was nil months.

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

Founder share incentives
Details and movements
The founder shareholders have a right to receive shares at a nominal value once certain milestones are hit.

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

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**18,229,148**	18,229,148
Granted during the year	**–**	–
Exercised during the year	**–**	–
Outstanding, end of year	**18,229,148**	18,229,148

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

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

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

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

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**1,533,335**	1,683,335
Granted during the year	**–**	–
Forfeited during the year	**(1,133,333)**	–
Exercised/(lapsed) during the year	**–**	(150,000)
Outstanding, end of year	**400,002**	1,533,335

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

Date of grant	2022
Share price at date of grant	£0.45 – £0.60
Exercise price	£0.01 – £0.45
Risk-free interest rate	1.5%
Expected life of options	1-4 years
Volatility	33%

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

The exercise price of share options outstanding at 31 March is £0.45 (2023: £0.30 and £0.45) and their remaining contractual life was 21 months (2023: 10 months to 30 months).

	31 March 2024		31 March 2023	
	Average Exercise Price £	**Options**	Average Exercise Price £	Options
Outstanding, start of year	**0.37**	**1,533,335**	0.36	1,683,335
Granted during the year	**–**	**–**	–	–
Exercised/(lapsed) during the year	**(0.34)**	**(1,133,333)**	(0.35)	(150,000)
Outstanding, end of year	**0.45**	**400,002**	0.37	1,533,335

CSOP share options
Details and movements

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

	31 March 2024 No.	31 March 2023 No.
Outstanding, start of year	**2,583,316**	–
Granted during the year	**–**	2,799,982
Exercised/(lapsed) during the year	**(2,249,986)**	(216,666)
Outstanding, end of year	**333,330**	2,583,316

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

Date of grant	2023
Share price at date of grant	£0.275
Exercise price	£0.275
Risk-free interest rate	3.5%
Expected life of options	3 years
Volatility	62%

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

The exercise price of share options outstanding at 31 March 2024 was £0.275 (2023: £0.275) and their remaining contractual life was 1 year and 6 months (2023: 2 years and 6 months).

	31 March 2024		31 March 2023	
	Average Exercise Price £	**Options**	Average Exercise Price £	Options
Outstanding, start of year	**0.275**	**2,583,316**	–	–
Granted during the year	–	–	0.275	2,799,982
Exercised/(lapsed) during the year	**(0.275)**	**(2,249,986)**	(0.275)	(216,666)
Outstanding, end of year	**0.275**	**333,330**	0.275	2,583,316

29 Commitments

Capital commitments

As at 31 March 2024 the Group had contracted to purchase plant and machinery amounting to £1,746,455 (2023: £3,754,738). An amount of £Nil (2023: £123,320) is dependent on the commencement of mining operations.

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £9,329,000 (2023: £10,329,000) committed at present or on the commencement of mining operations and represented contractual amounts due to the mining contractor and further committed payments to the funds held in the escrow account under the escrow agreement. Included within other financial commitments is £4,000,000 which is considered to be payable between one to five years after mining operations commence.

Contingent liabilities

As at 31 March 2024 the Group is liable for payment of any withholding tax arising on the convertible loan notes. On the basis that it considers the likelihood of a withholding tax liability arising as unlikely no provision has been made in the financial statements. Based on interest accrued to the year end were the liability to arise the Group's estimate of the contingent liability is £200,000 (2023: £Nil).

30 Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	At 1 April 2023 £	**Financing cash flows £**	**New finance £**	**Other changes £**	**Converted to equity £**	**At 31 March 2024 £**
Lease liabilities	2,016,456	(226,263)	–	118,985	–	1,909,178
Convertible loan notes	–	–	9,241,830	2,345,391	–	11,587,221
	2,016,456	**(226,263)**	**9,241,830**	**2,464,376**	**–**	**13,496,399**

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

31 Classification of financial and non-financial assets and liabilities
The classification of financial assets and liabilities by accounting categorisation for the year ending 31 March 2024 was as follows:

	2024 Financial assets at amortised cost £	2023 Financial assets at amortised cost £	**2024 Financial assets at FVTPL £**	2023 Financial assets at FVTPL £
Assets				
Non-current assets				
Escrow funds receivable	**-**	**-**	**11,059,151**	5,146,986
Current assets				
Trade and other receivables	**2,772,462**	5,346,870	-	-
Cash and cash equivalents	**1,581,535**	3,438,018	-	-
	4,353,997	8,784,888	**11,059,151**	5,146,986

	2024 Financial liabilities at amortised cost £	2023 Financial liabilities at amortised cost £	**2024 Financial liabilities at FVTPL £**	2023 Financial liabilities at FVTPL £
Liabilities				
Non-current liabilities				
Loans and borrowings	**(1,803,533)**	(1,901,583)	–	–
Current liabilities				
Trade and other payables	**(1,754,903)**	(2,330,603)	–	–
Loans and borrowings	**(105,645)**	(114,873)	**(11,587,221)**	**–**
	(3,664,081)	(4,347,059)	**(11,587,221)**	**–**

Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

IFRS 13 requires the provision of information about how the company establishes the fair values of financial instruments. Valuation techniques are divided into three levels based on the quality of inputs:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included in level 1 that are observable, directly or indirectly.
- Level 3 inputs are unobservable.

The group's Escrow funds receivable is measured at fair value of £11,059,151 (2023: £5,146,986). These are classified as level 3. They are valued based on discounted cash-flows. A number of inputs such as the risk free rate are observable inputs but there are also significant unobservable inputs such as the expected interest yield.

The group's convertible loan notes are measured at fair value of £11,587,221 (2023: Nil). These are classified as level 3. They are valued based on a scenario pricing model. A number of inputs such as the market value of shares are observable inputs but there are also significant unobservable inputs such as the discount rate and the probabilities assessed for each scenario.

32 Financial risk review
Group
This note presents information about the Group’s exposure to financial risks and the Group’s management of capital.

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

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

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

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

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

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

33 Related party transactions

Convertible loan notes
During the year convertible loan notes of £6,593,763 were issued to parties connected to various Directors of the group (2023: £Nil). The convertible loan notes accrued interest of £665,645 (2023: £Nil) during the year.

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

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

New and amended Standards and Interpretations applied
None of the new or amended IFRS Standards had an effect on the financial statements.

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

Standard or Interpretation	Effective for annual periods commencing on or after
Lease Liability in a Sale and Leaseback Amendments to IFRS 16	1 January 2024
Non-current Liabilities with Covenants (IAS 1)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures	1 January 2024
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements—Basis for Conclusions	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements—Illustrative Examples	1 January 2027

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

35 Post balance sheet events

On 23 July 2024, the Company announced that it had raised £2.9 million by way of a further tranche of the CLN.

On 5 June 2024 it was announced that Neil Gawthorpe had resigned as CEO and that Alistair Stobie had been appointed as Interim CEO. He was appointed to the board in July 2024

On 12 June 2024 the Company announced that the Environment Agency had issued its permit for the operation of the MPF.

On 15 August 2024, the Company announced that Jeff Court had been appointed as CEO to take up his post no later than 1 November 2024.

Independent Auditor's Report to the members of Tungsten West plc

Report on the parent company financial statements

Opinion
We have audited the financial statements of Tungsten West plc (the "parent company") for the year ended 31 March 2024, which comprise the Company Statement of Financial Position, Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with those 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 Notes 2 and 37 in the financial statements, which indicate that the group has yet to secure the finance it needs to complete the plant rebuild and continue in operational existence for the foreseeable future. As stated in Note 2 and 37, these events or conditions, along with other matters as set forth in Note 2 and 37 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 directors' 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.

Key audit matters
Key audit matters are those matters that, in our professional judgement, 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.

The key audit matters identified for the company related to the management override of controls, going concern, convertible loan notes and assessment of credit losses on group loan receivables. Further detailed work in respect of the first three matters are set out in our group audit report.

