

POWER METAL RESOURCES PLC

Annual Report and Financial Statements

For the year ended 31 December 2025

POWER METAL RESOURCES PLC

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POWER METAL RESOURCES PLC

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2025

Directors:	S Wade S Richardson Brown E Shaw D W Brodie Good	<i>Chief Executive Officer</i> <i>Independent Non-Executive</i> <i>Chairman</i> <i>Independent Non-Executive</i> <i>Director</i> <i>Non-Executive Director</i>
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POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW FOR THE YEAR ENDED 31 DECEMBER 2025

Introduction

The Group has made meaningful progress during the period. Market sentiment has improved over the past year and we have sought to capitalise on this, undertaking new ventures, progressing existing operations and crystallising value on several investments, strengthening the financial position of the Group against this highly favourable backdrop.

We've always retained a resolute focus on establishing a portfolio that spreads risk across a diverse array of commodities and jurisdictions, and I'm delighted that this has been further bolstered by our future-facing investments in Minestarters and Apex Royalties, where we have built exposure to tokenised assets and prospective royalty opportunities.

There has also been a concerted effort during this year to consolidate our asset portfolio, concurrently realising significant returns on investments at opportune moments, whilst streamlining our efforts away from projects that no longer fully align with our strategic goals. The results seen across this year have cemented our confidence in the project incubator model.

We are delighted to share the progress that Power Metal Resources Plc ("Power Metal") and its subsidiaries have achieved over the year ended 31 December 2025.

Operational Activity

North America

During the year, significant progress was made across our uranium-focused joint venture ("JV") with UCAM Ltd ("UCAM"), known as Fermi Exploration ("Fermi"), which comprises Power Metal's entire portfolio of uranium licenses. The results from the exploration programmes across the Fermi licences have further underpinned our confidence in the region's prospectivity.

Tait Hill

A significant intrusion-related uranium target – the Antler Zone – was identified at the property during the year, with sampling results confirming historical radiometric and magnetic geophysical survey data. Geochemical and radon gas results show potential for intrusion-related uranium mineralisation at the Antler Zone, including a 700 metre ("m") trend of key indicators. Radon-in-water anomalies from three nearby lakes support a proximal uranium source.

Rock samples taken from the Antler Zone returned Tait Hill's highest uranium values to date, including 1.68% uranium in pegmatite, whilst a target area 7 kilometres ("km") north of the Antler Zone showed anomalous radon levels, high ^{206/204}lead ("Pb") ratios, and elevated uranium in soil samples, marking it as another promising intrusive-style uranium target.

Fortin River

Fortin River was acquired at the beginning of the year by mineral staking. Preliminary geophysical results indicate the presence of a significant uranium target due to an initial magnetic and electromagnetic survey, providing information on the underlying geology of the licence and identifying the presence of a ring-shaped electromagnetic response – consistent with impact craters observed in Northern Saskatchewan and elsewhere on earth. This inferred impact crater was previously unidentified with no modern and very limited historical exploration carried out in the area.

Similar craters within the Athabasca Basin, including the Carswell Crater, located 140km northwest of Fortin River, and the Pasfield Lake Crater, 200km northeast of Fortin River, are associated with mineralisation. Due to the meteor impact, these regions are highly porous environments with enhanced fluid flow, and uranium deposits have historically been located in the craters. Fortin River remains prospective for unconformity-related uranium deposits.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

A radon and swamp bed sampling programme has been completed to inform future exploration on the property. Preliminary results have been received, with final interpretation pending analysis of the swamp/lake-bottom samples, given the potential for uranium enrichment from secondary sedimentary sources.

Reitenbach

The Reitenbach Property was expanded during the year by 27.5% via direct mineral claim staking.

Geophysical surveys and fieldwork undertaken to date indicate the presence of multiple prospective target areas. A small field programme in the northeastern portion of the property, including the Nuphar and Goodleap Targets, was commissioned to refine and narrow the prospective area for future work. This work identified multiple potential basement sources of uranium, supported by radon anomalism, down-ice uranium dispersion, and favourable lead isotope results.

Further work programmes during the year, targeting the northern extensions of the Nuphar anomaly and aiming to refine and narrow the prospective area for future work was paused due to wildfires in the region. Radon and soil geochemical sampling results were announced post-year end, identifying three priority uranium target areas and further supporting the interpretation of concealed basement-hosted uranium mineralisation.

Drake Lake-Silas

Drill targets were established at Drake Lake-Silas to test high priority Iron Oxide Copper Gold ("IOCG") mineralisation targets. A seven-hole, 1,903m, diamond drilling programme was initiated and completed during the year, intercepting high-grade uranium. From the programmes, two zones of mineralisation were found, a 2.05m thick hematite breccia recording 600 parts per million ("ppm"), 0.33% uranium and 1,490 ppm, 0.15% uranium.

Prior to the drill programme, further magnetic and electromagnetic geophysical surveys and geochemical sampling were commissioned and completed to support drill targeting and further increase the knowledge of the size of the opportunity presented at Drake Lake-Silas.

Perch River

Between June and July 2025, a six-hole, 1,563m diamond drilling programme was completed, successfully testing an inferred shear structure with a coincident anomalous uranium, lead isotopes and radon results in the soils overlying the structure.

The assay results announced in November 2025 found highly anomalous lead isotopes with results of up to 242.8 ($^{206}\text{Pb}/^{204}\text{Pb}$) and 0.15 ($^{207}\text{Pb}/^{206}\text{Pb}$) which indicate a strong radiogenic lead signature typically associated with uranium mineralisation within a major fault structure.

This target, the Rapids Fault System, has been confirmed as a high-priority target. Additional drill core sampling was completed in December 2025, and petrological review is to refine the geological model prior to the initiation of further workstreams.

Badger Lake

During 2025, comprehensive exploration studies, including soil geochemical, radon gas and biogeochemical sampling were undertaken at Badger Lake. A 2,100m diamond drilling programme was designed following comprehensive exploration studies, including geophysical, geochemical, and surficial studies; the programme commenced 2 March 2026, following the receipt of permits and mobilisation of contractors. Testing is planned on electromagnetic geophysical and geochemical anomalies identified in the S-Zone. The drill programme will test two major shear zones and the S-Zone underlying a significant uranium, cobalt and nickel soil anomaly.

The S-Zone target differs from most unconformity-related uranium targets in the Athabasca Basin, with the processed geophysical data suggesting a tabular conductive body situated at the unconformity between two major fault structures. Whilst the S-Zone differs from the other targets seen in Fermi's portfolio, it shares similarities to other deposits in the region.

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CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

East Hawkrock

Preliminary analysis of the region indicates that most targets are located beneath shallow lakes. Given the shallow unconformity on the property, drilling solely from land would be both technically challenging and potentially limit the scope of the campaign.

Following the receipt of the necessary permits, and a delay caused by regional wildfires, a drill programme was planned and commenced in Q2 2026, when drilling can be completed from the frozen lake surface as well as the land. The programme will further evaluate the property's geology, and an expert geophysicist will conduct a comprehensive analysis of the electromagnetic, gravity, and magnetic datasets, which will assist the Fermi Exploration team in defining robust drill targets.

West Hawkrock

Geophysical analysis during the year has failed to indicate the existence of any conductive lithologies at depth, nor any significant gravity lows or other targets on the property. Fermi has elected to pause further exploration on the West Hawkrock Property.

Durrant Lake

Fermi is continuing to evaluate the prospectivity of the Durrant Lake Property, having completed a supplementary Helicopter Time-Domain Electromagnetic ("HTEM") survey over the southern portion of the property. Fermi has received a drill permit for the Durrant Lake Property and has budget and contractors allocated for a potential drill programme.

Pardoe

Fermi is evaluating the completion of a work programme on the Pardoe Property. To support this, Fermi has commissioned Vorticity, a Silicon Valley-based firm innovating in scientific computing, to integrate and invert the multiple historical datasets acquired for the property. The company is considering options for field campaigns and geophysical programmes into 2026.

Arabian Shield

Power Metal, through its subsidiary Power Arabia Limited ("Power Arabia"), has continued to expand and strengthen its portfolio in the Arabian Shield, in particular the Kingdom of Saudi Arabia ("Saudi Arabia") and Oman. Throughout 2025, Saudi Arabia, as part of its Vision 2030 initiative, has increased its investment and updated regulatory procedures in the mining industry to help cement itself as a global hub for mineral resources. We have identified this advancing market and established a first mover position over the year.

We achieved a 20% holding in the Balthaga project in Saudi Arabia following the completion of the required US\$350,000 expenditure within 12 months. Balthaga is subject to a mutually binding earn-in agreement with RIWAQ Al-Mawarid for Mining ("RIWAQ"), announced in March 2024.

Block 8, Oman

Exploration work was conducted by Power Arabia across the Block 8 exploration concession in Oman ("Block 8"), focusing on the Al Maider and Al Mansur prospects, which both have the potential to host significant mineralisation.

At the Al Maider Prospect, assay results from an initial 13 rock and float samples returned significant results of 4.46% and 1.75% copper ("Cu") and further rock chip sampling returned results including 7.84%, 4.7%, 2.8%, and 2.7% Cu. The results show strong correlation of copper with an associated structural feature.

At the Al Mansur Prospect, gravimetric geophysics ("Gravity") survey work defined five anomalies, with in-fill Gravity work defining two further drill targets for additional workstreams, subsequently named AM1 and AM2, which provide 700m of highly anomalous target strike length.

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CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

In addition, further exploration work at Block 8 was conducted. An additional 145 Ionic leach geochemical samples were submitted for analysis, providing coverage of two target zones based on the gravity survey interpretation. Several potential targets were promoted for next-stage fieldwork.

In Q4 2025, the maiden reconnaissance diamond core drilling programme was completed, covering eight drill holes for a total of 724.45m. Drilling confirmed the prospectivity of the area and provided intercepts of:

- **1.04% Cu over 1.5m** (hole AM25DD001 from 95.5-97m within wider zone returning 0.52% Cu from 95.5-99.0m);
- **0.36% Cu over 1m** (AM25DD001 from 72-73m, within a broader elevated Cu zone from 68-77m);
- **0.35% Cu over 4m** (AM25DD001 from 80-84m, with up to 0.56% Cu from 80-81m);
- **0.19% Cu over 4m** (AM25DD002 from 85-89m);
- **Elevated Cu, Pb and zinc ("Zn") results over 18m** (AM25DD003 from 35-53m, associated with a sulphide stockwork in a fault zone); and
- **1.1% Zn over 1m** (AM25DD006 from 51-52m, plus elevated Cu and Zn from 51-58m).

GSAe

Power Metal's 75% owned subsidiary GSA Environmental Ltd ("GSAe") advanced discussions with numerous parties for the licensing of its core metals extraction technologies over the year.

GSAe completed two major projects to treat significant volumes of industrial waste in both the power industry related to 'fly' ash and the phosphate industry related to Phosphogypsum, both significant multi million ton projects in for 2 leading Saudi Arabian companies. Waste streams are becoming an increasingly pressing issue throughout the entire industry due to higher disposal costs, environmental pressures and the push for zero waste to landfill as well as these materials being a source of critical metals

Advanced discussions are ongoing with respect to the front-end and engineering design ("FEED") study and related licensing agreement for a metals recovery facility in Saudi Arabia for the fly ash project following completion of a prefeasibility study successfully undertaken by GSAe earlier in the year and ongoing testwork is envisaged for the phosphogypsum project to refine the resulting products for increased economic returns.

Joint venture discussions also continue with a major European recycling company into the remediation of various toxic industrial wastes currently neutralised and sent to landfill with initial focus on TiO₂ waste stream with a view to construction of a full scale processing plant in the UK.

Furthermore, GSAe has continued in-house research and development work into multiple waste streams including mine tailings, picking acids used in galvanisation, ash derived from Biomass plants and historic coal ash from UK power stations all increasing the companies experience base and, establishing new proprietary process designs. It has also applied for up to €2.5 million by way of EU backed grant funding, following on the back of the successful award of a sizeable grant (£600,000) from Innovate UK, which underpinned the development of a multi-feed metals demonstration plant with the view of processing assorted wastes generated in industrial facilities across the north of England currently sent to landfill.

Corporate Activity

North America

Silver Peak

During the year, we signed an Option Agreement to dispose of our 30% interest in Silver Peak Resources Limited ("Silver Peak") to JV partner Michael B Nugent ("MBN").

Power Metal has agreed to grant MBN with an exclusive option to acquire its entire 33.52% ownership interest in Silver Peak (representing a net 30% interest in the property) under the following terms:

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

- MBN will pay Power Metal C\$10,000 (the "Option Payment")
- During the option period, Power Metal grants MBN the sole and exclusive right to acquire all, in whole or part, Power Metal's ownership interest in Silver Peak
- Where the option is exercised during the period 1 April 2025 to 31 March 2026: C\$9,547.00 per one percent of Silver Peak acquired, totalling C\$320,000 for the entire 33.52% interest held by Power Metal in Silver Peak.
- Where the Option is exercised during the period 1 April 2026 to 31 March 2027: C\$10,740.00 per one percent of Silver Peak, totalling C\$360,000 for the entire 33.52% interest held by Power Metal in Silver Peak.
- Where the Option is exercised during the period 1 April 2027 to 31 March 2028: C\$11,933.00 per one percent of Silver Peak, totalling C\$400,000 for the entire 33.52% interest held by Power Metal in Silver Peak.

Ya'thi Néné Lands and Resources ("YNLR")

Through our uranium-focused JV with UCAM, Fermi, we became the first UK-based junior exploration company to sign a completed Exploration Agreement with YNLR in support of Fermi's exploration in Northern Saskatchewan, Canada, as part of a commitment to fostering a sustainable and collaborative relationship in the Athabasca region. The agreement establishes terms for ongoing business and employment opportunities, as well as community liaison and engagement.

YNLR is owned by three First Nations and four municipalities in northern Saskatchewan and has a mandate to promote and enhance the environmental, social, economic and cultural well-being of current and future Athabasca residents.

This agreement further strengthens our connection with local stakeholders and provides a collaborative opportunity to progress Fermi's licences whilst supporting the region.

Guardian Metal Resources Plc ("GMET")

Following the partial disposal in February 2025, we sold our remaining holding of 24,699,825 ordinary shares in GMET in August 2025, for a total cash consideration of £13,584,904 before costs. This took the total funds received to £22,809,988 before costs over the course of two disposals, a return of 11.8 times on an original investment of £1,935,275.

This return validates our project incubator approach and provides the capital for us to progress projects and investments across our portfolio.

Arabian Shield

Block 8, Oman

During the year, we reached the initial earn-in milestone of 10% based on exploration spend on Block 8 to date of US\$500,000, as per the formal and legally binding agreement in October 2024.

The Company undertook the further 2.5% milestone by spending an additional US\$240,000 and attained the full 12.5% stake at the end of the year.

Qatan Exploration Licence

During Q1 2025, we signed a Letter of Intent to enter into a binding agreement with Al Masane Al Kobra Mining Company ("AMAK"), a Saudi Arabian listed exploration and mining company, for Power Metal to spend US\$3,000,000 to earn a 49% stake in the Qatan exploration licence in southern Saudi Arabia. However, unable to reach mutually acceptable terms, both parties decided not to enter into a binding agreement.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

The Company affirms its continued readiness to explore future partnership opportunities that contribute to supporting its growth and strategic plans with AMAK in the near future.

Minestarters

In October 2025, Power Metal invested £1 million for a 35% stake in Kingia FZCO ("Kingia"), a company incorporated as a Freezone Company in Dubai, which has been renamed Minestarters. We hold an option to increase our holding to up to 49% for a further £2 million share subscription in cash, subject to milestone delivery.

Minestarters is an institutional-grade, blockchain-enabled Decentralised Finance ("DeFi") platform bringing real-world asset ("RWA") tokenisation to mining exploration. It plans to be the first DeFi platform to offer investors regulated, compliant and transparent access to mineral exploration and development through the US\$25 billion – and growing – RWA tokenisation market. As well as the ability to invest in the portfolio, the platform will offer automated benefit sharing, 24/7 liquidity and project transparency.

Minestarters tokens will give investors access to a curated portfolio of global exploration and development projects. As these projects advance, the Minestarters platform aims to capture and distribute their real-world value growth, simultaneously benefitting investors whilst directing essential funding to a pipeline of highly prospective mining assets. This provides global investors with direct, liquid exposure to an asset class that has traditionally been difficult for retail investors to access, and for institutions to access efficiently.

Through this innovative approach, Minestarters aims to bridge the early-stage funding gap by channelling at least 1% of the US\$200 billion annual investment into the mining sector through its blockchain-enabled platform.

Apex Royalties

During the year, we signed a binding subscription agreement for an investment of £4 million in cash (approximately US\$5.3 million) into Apex Royalties Limited ("Apex"), a private, high growth, diversified, mining royalty company. This investment was part of a financing package, alongside other investors, to raise gross proceeds in excess of US\$10 million, resulting in the Company acquiring an 11.76% equity stake in Apex.

Apex has delivered strong growth to date, securing a high-quality portfolio of five royalty assets that provide exposure to gold, tin, bauxite and tungsten.

Power Metal's exposure to Apex's portfolio includes:

- A 1.0%¹ gross revenue royalty ("GRR") over the Whale Cove Gold Project located in Nunavut, Canada and operated by BG Gold Capital II Corp.
- A 1.2% GRR over the Achmmach Tin Project ("Achmmach") located in Morocco and operated by Xingye Silver & Tin (China's second largest producer of tin) following its recent acquisition of 75% of Achmmach through the takeover of Atlantic Tin Limited.
- A 1.0% GRR² over the Wuudagu Bauxite Project located in Western Australia and operated by VBX Limited.
- A 1.5%³ net smelter royalty over the Tempiute Tungsten Project and a 2% GRR over the Pilot Mountain Tungsten Project, both located in Nevada, US, and operated by Guardian Metal Resources Plc as its co-flagship projects.

1 Assuming the exercise of an option to purchase an additional 0.25% GRR

2 Once a payment of USD3.5m is made following the close of the Apex Fundraising

3 Subject to a 0.75% buy-back right

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Australia

First Development Resources

During 2025, First Development Resources, in which we hold a 43.44% stake, successfully listed on London's AIM market and raised gross proceeds of £2.3 million, further demonstrating our ability to bring our varied investments to a crystallisation event.

Africa

During the year we decided to cease further investment in the Haneti Project. The Board concurs with Katoro Gold Plc ("Katoro"), that the extensive technical review undertaken by Katoro does not indicate sufficient prospectivity at Haneti and therefore does not support further capital expenditure.

London

During the year, Power Metal changed its registered office to c/o Orana Corporate LLP, 25 Eccleston Place, London, England, SW1W 9NF.

During the year, we sought and gained approval from the High Court of Justice in London and shareholders for a reduction of share capital, with the aim of ensuring sufficient distributable reserves to give us the flexibility for future distributions and corporate purposes. This was executed post-year end via the cancellation of:

- i. All of the paid up capital to the extent of £0.009 on each issued Deferred Share;
- ii. All of the paid up capital to the extent of £0.00099 on each issued Deferred A Share;
- iii. The Company's Share Premium Account; and
- iv. The Companies Capital Redemption Reserve.

Post-Year End Activity

Greyridge Exploration

In March 2026, we announced a strategic investment of US\$1.5 million for an initial 4.6% shareholding in Greyridge Exploration Corp ("Greyridge"), a Canadian-based mineral exploration company focused on the discovery of copper and gold deposits in the Kingdom of Saudi Arabia. Greyridge is one of the largest foreign holders of exploration licences in Saudi Arabia, holding a 100% interest in 25 licenses covering 1,817 square kilometres of highly prospective terrain.

In conjunction with the investment, we also signed a Memorandum of Understanding ("MoU") with Greyridge to establish a non-binding framework that sets out the basis for Power Arabia and Greyridge to explore the option to enter into joint ventures or similar collaborative agreements, such as earn-in agreements, across Greyridge's projects in Saudi Arabia and any future licences that it obtains.

This investment and MoU provides a potential project pipeline for Power Arabia and further enhances our exposure to Saudi Arabia's US\$2.5 trillion of untapped mineral resources.

Balthaga, Saudi Arabia

We achieved a 20% holding in the Balthaga project in Saudi Arabia following the completion of the required US\$350,000 expenditure within 12 months. Balthaga is subject to a mutually binding earn-in agreement with RIWAQ Al-Mawarid for Mining ("RIWAQ"), announced in March 2024.

We are subsequently committing to further exploration expenditure of US\$150,000 in order to increase our shareholding to 30%. A comprehensive data review and prospectivity re-assessment was completed post-year end, identifying new prospective targets for rare earth and critical elements.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

A drill target definition campaign, which we are mobilising teams for, will be split into two phases. The initial phase focusing on a mapping and rock sampling programme targeting both previously defined targets and new targets, and phase two focused on an infill soil geochemistry sampling programme over the anomalous Hugban intrusion corridor.

Reitenbach, Canada

At Reitenbach, combined radon and soil geochemical sampling has identified three priority uranium targets totalling approximately 100 hectares, with results consistent with a ribbon-type anomaly formed by glacial dispersion from a buried bedrock source. Reitenbach hosts four further, largely untested radiometrically anomalous boulder fields, with significant scope for further work to determine similar targets. Current next steps are to continue refining and expanding targets on Reitenbach to ensure any future drilling programmes are technically robust and capital efficient.

Other Business Interests

Molopo Farms Complex Project

The cumulative exploration and diamond drilling programmes undertaken at Molopo Farms have demonstrated significant potential for a major nickel - platinum group element discovery or discoveries:

- Successful intersection at the high priority Target Area T1-14 confirms the presence of the superconductor that was identified by multiple geophysical surveys.
- Significant sulphur assays including results of 3.46%, 2.63%, and 2.55% were identified alongside a sample which returned anomalous nickel of 0.128%.

We are looking to progress potential commercial pathways with a view to moving the project to the next stage in its exploration programme.

ION Battery Resources Ltd (“ION”)

ION is focused on early-stage exploration, seeking transformational metal discoveries to supply the battery industry. ION has identified two possible target areas for lithium at Aurier North.

Financial Review

- Total comprehensive profit for the year ended to 31 December 2025 of £3.2 million (15-month period ended 2024: £4.2 million).
- Pre-non-controlling interest total equity of £26 million at the period-end (2024: £22 million).
- The Company ended the financial period with a cash balance of £5.68 million (2024: £0.45 million).

Corporate Social Responsibility (“CSR”)

The Company maintains a focus on CSR through internal policies and our approach to external operational activities.

The internal policies provide insights to employees, associates and shareholders of how the Company embeds CSR into its daily practices and indicates the Company's responsibility for ethical practices across all areas of its operations.

The Company has established detailed policies and procedures to govern and ensure that the core CSR values are followed internally as well as off-site in its field operations. Through these efforts, the Company has looked to continue the development of initiatives and general practices to be maintained as the Company grows.

**CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

A key focus for the Company is to build awareness and interaction amongst its communities. Due to the nature of the Company's operations and the jurisdictions it operates within, it is imperative to acknowledge the significance of these diverse communities to the territory. As the Company develops, it recognises the importance of ensuring that all efforts are considered to enable the communities to develop in parallel. A few of the many ways the Company will facilitate this mutual growth is to build strong relationships within the community, develop an understanding of how they operate and determine how the Company can contribute to their continued development.

The Company is dedicated to ensuring it maintains the safety and wellbeing of its employees and the local community during field operations. This is not exclusive to active operations but extends beyond, by maintaining a safe conclusion of all on-site activity and ensuring that the land and materials are left in a safe and respectful manner.

As the projects mature and develop, the Company will ensure that community engagement is maintained. The continual focus on ensuring employees are engaged in and committed to implementing its CSR policies, ethics and commitments, will enable CSR to become integral and remain at the forefront of all operations.

Outlook

This has been an outstanding year for Power Metal Resources, marked by significant value creation across multiple projects. We've also seen the most compelling evidence yet for the success of our project incubator model, with the disposal of Guardian Metal Resources delivering an impressive 11.8x return on our initial investment.

These successful crystallisation events have enabled us to further diversify our portfolio, strengthening future revenue streams and enhancing our project pipeline. Our investment in Minestarters introduces a unique and innovative model that brings real-world asset tokenisation to the mining exploration sector, giving us a first-mover advantage in a US\$200 billion annual market with substantial growth potential. Concurrently, our new royalty exposure through the investment in Apex Royalties provides an additional avenue for long-term value generation.