KEY AUDIT MATTER	RESPONSE AND CONCLUSION
Credit loss provision against group loan receivables **The company has provided interest free loans repayable on demand to its trading subsidiaries. As the subsidiaries lack the cash reserves to repay these balances on demand the expected credit loss must be assessed under IFRS 9. The uncertainty regarding the key mineral processing facility permit at year end, the future preparation of an updated feasibility study and ability to secure project finance has impacted the assessment of credit losses on these loans.**	Our audit work included: • Assessment and challenge of the key assumptions applied by management. • Reperformance of management's calculation. • Discussions and enquiries with management. • Assessment of the accuracy and completeness of accounts disclosure in light of the above. As a result of the procedures performed, we are satisfied that credit loss provision is accounted for and disclosed correctly.

Our application of materiality
Misstatements, including omissions, are considered to be material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. We use quantitative thresholds of materiality, together with qualitative assessments in planning the scope of our audit, determining the nature, timing and extent of our audit procedures and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the company financial statements should be based on gross assets as it is a holding company. Overall company materiality was set at £367,000, performance materiality of £220,000 and individual errors above £18,400 were reported to the audit committee.

Report on the parent company financial statements

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page 27 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.

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 legal and regulatory framework applicable to the company and the industry in which it operates. We considered those laws and regulations that have a direct impact on the preparation of the financial statements, including, but not limited to the reporting framework (IFRS and Companies Act 2006) and the relevant tax compliance regulations in the UK. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty, including compliance with the Health and Safety at Work etc Act 1974 and the ongoing monitoring requirements imposed by the UK Environment Agency under the Environment Act 1995.

As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue operating and the risk of material misstatement to the accounts. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Reviewed legal and professional costs to identify legal costs in respect of non compliance;
- Discussions and enquiries with management whether there have been any known instances, allegations or suspicions of fraud or non compliance with laws and regulations; and
- Review of board minutes or correspondence with regulators, where available, including the UK Environment Agency.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent financial reporting. Our procedures involved the following:

- Review of nominal journal entries for reasonableness; and
- Review of significant accounting estimates for bias, in particular the key accounting estimates.

Further details on the procedures planned are included in the key audit matters section of this report above and the group report.

Independent Auditor's Report to the members of Tungsten West plc

Report on the parent company financial statements

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. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor's-responsibilities-for. 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 audit 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.

PKF Francis Clark

Duncan Leslie
(Senior Statutory Auditor)

For and on behalf of PKF Francis Clark, Statutory Auditor

Melville Building East
Unit 18, 23 Royal William Yard
Plymouth
Devon
PL1 3GW

Date: 01/10/2024

Company Statement of Financial Position
Year ended 31 March 2024

	Note	**2024** £	2023 £
Fixed assets			
Tangible fixed assets	40	31,194	33,048
Investments in subsidiary undertakings	41	4,187,796	4,533,257
		4,218,990	4,566,305
Current assets			
Debtors	42	31,894,336	26,012,323
Cash at bank and in hand	43	1,268,756	2,847,982
		33,163,092	28,860,305
Total Assets		37,382,082	33,426,610
Equity and liabilities			
Equity			
Share capital	46	1,870,741	1,805,516
Share premium		51,949,078	51,882,761
Share option reserve		256,278	357,366
Warrant reserve		-	740,867
Retained earnings		(28,797,230)	(21,755,126)
Equity attributable to owners of the Company		25,278,867	33,031,384
Current liabilities			
Trade and other payables	44	515,994	395,226
Convertible loan notes	45	11,587,221	-
Total liabilities		12,103,215	395,226
Total equity and liabilities		37,382,082	33,426,610

The Company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The Company made a loss for the financial year of £7,782,971 (2023: £22,691,173).

The Company accounts were approved by the Board on 01 October 2024 and signed on its behalf by:

DocuSigned by:
Alistair Stobie
25FF71528B6F486...

Alistair Stobie
Director

Company Registration Number: 11310159

Company Statement of Changes in Equity
Year ended 31 March 2024

TUNGSTEN WEST

	Share capital £	Share premium £	Share option reserve £	Warrant reserve £	Retained earnings £	Total £
At 1 April 2022	1,793,682	51,610,414	241,861	1,408,730	268,184	55,322,871
Loss for the year	–	–	–	–	**(22,691,173)**	**(22,691,173)**
Total comprehensive income	–	–	–	–	(22,691,173)	(22,691,173)
New share capital subscribed	11,834	272,347	–	–	–	284,181
Exercise of warrants	–	–	–	(334,378)	334,378	–
Expired warrants	–	–	–	(333,485)	333,485	–
Share options charge	–	–	134,610	–	–	134,610
Forfeiture of share options	–	–	(19,105)	–	–	(19,105)
At 31 March 2023	**1,805,516**	**51,882,761**	**357,366**	**740,867**	**(21,755,126)**	**33,031,384**
Loss for the year	–	–	–	–	**(7,782,971)**	**(7,782,971)**
Total comprehensive income	–	–	–	–	(7,782,971)	(7,782,971)
New share capital subscribed	65,225	66,317	–	–	–	131,542
Expired warrants	–	–	–	(740,867)	740,867	–
Share options charge	–	–	85,138	–	–	85,138
Forfeiture of share options	–	–	(186,226)	–	–	(186,226)
At 31 March 2024	**1,870,741**	**51,949,078**	**256,278**	–	**(28,797,230)**	**25,278,867**

36 General information

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

The address of its registered office is:	The principal place of business is:
Shakespeare Martineau LLP	Hemerdon Mine
6th Floor	Drakelands
60 Gracechurch Street	Plympton
London	Devon
EC3V 0HR	PL7 5BS
United Kingdom	United Kingdom

37 Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework ('FRS 101').

No profit and loss account is presented for Tungsten West plc, as permitted by section 408 of the Companies Act 2006.

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

Reduced disclosures applied

In preparing the Company financial statements the Company has applied the following disclosure exemptions allowed under FRS 101, therefore the following are omitted:

- A Company statement of cash flows as required by IAS 1 and IAS 7.
- Financial instruments disclosures under IFRS 7.
- Fair value disclosure under IFRS 13.
- Related party disclosures with wholly owned subsidiaries of the Group.
- Reconciliations of share capital movements required by IAS 1.
- Comparative information for property, plant and equipment.
- Disclosing information on leases required by IFRS 16 in a single note.

The Group's financial statements are included within this document.

Going concern

The Group is still in the pre-production phase of operations and meets its day to day working capital requirements by utilising cash reserves from investment made in the Group. Over the last year this has been dependent on raising funds via issues of CLN. There is no signed commitment from investors to provide further funds under the existing CLN agreement. The Group previously notified CLN holders of multiple defaults of on the terms of the CLN agreement. A waiver was subsequently agreed but expired in June 2024. In the absence of a waiver the notes can be called in for immediate redemption. For the Group to remain a going concern it is reliant on the continued support of the Noteholders by not exercising their rights under the Defaults. The CLN holders have provisionally agreed to reinstate the waiver as part of the expected imminent Tranche F funding as set out below.

At the year-end, the Group had £1.6 million in cash reserves and £0.04 at the end of September 2024. The Group is in the process of finalising the documentation in respect of a £2.0 million Tranche F funding round with its existing CLN holders. The Group has received letters of commitment from the CLN holders that they will provide the Tranche F funding and also extend the waiver that expired in June 2024. The Group has very limited cash reserves and is reliant upon this Tranche F funding being received. If the Group did not receive the Tranche F funding or it was delayed, these limited cash reserves are forecast to be exhausted in October 2024.

Following the expected Tranche F CLN issue, going concern is also reliant on further funding being secured by the end of December 2024, without which the group would be unable to pay its liabilities as they fall due beyond this point.

In addition to short-term financing via the CLN, the Group still requires additional funding to complete the MPF rebuild and is in discussions with financing partners to provide the additional capital. The quantum of financing will be determined at the completion of FEED.