Advancements made throughout the Fermi Exploration portfolio have also been encouraging, with numerous positive results and ongoing work that continues to validate the prospectivity across these licences.

Power Arabia has returned additional promising results at its Block 8 licence, demonstrating the potential for significant copper mineralisation. The post-period work at Balthaga has set the project up for a drilling campaign to explore defined and new potential targets, and the MoU signed with Greyridge will create an opportunity for Power Arabia to develop a strong project pipeline that aligns with Saudi Arabia's national industrial goals and provides exposure to the country's US\$2.5 trillion of untapped mineral resources.

With GSAs also in discussions on a number of partnership fronts, including within Saudi Arabia, we are hopeful of a continued strong presence within the region that allows us to generate positive relationships and build on our early mover advantage.

2025 has established a strong foundation for Power Metal Resources, creating a robust framework and pipeline of prospective projects and diversified initiatives that have carried meaningful momentum into 2026. We look forward to building on this progress throughout the year against the backdrop of anticipated supportive market conditions.

Sean Wade, Chief Executive Officer
1 June 2026

POWER METAL RESOURCES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their strategic report on Power Metal Resources PLC (the “Company”, “Power Metal”) together with its subsidiaries (the “Group”) for the year ended 31 December 2025. The comparative comprises the 15-month period ended 31 December 2024.

Overview of the business

The financial year to 31 December 2025 resulted in a total comprehensive profit of £3.2 million (2024: £4.2 million).

Net assets at the year end stood at £25.9 million (2024: £23.3 million). The Group had a cash position of £5.7 million as at 31 December 2025.

Business Strategy

The overriding strategic objective of the Group is to make large scale metal discoveries. Power Metal has been structured with a portfolio model with diversity of interests by commodity, jurisdiction and geology which is considered by the Group to increase the likelihood of a large-scale metal discovery. During the year, the Group has also sought to diversify into real-world asset tokenisation and royalty investments. This breadth of opportunities strengthens the Group and enhances our ability to unlock additional value.

The Group seeks to minimise fixed financial or operational commitments providing underlying operational flexibility. This enables the financial and managerial resources to be focused forward on the projects with the greatest potential to deliver the discoveries targeted.

Further information on the Group’s operations is set out in the Chief Executive Officer’s Review on page 2 to 10.

Principal risks

Exploration risk

The Group’s business is mineral exploration and evaluation, which are speculative activities. There is no certainty that Power Metal will proceed to the development of any of its projects or otherwise realise their full value. The Group aims to mitigate this risk when evaluating new business opportunities by targeting areas of potential where there is at least some historical drilling or geological data available and where leading exploration consultants believe there is strong evidence of high-class mineral deposits.

Resource risk

All mineral projects have risk associated with defined grade and continuity. Mineral reserves and resources will be calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and commodity price assumptions. At present Power Metal does not have any projects with quantified mineral reserves and resources.

Environmental risk

Exploration of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during the evaluation stage. The Group’s environmental risk extends to its corporate and exploration interests in Australia, Botswana, Canada, and the Arabian Shield. Power Metal will ensure proper measures are taken to assess environmental risk including appropriate technical submissions to reporting authorities prior to work commencing. Also, any disturbance to the environment during exploration on any of the licence areas will be rehabilitated in accordance with the prevailing local regulations.

POWER METAL RESOURCES PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

Financing & liquidity risk

The Group has an ongoing requirement to fund its activities through the equity capital markets. There is no certainty such funds will be available when needed. To date the Group has managed to raise the required funds, primarily through equity placements and monies from warrant exercises.

The Directors have prepared cash flow forecasts for at least the next 12 months from the date of this report and are confident that the Group and Company have sufficient financial resources to fund their operations.

From a wider perspective it is noted that the junior resource sector is cyclical, with peaks and troughs in valuations of companies and generic sector confidence. The ease of financing follows this cyclicality and that means the financing environment for junior companies can switch from challenging to comfortable, and vice versa, quite quickly. The impact of cyclicality can be less significant for well-respected companies with successful business models, and therefore the actual financing experience is different for each company.

Power Metal holds listed securities, alongside its cash reserves, which may be sold (subject to any applicable lock-in periods), further bolstering available capital.

The inclusion of royalties and investments in the Group's portfolio expands Power Metal's financing risk scope. The Group has made steps to mitigate the risk associated with these royalties and investments, however, acknowledges that associated risks to the investment and the operation of the assets are out of the Company's control.

Political risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets. The Group has working knowledge of the countries in which it holds exploration licences and has appointed experienced local operators to assist the Group in its activities in order to help reduce possible political risk.

Investment risk

Certain of the Group's exploration and evaluation assets are held through subsidiaries with non-controlling interests. While these interests are not significant, they result in the Group not having full economic exposure to the relevant assets. Management does not consider this to materially impact the Group's ability to fund or progress its projects; however, it may impact the timing, funding or may result in a proportionate sharing of returns from successful developments of such projects.

Internal controls & risk management

The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible, and they have reviewed the effectiveness of internal financial control.

Review of business and financial performance

The ongoing performance of the Group is managed and monitored using a number of key financial and non-financial indicators ("KPIs") on a monthly basis:

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

i. Cash position

Having sufficient cash for business operations is vital for an exploration company and cash must be managed accordingly. The Directors review and manage the Group's cash flow on a monthly basis. The financial strategy is to ensure that, wherever possible, there are sufficient funds to cover corporate overheads and exploration expenditure for as long a period as possible. Power Metal has confidence that financing of the Group can continue as and when required, albeit the Board of Directors ("The Board") is keen to avoid excessive dilution and will manage the financing process with that objective in mind.

Furthermore, the Group has ensured that where possible it has built operational flexibility in its corporate and exploration portfolio enabling expenditure to be paused should the financing environment prove difficult and cash preservation prove essential.

ii. Exploration expenditure by project

The Group controls its exploration spend by project versus budget and in relation to its available cash resources. If the results of exploration do not meet expectations, then budgeted activities are re-evaluated or even cancelled. The evaluation of early-stage projects are approached in a cost-effective way. The Group determines whether there are any indicators of impairment of its exploration assets on an annual basis.

iii. Share price

The Company monitors its share price monthly versus a peer group of explorers. Many factors outside the Company's control can affect the share price but the Company appreciates that this KPI is important to shareholders and the market in general in assessing the Company's performance.

Section 172 (1) Statement

The Board of Power Metal is aware that the decisions we make may affect the lives of many people. The Board makes a conscious effort to try and understand the interests of our stakeholders, and to reflect them in the choices we make in creating long-term sustainable success for the business.

The Board views engagement with our shareholders and wider stakeholder groups as essential work. We are aware that we need to listen to each stakeholder group, so that we can understand specific interests, and foster effective and mutually beneficial relationships. By understanding our stakeholders, we can build their needs into the decisions we take.

Throughout this Annual Report, we provide examples of how we:

- Consider the likely consequences of long-term decisions;
- Foster relationships with stakeholders;
- Understand our impact on our local community and the environment; and
- Demonstrate the importance of behaving responsibly.

This section serves as our s172 statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement. s172 of the Companies Act 2006 (CA) requires the Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account the following factors (among others) listed in s172:

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

POWER METAL RESOURCES PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

Active stakeholder engagement and open communication have become increasingly important in decision making for the Board. Specific decisions taken during the year following consultations with key stakeholders include:

- An intensification of investment community engagement through social media and through online interaction with shareholders and investors, and undertaking live and face to face investor events;
- The work undertaken by the First Development Resources PLC team to engage with heritage groups in Australia, in preparation for planned exploration activities;
- The work undertaken by Fermi Exploration in Canada to engage with First Nations groups, including Ya'thi Néné Lands and Resources in Northern Saskatchewan, in preparation for permitting and planned exploration activities;
- The use of local operators and advisers where possible to increase employment and consultancy revenues within local operating environments;
- The issue of shares and options to service providers and options to Directors in order to create long term incentives, align their interests with those of the members and conserve cash through the period of uncertainty during the earlier part of the year.

The Board regularly reviews our principal stakeholders and how we engage each group. The stakeholder voice is brought into the boardroom throughout the annual corporate cycle through information provided by management and also by direct engagement with stakeholders themselves, including shareholder interviews and question and answer sessions with the Chief Executive Officer. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The table below acts as our s172(1) statement by setting out the key stakeholder groups, their interests and how Power Metal has engaged with them over the reporting period, however, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

Stakeholder	Their interests	How we engage
Investors	Business sustainability High standards of governance Comprehensive review of financial performance of the business Success of the business Ethical behaviour Awareness of long-term strategy and direction Improving market perception of the business Delivering long term value to shareholders Experience of Directors Project prospectivity	Interim and Annual Report Investor Relations section on the Company website RNS announcements Trading updates Shareholder Circulars AGM results Press releases Media articles and interviews, including podcasts The Board encourages open dialogue with the Company's investors Use of social media

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Regulatory bodies	<p>Compliance with regulations Worker pay and conditions Health and safety Brand reputation Waste and environment Insurance Environmental protection</p>	<p>Company website Stock exchange announcements Annual report Direct contact with regulators Compliance updates at Board Meetings Consistent risk review Compliance with local regulatory requirements and industry standard principles Appointment of nominated advisor in accordance with AIM Rules</p>
Environment	<p>Sustainability Energy usage Recycling Waste Management</p>	<p>Oversight of corporate responsibility plans Reduce environmental impact of exploration by producing detailed field operation guidelines Adhere to local guidelines Obtain required permits from local authorities Removal of operational waste and treatment at appropriate facilities Detailed field operation guidelines to minimise any negative environmental impact of exploration activities</p>
Community	<p>Community outreach Human Rights Sustainability</p>	<p>Meeting with key community representatives Partnering with the communities in which we operate – sharing plans/ideas for discussion Active communication with landowners and communities where field work is taking place Local landowners are paid promptly Adhere to Government guidelines for approaching landowner and native title holder discussion Rehabilitation of drill sites after work has completed Employment of local contractors where possible Fair and prompt payment of all contractors</p>
Contractors	<p>Terms and conditions of contract Health and safety Human rights and modern slavery</p>	<p>Anti-bribery and anti-corruption policy Whistleblowing policy is in place to ensure rights are protected Provide mandatory health and safety training and creating a safe working environment through strict procedures Contractors are sourced locally where possible Communication with contractors is frequent through a dedicated exploration manager</p>

POWER METAL RESOURCES PLC

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Sean Wade
Chief Executive Officer
1 June 2026

POWER METAL RESOURCES PLC

THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

Sean Wade, Chief Executive Officer

Sean is an experienced corporate executive within the natural resource sector, having held senior roles in mining companies including Berkeley Energia PLC, Pensana PLC and Asia Resource Minerals PLC. He has worked on numerous transactions in the capital markets, including IPOs, secondary capital raising and M&A in a wide variety of different jurisdictions and exchanges. His extensive network covers numerous capital providers, including institutional funds, family offices and private wealth. Sean has served on numerous public and private company boards in both an executive and non-executive capacity.

Sean started his career at Cazenove & Co in 1993. In 2007 he was a founding shareholder in Liberum Capital. Since 2012, he has worked in corporate business development and investor relations. He founded Scout Advisory Limited in 2020 undertaking consultancy work with various listed and private companies in the resource exploration mining sector.

Scott Richardson Brown, Non-Executive Chairman

Scott is a Fellow of the Institute of Chartered Accountants in England and Wales. He began his career at Coopers & Lybrand (later PricewaterhouseCoopers) in the banking and capital markets division, he later became a partner in the corporate broking/finance division of Oriel Securities Limited covering a range of sectors.

Since leaving Oriel Securities Limited, Scott has held a number of directorships of AIM-quoted companies operating within the natural resources sector in both CEO, CFO and Non-Executive Director roles and specialises in restructuring and turning around companies in difficulty. He is currently CEO of a leading West Midlands Estate Agency business.

Ed Shaw, Non-Executive Director

Ed started his career over 30 years ago at Citibank having studied Chemistry at the University of Bristol. Ed was one of the founding partners of Newpeak Capital LLP in 2007 and has a long history of trading and more recently raising capital for companies in the mining sector including microcap resource stocks, the area of the market in which Power Metal is currently positioned.