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

Until the additional capital is secured, the Group will continue to proceed by utilising existing cash reserves and drawing on the 2023 CLN facility. The board will not commit to significant further capital expenditure until the full finance package is in place to complete the rebuild.

Model 1 – Funding to Complete Feasibility Study and Obtain Financing

This scenario models management's expectation of cash required to complete the ongoing feasibility study and general and administrative expenses, including maintaining the existing mine permits. This does not include any expenses related to FEED, or capital expenditures to restart operations. The Company is in discussion with a number of parties regarding financing of operations to complete FEED and capital raising operations.

As a result, they intend that the group to be able to operate as a going concern for the foreseeable future. Consequently, they continue to adopt the going concern basis in preparing these financial information despite the material uncertainty referred to above.

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

Property, plant and equipment
Land and buildings are stated at the cost less any depreciation or impairment losses subsequently accumulated (cost model).

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

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

Asset class	Depreciation method and rate
Furniture, fittings and equipment	5% – 20% Straight Line
Other property, plant and equipment	5% Straight Line

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

Investments
Fixed asset investments are measured at cost less impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are either due on demand or have maturities of three months or less from inception.

Convertible debt
Convertible loan notes issued by the Company have been assessed as a host liability contract with the conversion option meeting the recognition criteria for an embedded derivative financial liability. The Company has taken the option available under IFRS to designate the entire instrument at fair value through profit and loss. The instrument is initially recognised at transaction price net of directly attributable costs incurred. The instrument is remeasured to fair value at each reporting point with the resulting gain or loss recognised in profit and loss.

Leases
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 material lease arrangements in which it is the lessee. The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

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

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

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

Convertible loan notes
The convertible loan notes are measured at fair value at each reporting point. Due to the fact that the instrument will be settled at a future point in time either by the conversion into equity shares, conversion into an equivalent debt instrument or repayment in cash the valuation is subject to inherent estimation uncertainty. Management commissioned an external expert to calculate the fair value at the year end. The fair value has been calculated using a scenario pricing model and the key underlying assumptions are the probabilities assessed for each underlying scenario, the discount rate selected and the dates of conversion or redemption..

A two month earlier date of conversion or redemption assumption would result in a £2.1m increase to the fair value of the year end liability.

Probability estimate in calculating expected credit losses

The Company calculates expected credit losses on financial assets, including inter-company loans, in accordance with IFRS 9 - Financial Instruments. In determining these expected credit losses, the Company incorporates probability estimates based on a range of possible outcomes.

Incorporation of probability estimates

The calculation of expected credit losses involves the incorporation of probability estimates to reflect the likelihood of different credit events occurring. The Company considers various factors, including historical data, economic conditions, industry-specific information, and forward-looking information to develop these probability estimates.

Economic conditions

The Company considers current and expected future economic conditions when developing probability estimates. The most significant economic risk to the Company is lenders appetite to invest long term in the Company. Management estimates the chance of success at 85%.

Overall, the expected credit loss provision at year-end is £23,189,706 (2023: £20,298,441) which represents a 42% effective provision. The effective provision rate is higher than expected based on the probability of recovery estimate, which was assessed overall at 72%, due to the 100% provision on Tungsten West Services Limited as the company is not expected to generate future profits to repay the inter-company loan.

Sensitivity analysis

The Company has performed a sensitivity analysis to assess the impact of different scenarios on the expected credit losses for inter-company loans. The analysis considered changes in economic conditions, default rates, and other relevant factors. A 10% increase in probability estimate would reduce the expected credit loss by £4.3 million. A 10% decrease in probability estimate would increase the expected credit loss by £4.3 million.

Based on this analysis, management believes that the loss allowance recognised is appropriate given the current economic environment and specific characteristics of the inter-company loans.

Financial instruments
Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding fixtures, furniture and fittings, prepayments, and deferred tax liabilities.

The Group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the financial instrument.