Ed complements the existing team and helps strengthen the Board particularly by adding weight to the Company's financing strategy, a key element of business management for listed microcaps.

Douglas William Brodie Good, Non-Executive Director

Bill has over 30 years' experience in global exploration having cut his teeth in Australia followed by working extensively in geological and project management in francophone west and central Africa, the Middle East, central Asia and returning to Australia more recently. Bill has been an explorer combining hands-on execution of field programmes as well as planning, budgeting and management in some cases multi-project operations. His recent role with AIM listed Alien Metals Ltd as Technical Director and CEO has given him a broader insight into market trends and demands and helped broaden his experience to hone his exploration background while making a significant discovery of a DSO Iron Ore resource while there.

Bill's experience has extensively involved the design, planning and implementation of new and grass roots exploration programmes with an emphasis on in-country logistics planning, government liaison, people management and project delivery on time and in budget.

Bill has worked in both the private and consulting sector therefore has an overarching view from both corners to enable more rounded planning and decision making to optimise projects performance, budgets and schedules.

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report together with the audited consolidated financial statements of Power Metal Resources PLC (the “Company”), together with its subsidiaries (the “Group”):

- Its 100% owned subsidiary, Tati Greenstone Resources Pty Ltd (“TGR”);
- Its 100% owned subsidiary, Power Botswana Pty Ltd (“PMRB”);
- Its 100% owned subsidiary, ION Battery Resources Ltd (“ION”);
- Its 100% owned indirect subsidiary, 102162331 Saskatchewan Ltd (“SASK2”);
- Its 100% owned subsidiary, African Battery Metals Ltd (“ABM”);
- Its 87.70% owned subsidiary, Kalahari Key Mineral Exploration Pty Ltd (“KKME”);
- Its 82.30% owned subsidiary, Power Arabia Ltd (“PA Ltd”), (formerly Power Capital Investments Ltd);
and
- Its 75% owned subsidiary, GSA (Environmental) Ltd (“GSA”).

The Group’s focus is on identifying avenues for asset realisation through metals exploration and development, royalties, and RWA tokenisation, with a focus currently on base and strategic metals exploration in Africa and the Middle East, together with uranium exploration in Canada, and precious metals exploration in North America and Australia.

Results

The Group reports a total comprehensive profit of £3.2 million (2024: £4.2 million).

Major events after the reporting date

For information regarding events after the reporting date, see note 33 to the financial statements.

Dividends

The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (2024: £Nil)

Financial risk management

The Group’s operations are exposed to a variety of financial risks, and these are detailed in note 31 to these financial statements.

Political donations

There were no political donations during the year ended 31 December 2025 (2024: £Nil).

Bribery legislation

The Directors have adopted appropriate procedures to ensure compliance with the Bribery Act 2010.

Directors

The Directors of the Company who served during the year and since the reporting date are as follows:

S Wade, Chief Executive Officer
S Richardson Brown, Non-Executive Chairman
E Shaw, Non-Executive Director
D W Brodie Good, Non-Executive Director

Directors’ interests

The beneficial interests of the Directors holding office at the end of 31 December 2025 in the issued share capital of the Company as of 31 December 2025 were as follows:

POWER METAL RESOURCES PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

	Number of ordinary shares of 0.1p each	Percentage of issued ordinary share capital
S Wade	1,442,035	1.269
S Richardson Brown	-	-
E Shaw	950,000	0.836
B Brodie Good	50,000	0.044

Details of share options and warrants granted to Directors are disclosed in note 27 to the financial statements.

Directors' remuneration and service contracts

Details of Directors' emoluments including share-based payments are disclosed in note 10 to the financial statements.

	Salary £'000	Fees* £'000	Bonus £'000	Total 2025 £'000	Total 2024*** £'000
S Wade	160	24	77	261	519
S Richardson Brown	43	-	20	63	118
E Shaw	32	-	15	47	88
O Morton **	-	-	-	-	9
D W Brodie Good	96	24	15	135	154
Total	331	48	127	506	888

The 2025 figures pertain to a 12-month period.

** Included in fees are £24,000 of director fees due to S Wade and £24,000 of director fees due to D W Brodie Good in respect of PA Ltd. These fees remain unpaid as at 31 December 2025.*

*** Resigned from the board on 16 January 2024.*

****The prior period directors fees have been restated to accrue for £24,000 of director fees due to S Wade and £24,000 of director fees due to D W Brodie Good in respect of PA Ltd for the period from April 2024 to 31 December 2024. These fees remain unpaid as at 31 December 2025.*

There were four employees other than the Directors during the year ended 31 December 2025 (2024: 7).

Directors' indemnities

The Group maintains Directors' and officers' liability insurance providing appropriate cover for any legal action brought against its Directors.

Going concern

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group, including current level of resources and the required level of spending on exploration and corporate activities. As part of their assessment, the Directors have also considered the potential for continuing warrant exercises and the ability to raise new funding whilst maintaining an acceptable level of cash flows for the Group to meet all commitments.

The Directors have stress tested the Group's cash projections, which involves preserving cash flows and adopting a policy of minimal cash spending for a period of at least 12 months from the date of approval of these financial statements. The Directors believe the measures they have available will result in sufficient working capital and cash flows to continue in operational existence. Taking these matters into consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with the applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the Group's results for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements comply with UK-adopted international accounting standards in conformity with the Companies Act 2006; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company to 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the Directors are aware:

- There is no relevant audit information of which the Company's auditor is unaware; and
All the Directors have taken 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 that information.

Auditor

PKF Littlejohn LLP have expressed their willingness to continue in office, and a resolution will be proposed at the annual general meeting to reappoint PKF Littlejohn LLP as auditor for the next financial period.

By order of the Board

Sean Wade
Chief Executive Officer
1 June 2026

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025**

As Chairman of the Board of Directors of Power Metal Resources PLC (the “Company” or “Power Metal”) together with its subsidiaries (the “Group”), it is my responsibility to ensure that the Company has both sound corporate governance and an effective Board. As Chairman of the Company, my responsibilities include leading the Board effectively, overseeing the Company’s corporate governance model, and ensuring that good information flows freely between the Executive Directors and Non-Executive Directors in a timely manner. The Chairman’s principal responsibility is to ensure that the Company and its Board are acting in the best interests of shareholders.

This report follows the structure of the Quoted Companies Alliance Corporate Governance Code 2023 (“QCA Code”) and explains how we have applied the ten Principles. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company, and areas of non-compliance are disclosed in the text below. Further details of the Company’s compliance with the QCA Code can be found on the Company’s Corporate Governance page on the website (<https://www.powermetalsources.com/corporate-governance>), and any areas of non-compliance will be disclosed in the text below.

The Board understands that application of the QCA Code supports the Company’s medium to long-term success whilst simultaneously managing risks and providing an underlying framework of commitment and transparent communications with stakeholders.

QCA Principles

1. Establish a purpose, strategy and business model which promote long-term value for shareholders

A description of the Company’s business model and strategy can be found on page 11, and the key challenges in executing the Company’s strategy can be found on pages 11 to 12. The Company’s corporate purpose, as articulated by the Board, is to create long-term value for shareholders through the responsible identification, exploration and development of mineral resource opportunities, whilst contributing positively to the communities and environments in which it operates. The Board considers that the Company’s purpose, strategy and business model are aligned and mutually supportive, and are reflected in the Company’s corporate culture.

2. Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long-term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board also ensures that communities within the regions that the Company operates within continue to be supported, being cognizant of the Company’s pledge to Corporate Social Responsibility.

A large part of the Company’s activities is centred upon an open and respectful dialogue with shareholders, contractors, regulators and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Company has implemented, inter alia, the following policies to help ensure the highest standards of personal and professional ethical behaviour are adhered to:

- An Anti-Bribery and Corruption Policy
- A Whistleblowing Policy
- A Social Media Policy
- A Share Dealing Policy
- An Inside Information Policy

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Strategic Report and s172(1) Statement provide further detail on the frameworks in place to promote and support ethical behaviour and the Company's values, and how these align with the Company's objectives, strategy, and business model.

3. Seek to understand and meet shareholder needs and expectations

Power Metal places a great deal of importance on communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders. The Company seeks to provide effective communication through Interim and Annual Reports along with Regulatory News Service (RNS) announcements on the Company's website, www.powermetalresources.com, and active engagement including CEO interviews and Q&A sessions with a range of social and investor-oriented media. The Company also has a News Archive section on the website, enabling investors to easily access a range of archived reports and previous updates, as well as a Shareholder Circulars page which includes key business and corporate governance updates. For the period under review, in order to improve shareholder communications, the Board has provided regular updates to shareholders on the progress of the Company's projects through RNS announcements on its website.

Power Metal is committed to maintaining a healthy dialogue between the Board and all shareholders to enable shareholders to come to informed decisions about the Company. This is achieved through formal meetings such as the AGM, which typically provides an opportunity to meet, listen and present to shareholders, and shareholders are encouraged to attend. All resolutions at the Company's AGM in 2025 passed comfortably.

The Company is open to receiving feedback from key stakeholders and will take action where appropriate. The key contact for shareholder liaison is the CEO, Sean Wade, who meets with shareholders as and when requested.

Information on the Investors section of the Company's website is kept up to date and contains details of relevant developments, interviews, presentations and key reports.

The Company also engages the services of external media service providers who assist with Power Metal's public and investor relations, ensuring information is accessible to stakeholders and released in a timely and informative manner. These advisers also seek to encourage and facilitate shareholder engagement.

4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Board recognises that the long-term success of the Group is reliant upon the efforts of employees of the Group and its contractors, suppliers, regulators, and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships.

Power Metal seeks to be a socially responsible Company which has a positive impact on the communities in which it operates. No discrimination is tolerated and the Company endeavours to give all employees the opportunity to develop their capabilities. Everyone within the Group is a valued member of the team and our aim is to help every individual achieve their full potential. We offer equal opportunities regardless of race, gender, gender identity or assignment, age, disability, religion, and sexual orientation. The Group has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Group.

Further details on the Company's take on stakeholder and social responsibilities and their implications for long-term success can be found in the Section 172 Statement in the Strategic Report on pages 13 to 15.

5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risk faced by the Group, to set appropriate risk limits and controls, and to monitor risks in a timely manner. The Board ensures that corrective action is taken and that risks are identified as early as practically possible, as well as being responsible

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

for reviewing the effectiveness of internal financial controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In addition, members of the Board attend industry conferences and seminars to keep abreast of sector risks and industry changes.

The Audit Committee (as well as the Board as a whole) reviews reports from the Company's auditors relating to the internal control systems in use throughout the Group in order to determine the adequacy and efficiency of internal control and risk management systems. An internal audit function is not yet considered necessary as day-to-day control is sufficiently exercised by the Company's Executive Directors. However, the Board will continue to monitor the need for an internal audit function.

6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair

The Board currently comprises one Executive Director, Sean Wade, and three Non-Executive Directors, Scott Richardson Brown, Ed Shaw, and Douglas William Brodie Good. Scott Richardson Brown is Chairman of the Company.

Meetings are open and constructive, with every director participating fully. The Board meets every three months and at other times as and when required to ensure that the Company is fulfilling all its regulatory and compliance obligations, and, to be efficient, the Directors meet formally and informally both in person and by video conference. Directors are sent an agenda and Board papers at least three days prior to every Board meeting to facilitate proper assessment of any matters requiring a decision or insight. Additional information is provided when requested by the Board or individual Directors. The Non-Executive Directors maintain ongoing communication with the Executive Directors between formal Board meetings. All Non-Executive Directors spend a minimum of two days a month on company business, or as much time necessary to fulfill their duties above this.

The Board believes that the Non-Executive Chairman and Non-Executive Directors offer key expertise to the Executive Director through their skillsets, in addition to supporting and developing relationships with shareholders and key stakeholders. The Board will continue to review its composition as the Company grows.

The Board recognises the recommendation under the QCA Corporate Governance Code (2023) that all directors should submit themselves for annual re-election. However, having considered the size, structure and operational requirements of the Group, the Board believes that the current approach remains appropriate and proportionate for the Company at its present stage of development.

Accordingly, directors are subject to re-election by rotation in accordance with the Company's Articles of Association, rather than annual re-election.

Sean Wade worked for 140 days per year. Scott Richardson Brown, Ed Shaw and Douglas William Brodie Good worked for no less than 21 days per year.

During the year there were 7 board meetings, and the attendance of each Director is outlined below:

Director	Board Meetings
Sean Wade	7
Scott Richardson Brown	6
Ed Shaw	7
Douglas William Brodie Good	7

7. Maintain appropriate governance structures and ensure that, individually and collectively, the Directors have the necessary up-to-date experience, skills and capabilities

The Directors of the Board bring experience from a range of industries including the accounting and finance, engineering and natural resources sectors. The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial, and professional capabilities, providing the ability

POWER METAL RESOURCES PLC

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

to deliver the Company's strategy for the benefit of shareholders over the medium and long-term. Directors are encouraged to maintain up-to-date skillsets by attending training sessions, conferences and networking events. Biographical details of the Directors can be found on page 17.

Orana Corporate LLP has been contracted by the Company to act as Power Metal's Company Secretary and has been given the responsibility for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, including assistance with Board and shareholder meetings and Market Abuse Regulations ("MAR") compliance. Orana Corporate LLP also supports the Board in its development of the Company's corporate governance responsibilities, assisting with the Company's application of the QCA Code and in relation to AIM Rule 26 website disclosures.

The Company's Nominated Adviser, SP Angel Corporate Finance LLP, is consulted on all matters. During the period under review the Company took advice on general corporate PLC management, potential & actual acquisitions, and business strategy.

All Directors have access to independent professional advice, if required.

The Board delegates authority to two Committees to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet independently of Board meetings.

Audit Committee

The Audit Committee comprises Scott Richardson Brown and Ed Shaw and is chaired by Scott Richardson Brown, a qualified chartered accountant. The Audit Committee is responsible for ensuring that the financial performance, position, and prospects of the Group are properly monitored and reported on and for meeting with the auditor and reviewing audit reports relating to the Company's accounts. The Audit Committee is required to report formally to the Board on its proceedings after each meeting on all matters for which it has responsibility. The Audit Committee met on three occasions during the year under review.

Remuneration Committee

The Remuneration Committee comprises Scott Richardson Brown and Ed Shaw, and is chaired by Scott Richardson Brown, a qualified chartered accountant. The Committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of shareholders and the performance of the Company.

The Board notes that additional information supplied by the Audit Committee and by the Remuneration Committee has been disseminated across the whole of this Annual Report, rather than included as separate Committee Reports.

Whilst the Board has not formally adopted appropriate delegations of authority setting out matters reserved to the Board, there are effectively no decisions of any consequence made other than by the Directors. All Directors participate in the key areas of decision-making, including the following matters:

- Formulating, reviewing and approving the Group's strategy;
- Formulating, reviewing and approving the Group's budget;
- Formulating, reviewing and approving the Group's exploration projects;
- Establishing a framework of prudent and effective controls which enable risks to be managed and assessed;
- Ensuring the necessary financial and human resources are in place for the Group to meet its objectives; and
- Setting the Group's values and standards.

The Chair and Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintains that these will evolve over time, in line with the Company's growth and development.

8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

The Directors consider that the Company and Board are not yet of a sufficient size or stage of development for a full Board evaluation to make commercial and practical sense. Therefore, the Board accepts that the Company does not comply with this aspect of the QCA Code, although in frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would be beneficial for the Company, and the Company Secretary remains on hand to provide impartial advice. The Board will keep this position under review and intends to introduce a formal Board evaluation process as the Company grows in size and stage of development.

9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Directors consider that the Company is not yet of a sufficient size or stage of development to require the adoption of a formal written remuneration policy. The Remuneration Committee considers and recommends remuneration arrangements for the Executive Director and senior management on a case-by-case basis, having due regard to the interests of shareholders, the performance of the Company, the seniority and responsibilities of the role, and pay levels at comparable AIM-listed companies. The Board accepts that the Company does not currently comply with this aspect of the QCA Code. The Board will keep this position under review and intends to adopt a formal remuneration policy, aligned with the Company's purpose, strategy and culture, as the Company grows in size and stage of development. Details of Directors' remuneration for the year are set out in the Directors' Remuneration Report.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders and other relevant stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company.

In addition, all shareholders are encouraged to attend the Company's Annual General Meeting ("AGM"), where possible. The Board discloses the result of general meetings by way of announcement and additionally discloses the results of proxy votes during the meetings and subsequently on the website. The historic proxy results of the 2025 AGM can be found on the Company's Corporate Governance webpage. The Board maintains that, if there is a resolution passed at an AGM with 20% votes against, the Company will seek to understand the reason for the results and, where appropriate, take suitable action.

The latest Corporate Documents can be found on the Company's website. Information on the Investors section of the Group's website is kept updated and contains details of relevant developments, interviews, presentations, and other key information.

Scott Richardson Brown, Non-Executive Chairman

1 June 2026

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025**

Opinion

We have audited the financial statements of Power Metal Resources PLC (the “parent company”) and its subsidiaries (the “group”) for the year ended 31 December 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2025 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 and parent company’s ability to continue to adopt the going concern basis of accounting included:

- Challenging the inputs and assumptions used in the forecasts prepared by management to assess the group’s and company’s ability to meet financial obligations including commitments, such as minimum annual license expenditure, as they fall due for a period of at least twelve months from the date of approval of the financial statements.
- Checking the mathematical accuracy of the cash flow forecasts scenarios prepared by management.
- Corroborating the committed cash flows against contractual arrangements and historic information and compared general budgeted overheads to current run rates.
- Identifying and evaluating subsequent events which affect going concern and evaluating the likelihood of occurrence of forecasted inflows.
- Stress-testing the forecasted cash flows by increasing expenditures, as well as critically reviewing committed versus non committed expenditure, in order to evaluate the likelihood of potential downside scenarios that may have an impact on headroom.
- Comparing actual results for the year to previous budgets to assess the accuracy of management’s forecasting.
- Reviewing post year end information such as minutes of board meetings and Regulatory News Service (RNS) announcements.

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

- Reviewing post year end cash position and compared this against the forecasted position.
- Assessing the adequacy of the disclosures in respect of going concern.

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

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

Our application of materiality

We apply the concept of materiality in both planning and performing the audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statements areas that are included within the scope of the audit and the extent of the sample sizes during the audit.

The materiality applied to the group financial statements was £285,300 (2024: £284,000), based on 1% (2024: 1%) of gross assets, as it is from these assets that the group seeks to deliver returns for shareholders, in particular the value of exploration and development projects the group is interested in and the recoverability of financial assets. A separate materiality was set for the group statement of comprehensive income to obtain sufficient coverage from testing of expenditure in the period. The materiality applied was £75,000 (2024: £70,000), based on 2% of the loss for the period adjusted for non-recurring items (2024: based on 1% of the profit for the period adjusted for non-recurring items).

Performance materiality for the group and parent company has been set at 70% (2024: 70%) of overall materiality, and the threshold for which we communicate errors to management has been set at 5% (2024: 5%) of overall materiality. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds. We set performance materiality based upon the required coverage from testing key items and the absence of audit adjustments in prior periods.

Materiality for the parent entity has been set at £256,700 capped at 90% of Group materiality (2024: £275,000) (2024: 1% of gross assets), with a separate materiality for the statement of comprehensive income of £48,500 (2024: £70,000), based on 2% (2024: 1%) of the loss for the period adjusted for non-recurring items.

Component performance materiality was set at £99,800 (2024: £118,000 to £99,000) for the Statement of Financial Position and £21,200 (2024: £13,600) for the Statement of Comprehensive Income, having regard to the varying size and risk profile of components across the Group.

We agreed with the audit committee that we would report to them all audit differences identified during the course of our audit in excess of £14,200 (2024: £14,000) for the Group and £12,800 (2024: £13,000) for the Parent Company. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Materiality has been reassessed at the closing stages of the audit, taking into consideration new information which arose. No alterations were made to materiality either during or at the conclusion of the audit.

Our approach to the audit

In designing our audit, we looked at areas which deemed to involve significant judgement and estimation by the directors, such as the key audit matters surrounding the carrying value of intangible assets, the classification and valuation of investments in subsidiaries, associates and joint ventures and the classification and valuation of financial assets. The remaining significant judgemental area surrounded the valuation of share-based payments reserve and the contingent consideration due from the acquisition of GSA. We also addressed the risk of management override of controls, including consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Work on all significant components of the group has been performed by us as group auditor.

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
<p>Carrying value of intangible exploration and evaluation assets (Group) – note 13</p>	
<p>The Group and Company hold material intangible assets amounting to £3,643k (2024: £4,916k) relating to capitalised exploration costs in respect of a number of mineral exploration projects.</p> <p>The Directors consider each project or asset group to assess whether there are indicators of impairment by evaluating the potential resources from exploration and evaluation work, together with the availability of finance to further evaluate the exploration rights.</p> <p>The majority of exploration projects are early stage where no independently prepared resource estimates are available. The assessment of impairment will therefore utilise the impairment indicators set out in IFRS 6 which involves estimation and judgement.</p> <p>As a result of the level of management estimation and judgement required, we consider this to be a key audit matter.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Discussing with management and evaluating the development of the projects during the period, and subsequent to the period end, for evidence of impairment indicators in accordance with IFRS 6; • Reviewing management’s impairment review position paper; • Where applicable, obtaining and reviewing correspondence and agreements (JV agreements; earn-in agreements; license agreements etc) to ensure transactions are accounted for in accordance with the terms therein; • Confirming good title to the projects exists as at the period-end; • Performing substantive tests of detail on intangible additions and confirming their eligibility for capitalisation; • Evaluating, and providing challenge to, management’s impairment assessment; and • Reviewing the disclosures in the financial statements, including those relating to estimates and judgments used and evaluating their completeness.
<p>Classification and valuation of investments in subsidiaries, associates and joint ventures (Group and Company) – note 17</p>	
<p>Investments in subsidiaries (Company only) amounting to £2,780k (2024: £3,678k), as well as joint ventures, associates and equity investments as financial assets (Group & Company), are significant balances in the financial statements.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Confirmation of ownership and good title of all investments;

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

<p>There is a risk that the requirements of IAS 28, IFRS 9, IFRS 10 and IFRS 11 have not been applied correctly, and that investment balances have been inappropriately classified and recorded in the financial statements.</p> <p>Given the early-stage exploration activities in these entities, existence of losses and potential delays in advancing developments at the underlying projects depending on the availability of funding to meet minimum expenditure and earn-in commitments, there is a risk that the investment balances are not fully recoverable.</p> <p>As a result of the level of management estimation and judgement required, we consider this to be a key audit matter.</p>	<ul style="list-style-type: none"> • Testing changes in ownership during the period under review back to supporting documents; • Considering the recoverability of investments by reference to underlying net asset values, including the recoverability potential of the underlying exploration projects; • Obtaining and reviewing Board impairment papers in respect of investments, providing appropriate challenge and obtaining corroboration for any key assumptions made; • Considering the criteria within IAS 28 Investments in Associates and Joint Ventures and determine if the accounting treatment of the JV entities is in accordance with the standard, including corroboration to relevant supporting documentation or correspondence. Consider ownership percentage, as well as any indications of significant influence, control, or joint control; • Recalculating and agreeing management's recognition of the JV's share of profit/loss for the year end; and • Reviewing disclosures made in the financial statements in accordance with IAS 28, IFRS 9 and IFRS 12 and ensure these are complete and in accordance with the applicable standard.
<p>Classification and valuation of financial assets at fair value through profit or loss (Group and Company) (note 20)</p>	
<p>The Company held investments with a value of £12.1m (2024: £16.7m) as at 31 December 2025. These are valued in accordance with International Financial Reporting Standards (IFRS) 13 and the fair value hierarchy; and classified as per IFRS 9.</p> <p>There is the risk that these investments have not been valued correctly in accordance with IFRS 13 and IFRS 9 and require impairment or reclassification.</p> <p>There is also a risk around the classification of investments as current vs non-current and also risk around classification of investment as per Level 1 to 3 as per IFRS.</p> <p>The investees are generally early-stage private companies which do not have readily available fair values under the fair value hierarchy. Calculating a</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Reviewing the valuation methodology for the investments held and ensuring that the carrying values are recoverable and supported by sufficient and appropriate audit evidence; • Ensuring that all asset types are categorised according to IFRS, including the accounting disclosures as required under IFRS 9; • Reviewing the movement in investments to ensure they are accounted for and disclosed correctly in line with IFRS 9; • Ensuring that the company has full title to the investments held; • Performing a post year-end review of regulatory news service announcements, board minutes, bank statements and ledgers to identify transactions to support the 31 December 2025 carrying value;