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

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

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

Expected Credit Losses on Inter-Company Loans

The Company has extended loans to its subsidiaries (inter-company loans). Management has assessed the expected credit losses associated with these inter-company loans in accordance with IFRS 9 - Financial Instruments.

Measurement of Expected Credit Losses

The expected credit losses for inter-company loans have been measured based on a forward-looking assessment of credit risk, taking into consideration both historical data and reasonable and supportable information about future events. The Company uses the following stages to classify the inter-company loans and measure the corresponding expected credit losses:

Stage 1: Loans with no significant increase in credit risk since initial recognition

Inter-company loans that have not experienced a significant increase in credit risk since initial recognition are considered to be in Stage 1. For these loans, the Company recognises a loss allowance equal to 12-month expected credit losses.

Stage 2: Loans with a significant increase in credit risk since initial recognition

Inter-company loans that have experienced a significant increase in credit risk since initial recognition are considered to be in Stage 2. For these loans, the Company recognises a loss allowance equal to lifetime expected credit losses.

Stage 3: Loans that are credit-impaired

Inter-company loans that are credit-impaired are classified as Stage 3. Credit-impaired loans are those for which there is evidence of a measurable decrease in estimated future cash flows since initial recognition. For these loans, the Company recognises a loss allowance equal to lifetime expected credit losses.

Determination of Expected Credit Losses

The determination of expected credit losses involves assessing a range of possible outcomes and their respective probabilities. The Company considers relevant factors, including economic conditions, industry-specific factors, and forward-looking information.

Derecognition
Financial assets
The Company derecognises a financial asset when: the contractual rights to the cash flows from the financial asset expire; it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

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

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

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

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

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

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

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

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

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

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

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

38 Company staff costs

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

	2024 **£**	2023 £
Wages and salaries	134,000	301,737
Social security costs	13,099	37,268
Pension costs, defined contribution scheme	(1,339)	11,407
Share based payments	(104,379)	76,966
	41,381	**427,378**

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

	2024 **No.**	2023 No.
Management	**4**	6
Total	**4**	6

Remuneration of the Directors is disclosed in note 11 to the Consolidated Financial Statements.

39 Deferred tax

The unrecognised deferred tax asset for carried forward losses as at 31 March 2024 was £2,984,112 (2023: £1,844,628).

40 Tangible fixed assets

	Furniture, fittings and equipment £	**Other property, plant and equipment £**	**Total £**
Cost			
At 1 April 2023	2,048	36,578	38,626
Additions	–	405	405
At 31 March 2024	**2,048**	**36,983**	**39,031**
Depreciation			
At 1 April 2023	1,127	4,451	5,578
Charge for the year	410	1,849	2,259
At 31 March 2024	**1,537**	**6,300**	**7,837**
Carrying amount			
At 31 March 2024	**511**	**30,683**	**31,194**
At 31 March 2023	921	32,127	33,048

41 Investment in subsidiary undertakings
Summary of the Company investments

	31 March 2024 £	31 March 2023 £
Investments in subsidiaries	**4,187,796**	4,533,257
Subsidiaries		
Cost		
Opening cost	**4,533,257**	4,494,718
Additions	**22,389**	38,539
Closing cost	**4,555,646**	4,533,257
Provision		
Opening provision	–	–
Impairment	**(367,850)**	–
Closing provision	**(367,850)**	–

Additions in the current year relate to further investment in subsidiaries as a result of share options in the Company granted to employees of those subsidiaries.

Information on the Company's subsidiary undertakings is disclosed in note 18 to the Consolidated Financial Statements.

42 Trade and other receivables

	31 March 2024 £	31 March 2023 £
Trade receivables	**54,114**	–
Net receivables from subsidiaries	**31,798,316**	25,721,502
Prepayments	**10,045**	22,439
Other receivables	**31,861**	268,382
	31,894,336	26,012,323

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

As the company is in the early phases of operations and making a few minor sales, credit losses are being considered on a customer-by-customer basis. No credit losses against trade receivables were identified as at year end.