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

<p>fair value can therefore involve a significant level of judgement.</p> <p>As a result of the level of management estimation and judgement required, we consider this to be a key audit matter.</p>	<ul style="list-style-type: none">• Ensuring that appropriate disclosures surrounding the estimates made in respect of any valuations are included in the financial statements; and• Considering whether the transactions have been accounted for correctly within the financial statements.
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Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements 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, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and our experience of the resource exploration sector.
- We determined the principal laws and regulations relevant to the Group and company in this regard to be those arising from:
 - Companies Act 2006;
 - AIM Rules;
 - Local tax and employment law; and
 - Local environmental and exploration regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - Enquires of management;
 - Review of Board minutes;
 - Review of legal expenses; and
 - Review of RNS announcements
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the estimates, judgements and assumptions applied by management in the assessment of carrying value of intangible assets and investment balances gave the greatest potential for management bias.
- As in all our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is

POWER METAL RESOURCES PLC

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
1 June 2026

30 Churchill Place
London
E14 5RE

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year ended 31 December 2025 £'000	Period ended 31 December 2024 (restated) ¹ £'000
Revenue	6	76	200
Cost of sales		(16)	(7)
Gross profit		60	193
Operating expenses	8	(3,975)	(7,612)
Fair value gains through profit or loss	20	8,079	8,876
Profit from operating activities		4,164	1,457
Other income	7	2,993	3,101
Other expenses	7	(3,823)	-
Finance income	11	113	-
Finance costs	11	(179)	(221)
Share of post-tax losses of equity accounted joint ventures	19	(116)	(123)
Profit before tax		3,152	4,214
Taxation	12	55	10
Profit for the period from continuing operations		3,207	4,224
Other comprehensive income/(expense)			
Items that will or may be reclassified to profit or loss:			
Exchange translation		1	(25)
Total other comprehensive income/(expense)		1	(25)
Total comprehensive profit for the period		3,208	4,199
Profit for the period attributable to:			
Owners of the parent		3,546	4,456
Non-controlling interests		(339)	(232)
		3,207	4,224
Total comprehensive income attributable to:			
Owners of the parent		3,548	4,430
Non-controlling interests	24	(340)	(231)
		3,208	4,199
Earnings per share from continuing operations attributable to the ordinary equity holders of the parent:			
Basic earnings per share (pence)	26	3.05	4.06
Diluted earnings per share (pence)	26	3.05	4.01

¹ The prior year consolidated statement of comprehensive income has been restated to correct an overstatement of operating expenses, for further details see note 34.

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	As at 31 December 2025 £'000	As at 31 December 2024 (restated) ¹ £'000
Assets			
Exploration assets	13	3,643	4,916
Intangible assets	14	1,087	1,189
Investments in associates and joint ventures	19	4,126	4,242
Financial assets at fair value through profit or loss	20	10,050	884
Right-of-use assets	16	10	82
Property, plant and equipment	15	165	197
Non-current assets		19,081	11,510
Financial assets at fair value through profit or loss	20	2,040	15,859
Trade and other receivables	22	853	873
Inventories	21	-	22
Cash and cash equivalents	23	5,676	446
Current assets		8,569	17,200
Total assets		27,650	28,710
Equity			
Share capital	25	2,312	8,671
Share premium	25	-	29,258
Shares to be issued	25	-	187
Capital redemption reserve	25	-	5
Share based payment reserve	27	4,089	3,934
Convertible loan reserve	29	80	71
Exchange reserve		79	77
Accumulated profit/(losses)		19,535	(19,820)
Total		26,095	22,383
Non-controlling interests	24	(212)	896
Total equity		25,883	23,279
Liabilities			
Trade and other payables	28	699	1,661
Lease liabilities	16	20	37
Borrowings	29	568	498
Contingent consideration	30	-	89
Current liabilities		1,287	2,285
Lease liabilities	16	-	41
Borrowings	29	-	2,414
Contingent consideration	30	318	505
Provisions	16	-	6
Deferred tax	12	162	180
Non-current liabilities		480	3,146
Total liabilities		1,767	5,431
Total equity and liabilities		27,650	28,710

¹ The consolidated statement of financial position as at 31 December 2024 has been restated to correct an overstatement of accruals, for further details see note 34.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2025**

The financial statements of Power Metal Resources Plc, company number 07800337, were approved by the Board of Directors and authorised for issue on 1 June 2026. They were signed on its behalf by:

Sean Wade
Chief Executive Officer

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital	Share premium	Shares to be issued	Capital redemption reserve	Share based payment reserve	Convertible loan reserve	Exchange reserve	Accumulated profit/losses	Total	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2023	8,531	27,497	-	5	1,712	-	103	(24,276)	13,572	907	14,479
Profit for the period (restated – note 34)	-	-	-	-	-	-	-	4,456	4,456	(232)	4,224
Other comprehensive expense	-	-	-	-	-	-	(26)	-	(26)	1	(25)
Total comprehensive (expense)/income for the period (restated)	-	-	-	-	-	-	(26)	4,456	4,430	(231)	4,199
Issue of ordinary shares	140	1,761	-	-	-	-	-	-	1,901	-	1,901
Shares to be issued	-	-	187	-	-	-	-	-	187	-	187
Share-based payments	-	-	-	-	2,222	-	-	-	2,222	-	2,222
Issue of convertible loan note	-	-	-	-	-	71	-	-	71	-	71
Non-controlling interest adjustment on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	100	100

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Non-controlling interest adjustment on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	120	120
Total transactions with owners	140	1,761	187	-	2,222	71	-	-	4,381	220	4,601
Balance at 31 December 2024 (restated)	8,671	29,258	187	5	3,934	71	77	(19,820)	22,383	896	23,279

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Capital contribution reserve: relates to the assignment of receivables from subsidiary undertakings for which no consideration is expected to be paid.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Exchange reserve: Foreign exchange differences in re-translation.

Accumulated profit/losses: Cumulative net profits/(losses) recognised in the financial statements.

Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests.

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Share premium	Shares to be issued	Capital redemption reserve	Share based payment reserve	Convertible loan reserve	Exchange reserve	Accumulated profit/losses	Total	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2025 (restated)	8,671	29,258	187	5	3,934	71	77	(19,820)	22,383	896	23,279
Profit for the year	-	-	-	-	-	-	-	3,546	3,546	(339)	3,207
Other comprehensive expense	-	-	-	-	-	-	2	-	2	(1)	1
Total comprehensive income/(expense) for the year	-	-	-	-	-	-	2	3,546	3,548	(340)	3,208
Issue of ordinary shares	3	184	(187)	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	155	-	-	-	155	-	155
Modification of convertible loan note	-	-	-	-	-	9	-	-	9	-	9
Capital reduction	(6,362)	(29,442)	-	(5)	-	-	-	35,809	-	-	-

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Non-controlling interest adjustment on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(768)	(768)
Total transactions with owners	(6,359)	(29,258)	(187)	(5)	155	9	-	35,809	164	(768)	(604)
Balance at 31 December 2025	2,312	-	-	-	4,089	80	79	19,535	26,095	(212)	25,883

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Shares to be issued: Amount subscribed for share capital, issued post year end.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Convertible loan reserve: Equity element of convertible loan notes.

Exchange reserve: Foreign exchange differences in re-translation.

Accumulated profit/losses: Cumulative net profits/(losses) recognised in the financial statements.

Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests.

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		Year ended 31 December 2025 £'000	Period ended 31 December 2024 (restated) £'000
	Note		
Cash flows used in operating activities			
Profit for the period from continuing activities		3,207	4,224
Adjustments for:			
Fair value gain on financial assets	20	(8,079)	(8,876)
Fair value gain on convertible loan notes	29	-	(13)
Finance income	11	(113)	-
Finance costs	11	179	221
Share of post-tax losses of equity accounted joint ventures	19	116	123
Expenses settled in shares		-	36
Expenses settled with convertible loan notes	29	-	400
Gain on disposals	7	578	(2,804)
Gain on remeasurement of contingent consideration	7	(310)	-
Gain on modification of convertible loan notes	29	(49)	-
Gain on acquisition of option	30	(5)	-
Gain on disposal of lease	16	7	-
Depreciation	15	55	10
Amortisation on intangibles and right-of-use asset	14/16	129	22
Impairment of financial assets	20	706	-
Tax expense	12	(18)	(10)
Expected credit losses		328	57
Share-based payment expense	27	155	2,222
Foreign exchange losses		180	10
		(2,934)	(4,378)
Changes in working capital:			
(Increase)/decrease in trade and other receivables	22	(70)	309
Decrease in trade and other payables	28	(216)	(1)
Decrease/(increase) in inventories	21	22	(6)
Net cash used in operating activities		(3,198)	(4,076)
Cash flows from investing activities			
Cash acquired on acquisition of subsidiary		-	1
Investments in financial assets through profit & loss	20	(9,979)	(3)
Disposal of financial assets	20	19,863	553
Investment in joint ventures and associates	19	-	(95)
Disposal of joint venture and associates	19	-	200
Disposal of subsidiary	17	(514)	-
Investments in exploration assets	13	-	(840)
Interest received	11	47	-
Purchase of property, plant, and equipment	15	(24)	(180)
Purchase of exploration assets	13	(668)	-
Proceeds from disposal of property, plant and equipment	15	-	4
Net cash generated from/(used in) investing activities		8,725	(360)
Cash flows from financing activities			
Proceeds from issue of share capital	25	-	1,299
Proceeds from borrowings	29	439	3,000
Repayment of borrowings	29	(708)	(490)
Principal paid on lease liabilities	16	(28)	(25)
Net cash (used in)/generated from financing activities		(297)	3,784

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Increase/(decrease) in cash and cash equivalents		5,230	(652)
Cash and cash equivalents at beginning of period	23	446	1,098
Cash and cash equivalents at the end of the period	23	5,676	446

Significant non-cash transactions during the year

During the year, the Group completed the following transactions which are non-cash events and do not appear in the statement of cash flows:

A convertible loan note issued by ACAM Ltd was repaid during the year. The repayment netted off against a portion of funds received for Power Metal's sale of its GMET shareholding, therefore there was no cash movement in respect of this transaction.

Power Metal completed a capital reduction during the year, whereby the Company's share premium and capital reduction reserves were cancelled and recognised in retained earnings.

Power Metal disposed of its subsidiary shareholding in First Development Resources Plc ("FDR") during the year, on FDR's successful admission to the AIM market of the London Stock Exchange. Power Metal purchased shares in the IPO, the value of which partly netted against the intercompany loan balance. The amount in the consolidated statement of cash flows above in respect of the disposal relates to the cash balance held by FDR on disposal date, plus the remaining payment Power Metal transferred in relation to its purchase of shares, see note 17 for further detail.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	As at 31 December 2025 £'000	As at 31 December 2024 (restated) ¹ £'000
Assets			
Investments in subsidiaries	17	2,780	3,678
Investments in joint ventures	19	4,286	4,286
Financial assets at fair value through profit or loss	20	10,050	884
Property, plant and equipment	15	3	5
Non-current assets		17,119	8,853
Financial assets at fair value through profit or loss	20	2,040	15,859
Trade and other receivables	22	3,312	2,734
Cash and cash equivalents	23	5,632	89
Current assets		10,984	18,682
Total assets		28,103	27,535
Equity			
Share capital	25	2,312	8,671
Share premium	25	-	29,258
Shares to be issued	25	-	187
Convertible loan reserve	29	-	16
Capital redemption reserve	25	-	5
Share based payment reserve	27	4,089	3,934
Accumulated profit/losses		21,009	(18,452)
Total Equity		27,410	23,619
Liabilities			
Trade and other payables	28	375	908
Contingent consideration	30	-	89
Current liabilities		375	997
Borrowings	29	-	2,414
Contingent consideration	30	318	505
Non-current liabilities		318	2,919
Total liabilities		693	3,916
Total equity and liabilities		28,103	27,535

¹ The prior year company statement of financial position has been restated to correct an overstatement of accruals, for further details see note 34.

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The profit for the financial year dealt with in the financial statements of the parent Company was £3,652,000 (Period ended 31 December 2024: profit of £4,400,000 restated).

The financial statements of Power Metal Resources Plc, company number 07800337, were approved by the Board of Directors and authorised for issue on 1 June 2026. They were signed on its behalf by:

Sean Wade
Chief Executive Officer

POWER METAL RESOURCES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Convertible loan reserve £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated profit/losses £'000	Total equity £'000
Balance at 1 October 2023	8,531	27,497	-	-	5	1,712	(22,852)	14,893
Profit for the period (restated – note 34)	-	-	-	-	-	-	4,400	4,400
Total comprehensive income for the period (restated)	-	-	-	-	-	-	4,400	4,400
Issue of ordinary shares	140	1,761	-	-	-	-	-	1,901
Shares to be issued	-	-	187	-	-	-	-	187
Issue of convertible loan note	-	-	-	16	-	-	-	16
Share-based payments	-	-	-	-	-	2,222	-	2,222
Total transactions with owners	140	1,761	187	16	-	2,222	-	4,326
Balance at 31 December 2024 (restated)	8,671	29,258	187	16	5	3,934	(18,452)	23,619

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Shares to be issued: Amount subscribed for share capital, issued post year end.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Accumulated profit/losses: Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Convertible loan reserve £'000	Capital redemption reserve £'000	Share based payment reserve £'000	Accumulated profit/losses £'000	Total equity £'000
Balance at 1 January 2025 (restated)	8,671	29,258	187	16	5	3,934	(18,452)	23,619
Profit for the year	-	-	-	-	-	-	3,652	3,652
Total comprehensive income for the period	-	-	-	-	-	-	3,652	3,652
Issue of ordinary shares	3	184	(187)	-	-	-	-	-
Share-based payments	-	-	-	-	-	155	-	155
Modification of convertible loan note	-	-	-	(16)	-	-	-	(16)
Share capital reduction	(6,362)	(29,442)	-	-	(5)	-	35,809	-
Total transactions with owners	(6,359)	(29,258)	(187)	(16)	(5)	155	35,809	139
Balance at 31 December 2025	2,312	-	-	-	-	4,089	21,009	27,410

The following describes the nature and purpose of each reserve:

Share capital: Amount subscribed for share capital at nominal value.

Share premium: Amount subscribed for share capital in excess of nominal value.

Shares to be issued: Amount subscribed for share capital, issued post year end.

Convertible loan reserve: Equity element of convertible loan notes.

Capital redemption reserve: Amounts relating to the purchase of Company's own shares.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Accumulated profit/losses: Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

		Year ended 31 December 2025 £'000	Period ended 31 December 2024 (restated) £'000
	Note		
Cash flows used in operating activities			
Profit for the period from continuing activities		3,652	4,400
Adjustments for:			
Depreciation	15	3	4
Impairment of financial assets	20	706	-
Expected credit losses	22	144	42
Fair value gain on financial assets	20	(8,079)	(8,876)
Gain on acquisition of option	30	(5)	
Fair value gain on convertible loan notes	29	-	(13)
Gain on disposal of convertible loan notes	29	(16)	
Expenses settled in shares		-	36
Expenses settled with convertible loan notes	29	-	400
Finance income	11	(113)	-
Finance costs	11	78	164
Loss on disposals		1,618	(3,043)
Gain on remeasurement of contingent consideration	30	(310)	-
Share based payment expense	27	155	2,222
		(2,167)	(4,664)
Changes in working capital:			
(Increase)/decrease in trade and other receivables	22	(1,229)	97
Decrease in trade and other payables	28	(534)	(361)
Net cash used in operating activities		(3,930)	(4,928)
Cash flows from investing activities			
Purchase of property, plant and equipment	15	-	(9)
Proceeds from disposal of property, plant and equipment	15	-	4
Proceeds from disposal of financial assets	20	19,863	553
Interest received	11	47	-
Investment in joint ventures	19	-	(95)
Disposal of a joint venture	19	-	200
Investment in financial assets	20	(9,979)	(3)
Net cash generated from investing activities		9,931	650
Cash flows from financing activities			
Proceeds from issue of share capital	25	-	1,299
Proceeds from borrowings	29	250	2,500
Repayment of borrowings	29	(708)	(490)
Net cash (used in)/generated from financing activities		(458)	3,309
Increase/(decrease) in cash and cash equivalents		5,543	(969)
Cash and cash equivalents at beginning of period	23	89	1,058
Cash and cash equivalents at the end of the period	23	5,632	89

Significant non-cash transactions during the year

During the year, the Company completed the following transactions which are non-cash events and do not appear in the statement of cash flows:

A convertible loan note issued by ACAM Ltd was repaid during the year. The repayment netted off against a portion of funds received for Power Metal's sale of its GMET shareholding, therefore there was no cash movement in respect of this transaction.

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

Power Metal completed a capital reduction during the year, whereby the Company's share premium and capital reduction reserves were cancelled and recognised in retained earnings.

Power Metal disposed of its subsidiary shareholding in First Development Resources Plc ("FDR") during the year, on FDR's successful admission to the AIM market of the London Stock Exchange. Power Metal purchased shares in the IPO, the value of which partly netted against the intercompany loan balance. The amount in the statement of cash flows above in respect of the disposal relates to the cash balance held by FDR on disposal date, plus the remaining payment Power Metal transferred in relation to its purchase of shares, see note 17 for further detail.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Reporting entity

Power Metal Resources Plc is a public company limited by shares which is incorporated and domiciled in England and Wales. The address of the Company's registered office is 25 Eccleston Place, London, United Kingdom, SW1W 9NF. The consolidated financial statements of the Group as at and for the year ended 31 December 2025 include the Company and its subsidiaries. The Group is primarily involved in the exploration and exploitation of mineral resources in Africa, Australia, Canada and the Middle East.

2. Going concern

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have considered all relevant available information about the current and future position of the Group, including current level of resources, additional funding raised during the year and post-year-end (note 33), and the required level of spending on exploration and drilling activities. As part of their assessment, the Directors have also taken into account the ability to raise new funding whilst maintaining an acceptable level of cash flows for the Group to meet all commitments.

The Directors have stress tested the Group's cash projections, which involves preserving cash flows and adopting a policy of minimal cash spending for a period of at least 12 months from the date of approval of these financial statements. The Directors believe the measures they have put in place will result in sufficient working capital and cash flows to continue in operational existence, assuming that all exploration and drilling activities are managed carefully and curtailed if necessary. For the Group to carry out the desired levels of exploration and drilling activities, the Directors believe that it needs to secure further funding either from a strategic partner or subsequent equity raisings in the next financial year, which the Group has succeeded in completing over recent years. The Group also has the ability to partially dispose of equity investments if required. Taking these matters in consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

3. Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS") and IFRS as issued by the IASB. The financial statements are prepared on the historical cost basis or the fair value basis where the fair value of relevant assets or liabilities has been applied, which applies to all listed investments held by the Group and company.

(i) New and amended standards, and interpretations issued and effective for the year beginning 1 January 2025

Standard	Effective date
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none">• IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>;• IFRS 7 <i>Financial Instruments: Disclosures</i> and its accompanying <i>Guidance on implementing IFRS 7</i>;• IFRS 9 <i>Financial Instruments</i>;• IFRS 10 <i>Consolidated Financial Statements</i>; and• IAS 7 <i>Statement of Cash flows</i>	1 January 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**3. Basis of preparation (continued)****(ii) New standards, amendments and interpretations in issue but not yet effective**

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue for the year beginning 1 January 2025 but not yet effective:

Standard	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS for SMES third edition	1 January 2027
IAS 21 The Effects of Changes in Foreign Exchange Rates	1 January 2027

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Group or Company in future periods.

Accounting periods

The financial statements have been prepared covering the year ended 31 December 2025. The comparative financial period was for the 15-month period ended 31 December 2024. The change to a December year end was to provide the Company with greater flexibility to complete its audit after those of its subsidiaries, a significant number of which have year ends of 30 September. The Group's consolidated financial statements cover the financial period from 1 January 2025 to 31 December 2025 (2024: 1 October 2023 to 31 December 2024). Therefore, the current and prior periods presented are not entirely comparable.

Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling ("£"), which is the Group's presentation currency and the Company's functional and presentation currency. All financial information presented has been rounded to the nearest thousand pounds, except where otherwise indicated.

Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements and/or have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Group

Carrying value of exploration assets - Note 13

In arriving at the carrying value of intangible assets, the Group determines the need for impairment based on the level of geological knowledge and confidence of the mineral resources. Such decisions are taken on the basis of the exploration and research work carried out in the year utilising expert reports.

Carrying value of intangible assets - Note 14

The fair value of intangible assets acquired through business combinations is determined using appropriate valuation techniques, which involve significant judgement, including the estimation of future cash flows expected to be generated over a number of years.

Goodwill is tested for impairment annually, or more frequently where there is an indication of impairment. The recoverable amount of the relevant cash-generating units ("CGUs") is determined based on value-in-use calculations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3. Basis of preparation (continued)

These calculations require the use of key assumptions and estimates, including forecast future cash flows based on approved business plans and budgets and assumptions regarding revenue growth, operating margins, and capital expenditure requirements. Management determines these assumptions based on past experience, external sources of information, and expectations of future market conditions.

There is inherent uncertainty associated with these assumptions, and changes in key assumptions could result in material adjustments to the carrying amounts of goodwill. Sensitivity analyses are performed to assess the impact of reasonably possible changes in key assumptions, particularly discount rates and growth rates, on the recoverable amount of the CGUs. Details of the assumptions made are provided in note 14.

Contingent consideration

- Note 30

As part of the accounting for business combinations, the Group recognises contingent consideration at fair value on the acquisition date, revalued at each reporting date. The determination of this fair value involves significant judgement and estimation, particularly where the contingent consideration is based on the achievement of future performance targets or other conditions.

The key inputs and assumptions used in the valuation include:

- Forecast future revenue or EBITDA of the acquired business;
- Probability-weighted scenarios of target achievement;
- Discount rates applied to future cash flows; and
- Time period over which conditions are to be met.

Classification of investments

- Note 17 & 19

The Group determines the classification of investment in associates based on whether significant influence is held in the entity. The existence of significant influence is evidenced in the following ways:

- Board of Directors' representation,
- Management personnel swapping or sharing,
- Material transactions with the investee,
- Policy-making participation,
- Technical information exchanges.

If there is no evidence of any of the above, the Group determines that investments held are classified as financial assets.

Fair value measurement

- Note 20

All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy.

For investments which are unlisted, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Parent

Receivables from Group undertakings

- Note 22

The Parent Company in applying the expected credit loss ("ECL") model under IFRS 9 must make assumptions when implementing the forward-looking ECL model. This model is required to be used to assess the intercompany loans receivable from subsidiaries for impairment.

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included production, divestment, fire-sale and failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. The Directors make judgements on the expected likelihood and outcome of each of the above scenarios, and these expected values are applied to the loan balances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting policies

Valuation of share-based payments

- Note 27

Accounting for some equity-settled share-based payment awards required the use of valuation models to estimate the future share price performance of the Company. These models require the Directors to make assumptions regarding the share price volatility, risk free rate and expected life of awards in order to determine the fair values of the awards at grant date.

The accounting policies set out below have been applied consistently throughout the period presented in these consolidated financial statements and have been applied consistently by Group entities.

Carrying value of investments

- Note 17

Investments in subsidiaries are stated at cost less accumulated impairment losses in the Company financial statements.

The carrying value of investments is reviewed for impairment when there are indicators that the carrying amount may not be recoverable. In addition, where material, investments may be assessed annually for impairment. The recoverable amount is determined as the higher of value in use and fair value less costs of disposal.

The estimation of recoverable amount requires significant judgement and is based on valuation techniques consistent with those applied for impairment testing of goodwill under IAS 36. Value-in-use calculations are typically applied and are based on discounted future cash flow projections derived from the underlying subsidiaries' financial forecasts.

Management exercises judgement in determining these assumptions, taking into account historical performance, external market data, and expectations of future economic conditions. Due to the inherent uncertainty in forecasting future cash flows and determining appropriate discount rates, changes in key assumptions could result in material adjustments to the carrying value of investments. Where indicators of impairment exist, sensitivity analyses may be performed to assess the impact of reasonably possible changes in assumptions on the recoverable amount.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December 2025.