Loss allowance for inter-company loans

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

As of the reporting date, the Company has assessed the expected credit losses on its inter-company loans and recognised a loss allowance as follows:

Stage 1: £Nil representing the 12-month expected credit losses
Stage 2: £10.6 million representing the lifetime expected credit losses
Stage 3: £12.6 million representing the lifetime expected credit losses
The total loss allowance for inter-company loans as of the reporting date is £23.2 million.

The overall credit loss of 42% allows for factors including restructuring of the group and non-recoverable balances from subsidiaries for which income is now no longer planned due to corporate restructuring activities and other internal factors.

	31 March 2024 £
At 1 April 2023	20,298,441
Increase during the year	2,891,265
At 31 March 2024	**23,189,706**
Gross receivables from subsidiaries	54,988,022
Overall credit loss	(23,189,706)
Net receivables from subsidiaries	**31,798,316**

43 Cash at bank and in hand

	31 March 2024 £	31 March 2023 £
Cash at bank	**1,268,756**	2,847,982

44 Creditors – amounts falling due under one year

	31 March 2024 £	31 March 2023 £
Trade creditors	**157,834**	64,095
Accrued expenses	**350,451**	324,318
Social security and other taxes	**7,709**	6,781
Other payables	-	32
	515,994	395,226

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 45 days (2023: 45 days). No interest is charged on overdue amounts.

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

45 Convertible loan notes

Throughout the year the company issued 4 tranches of Convertible Loan Notes with a nominal value of £10,356,043. The bonds were initially due for conversion into ordinary shares 365 days from the first issue date,being June 2024. The holders have the option to exchange the convertible loan notes for an equivalent instrument prior to conversion. The notes bear interest at 20% per annum.

The instrument contains a host liability contract and an embedded derivative option and has been designated as a single instrument at fair value through profit and loss.

During July 2023 the group notified Lansdowne Partners, the majority holder of multiple breaches of the terms of the loan. The breaches resulted from management implementing measures to conserve the cash flow of the group to match the sources of finance available from the facility.

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

- Terminate the agreement and cancel the Notes
- Demand the notes be repurchased immediately at the redemption price, plus any interest is repaid. The redemption price is a sum equal to two times the principal amount of the notes.
- Exercise its rights to enforce security under the terms of the note purchase agreement and security deed.

On 16 August 2023 the note holders agreed a waiver of the breaches which would have expired on 31 January 2024. On 15 December 2023 the note holders agreed a waiver of the breaches until 30 June 2024. The waiver was not extended after 30 June 2024 and therefore the agreement reverted to in breach post year end.

On 25 March 2024 an amendment was agreed to the original terms of the note purchase agreement to extend the conversion date to 598 days from the first issue date, being January 2025.

Movement in liability

	31 March 2024 £	31 March 2023 £
Brought forward	–	–
Cash received	**10,356,043**	–
Directly attributable costs incurred	**(1,114,213)**	–
Fair value movement in year	**2,345,391**	–
Carried forward	**11,587,221**	–

46 Share capital
Allotted, called up and fully paid shares

	31 March 2024		31 March 2023	
	No.	**£**	No.	£
Ordinary Shares of £0.01 each	187,074,111	1,870,741	180,551,615	1,805,516

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.

Further information on share capital is disclosed in note 27 to the Consolidated Financial Statements.

47 Share-based payments
Information on share-based payments is disclosed in note 28 to the Consolidated Financial Statements.

48 Commitments
During a previous financial year the Company signed a contract to pay £200,000 (2023: £200,000) compensation to a third party once mining operations commenced. As at 31 March 2024 the Company is liable for payment of any withholding tax arising on the convertible loan notes. On the basis that it considers the likelihood of a withholding tax liability arising as unlikely no provision has been made in the financial statements. Based on interest accrued to the year end were the liability to arise the Company's estimate of the contingent liability is £200,000 (2023: £Nil).

49 Related party transactions
Information on related party transactions is disclosed in note 33 to the Consolidated Financial Statements.

50 Post balance sheet events
Information on post balance sheet events is disclosed in note 35 to the Consolidated Financial Statements.