Business combinations

On acquisition, the assets and liabilities of a subsidiary are measured at their fair value on the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) is lower than the fair value of the assets, liabilities and contingent liabilities and the fair value of any pre-existing interest held in the business acquired, the difference is recognised in profit and loss.

(i) Subsidiaries and acquisitions

Business combinations are accounted for using the acquisition method as at the acquisition date i.e., when control is transferred to the Group. Control is when the investor has power over the investee, exposure or rights, to variable returns from its involvements with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries acquired or disposed of during the year are included in the statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

4. Significant accounting policies (continued)

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent Company. When changes in ownership of a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(ii) Equity accounted investees

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not the ability to control or jointly control those policies. Investments in associates are accounted for using the equity method of accounting.

Equity method of accounting

Under the equity method of accounting, interests in associates are initially recognised at cost. The Group's share of associates post-acquisition profit/loss after tax and other comprehensive income/loss are presented as the 'Share of post-tax losses of equity accounted joint ventures' in the Group income statement and Group statement of other comprehensive income respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment less any impairment in value. Where indicators of impairment arise, the carrying amount of the associate is tested for impairment by comparing its recoverable amount against its carrying value. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are similarly eliminated to the extent that they do not provide evidence of impairment of a transferred asset. When the Group's share of losses in an associate is equal to or exceeds its interest in the associate, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the entity.

When the Group ceases to have significant influence, any retained interest in the entity is re-measured to its fair value at the date when significant influence is lost with the change in carrying amount recognised in the income statement. The Group also reclassifies any movements previously recognised in other comprehensive income to the income statement.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Revenue

The Group recognises revenue when control of the goods or services has transferred to the customer, which typically occurs upon the delivery of each agreed deliverable, in line with the contractual terms. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be reliably measured. All revenue relates to specific, deliverable-based research and development ("R&D") feasibility study engagements.

Each contract was reviewed to assess the existence of distinct performance obligations. The contracts primarily contained a single performance obligation corresponding to the completion of defined feasibility study milestones or deliverables. In cases where multiple deliverables were included, the transaction price was allocated based on the relative standalone selling prices of each performance obligation. The transaction price was determined based on the consideration specified in each customer contract, net of any variable consideration such as discounts or rebates. Revenue was recognised at the point in time when each contractual deliverable was completed and transferred to the customer, in accordance with the performance milestones outlined in each agreement.

All revenue for completed contract deliverables was invoiced and fully received in line with the agreed commercial terms, with no variable consideration or significant financing components. There were no contract assets or liabilities outstanding at the reporting date.

The notes on pages 47 to 88 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting policies (continued)

(c) Grant income

Grants are recognised where there is reasonable assurance that the entity will comply with the conditions attached to the grant and that the grant will be received. Government grants that are received to compensate for expenses or losses already incurred, or for the purpose of giving immediate financial support with no future related costs, are recognised in the income statement in the period in which they become receivable. Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention have been satisfied, the deferred income balance is released to the consolidated statement of comprehensive income.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation into an entity's functional currency are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Pounds Sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Pounds Sterling at exchange rates at the dates of the transactions, with differences recognised in other comprehensive income.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income and presented in the exchange reserve in equity.

(e) Financial instruments

(i) Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows;

Amortised cost

The Group's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using lifetime ECLs. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The notes on pages 47 to 88 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting policies (continued)

Cash and cash equivalents comprise cash and cash at bank balances.

Fair value through profit or loss

Financial assets held at fair value through the profit or loss comprise equity investments held. These are carried in the statement of financial position at fair value (refer to fair value hierarchy below). Subsequent to initial recognition, changes in fair value are recognised in the statement of comprehensive income.

(ii) Financial liabilities

The Group's financial liabilities include trade and other payables. All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, using the effective interest method.

Unless otherwise indicated, the carrying values of the Group's financial liabilities measured at amortised cost represent a reasonable approximation of their fair values.

Fair value

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy. The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments and other assets and liabilities for which the fair value was used:

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(f) Provisions/contingent liabilities

Possible obligations depending on whether uncertain future events occur or present obligations where payment is not probable and/or cannot be measured reliably, are not recognised in the financial statements of the Group due to the uncertain nature of the instrument, instead, details of contingent liabilities are disclosed in the notes to the financial statements.

(g) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Where shares are issued after the reporting date, but funds are received prior, the amounts are recognised in equity as 'shares to be issued'.

(h) Exploration assets

(i) Prospecting and exploration rights

Rights acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and development expenditure are recognised at cost.

Exploration and evaluation costs arising following the application for the legal right, are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. When a project is deemed not feasible, related costs are expensed as incurred. Costs incurred include any costs pertaining to technical and administrative overheads. Administration costs that are not directly attributable to a specific exploration area are expensed as incurred, and subsequently capitalised if it is reasonably certain that a resource will be defined.

Capitalised development expenditure will be measured at cost less accumulated amortisation and impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting policies (continued)

(ii) Impairment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for deferred exploration and evaluation expenditure are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise such as:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in mineral prices that render the project uneconomic;
- substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and
- the period for which the Group has the right to explore has expired and is not expected to be renewed.

Impairment losses are recognised in profit or loss. For all assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Intangible assets

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Other intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Technology	10 years useful life
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(j) Employee benefits – share based payments

The grant date fair value of share-based payment awards granted to employees is recognised as an expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair

The notes on pages 47 to 88 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting policies (continued)

value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Market vesting conditions are factored into the fair value of all options granted. If all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

(k) Finance income and finance expense

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(l) Taxation

Tax expense or credit comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting policies (continued)

(m) Segmental information

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

The Group disclose reportable segments which are regularly reviewed by the chief operating decision maker, (the CEO) and revenues, expenses and non-current assets in relation to each reporting segment are presented in note 5 to the financial statements.

(n) Property, plant and equipment

Fixture assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using both the straight-line method, and reducing balance, on the following bases:

Fixtures and fittings	25% reducing balance
Plant and machinery	25% reducing balance
Computer equipment	3 year straight line
Motor vehicles	4 year straight line

(o) Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones valued under £5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

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.

The lease payments include fixed payments, less any lease incentive receivable, variable leases payments based on an index or rate, the exercise price of a purchase option (if the lessee is reasonably certain to exercise that option), payments of penalties for terminating the lease (if the lease term reflects the lessee exercising an option to terminate the lease) and amounts expected to be payable by the lessee under residual value guarantees.

Lease liabilities are subsequently measured on an ongoing basis similarly to other financial liabilities, using an effective interest method, so that the carrying amount of the lease liability is measured on an amortised cost basis and the interest expense is allocated over the lease term.

Right-of-use assets

At the commencement of the lease, the right-of-use asset is measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

The right-of-use asset is subsequently measured using the cost model. Under the cost model, right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

4. Significant accounting policies (continued)

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. Any options to extend or terminate the leases that are included in the lease term must also be enforceable. The Group assesses whether the extension and termination options impact the lease term taking into consideration whether the options are reasonably certain to be exercised or not. When an extension option must be agreed both by the Group and the lessor, the periods related to the extension option are not included in the lease term as they are not enforceable.

The majority of extension and termination options included within the Group's lease agreement must be agreed both by the Group and by the respective lessor.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Convertible loan notes

Fair value of convertible loan notes in the financial statements comprises the valuation of fair value of the equity element regarding to a conversion option to issue shares and fair value of the liability's elements of the compound financial instrument. The fair value of the liability element is based on contractual cash flow discounted at 25% of the market interest rate on Company's debt estimated by the Directors. The equity component is subsequently measured at the residual amount, before deducting the fair value of the liability component from the proceeds received. Further details can be found in note 29.

(r) Inventories

Inventory is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stock. Cost includes all direct costs and appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract-by-contract basis by recording turnover and related costs as contract activity progresses.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

5. Operating segments

The Group has one single business segment which is the exploration of mineral resources and exploration.

During the year, the Group's exploration and development activities focussed on several geographical areas, with support provided from the UK headquarters. The non-current assets held by each geographical segment is detailed in the table below.

2025	Australia	Botswana	Canada	Saudi Arabia	UK	UAE	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Exploration assets	-	2,646	107	890	-	-	3,643
Intangible assets	-	-	-	-	1,087	-	1,087
Investments in joint ventures	-	-	4,126	-	-	-	4,126
Financial assets at fair value through profit or loss	-	-	-	-	9,045	1,005	10,050
Right-of-use asset	-	-	-	-	10	-	10
Property, plant & equipment	-	1	-	-	164	-	165
Total	-	2,647	4,233	890	10,306	1,005	19,081

2024	Australia	Botswana	Canada	Saudi Arabia	UK	UAE	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Exploration assets	1,714	2,782	107	313	-	-	4,916
Intangible assets	-	-	-	-	1,189	-	1,189
Investments in joint ventures	-	-	4,242	-	-	-	4,242
Financial assets at fair value through profit or loss	20	-	471	-	393	-	884
Right of use asset	-	-	-	-	82	-	82
Property, plant & equipment	1	1	-	-	195	-	197
Total	1,735	2,783	4,820	313	1,859	-	11,510

6. Revenue

All Group revenue was generated from the sale of services and recognised at a point of time, being when control passed to the customer. Two customers make up 10% or more of revenue in the year ended 31 December 2025 (period ended 31 December 2024: 3). Management considers revenue derived from one business stream being R&D feasibility study engagements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

6. Revenue (continued)

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Sales	76	200
	<u>76</u>	<u>200</u>

Customer analysis

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Customer 1	73	80
Customer 2	-	80
Customer 3	3	40
	<u>76</u>	<u>200</u>

Geographical reporting

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
United Kingdom	3	40
Saudi Arabia	73	160
	<u>76</u>	<u>200</u>

7. Other income and expenses

Other income includes:	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Gain on disposal of property, plant and equipment	-	3
Gain on disposal of financial assets	-	49
Gain on disposal of subsidiaries	2,518	2,690
Gain on disposal of associates and joint ventures	-	206
Gain on settlement of loan interest in shares	-	13
Grant income	111	140
Gain on remeasurement of contingent consideration	310	-
Gain on convertible loan note modification	49	-
Gain on acquisition of option	5	-
	<u>2,993</u>	<u>3,101</u>

Other expenses include:	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Loss on disposal of financial assets	3,103	-
Loss on disposal of exploration assets	7	-
Impairment losses on financial assets	706	-
Loss on disposal of lease	7	-
	<u>3,823</u>	<u>-</u>

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. Operating expenses

Operating expenses include:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Staff costs (note 9)	1,330	3,043
Foreign exchange loss	160	52
Share based payment expense	155	2,222
Auditor's remuneration for audit of the Group and Company financial statements	80	50

9. Staff costs

	Group Year ended 31 December 2025 £'000	Company Year ended 31 December 2025 £'000	Group Period ended 31 December 2024 £'000	Company Period ended 31 December 2024 £'000
Directors emoluments (note 10)	506	392	888	793
Staff salaries	682	330	820	635
Social security contributions	131	99	203	183
Share based payments	-	-	1,119	1,119
Pensions	11	7	13	11
Total	1,330	828	3,043	2,741

The monthly average number of employees (including Directors) during the year was:

	Group Year ended 31 December 2025	Company Year ended 31 December 2025	Group Period ended 31 December 2024	Company Period ended 31 December 2024
Directors and staff	16	8	20	11
Total	16	8	20	11

10. Directors' emoluments

Year ended 2025

	Executive £'000	Non- executive £'000	Total £'000
Wages and salaries	262	244	506
Social security contributions	58	55	113
Total	320	299	619

Year ended 2024

	Executive £'000	Non- executive £'000	Total £'000
Wages and salaries	519	369	888
Social security contributions	84	44	128
Share-based payments	193	221	414
Total	796	634	1,430

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

10. Directors' emoluments (continued)

Emoluments disclosed above include the following amounts paid to the highest Director:

	Year ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Emoluments for qualifying services	<u>320</u>	<u>500</u>

11. Finance income and costs

	Year ended 2025 £'000	Period ended 2024 £'000
Bank interest received	47	-
Interest on government gilts	66	-
	<u>113</u>	<u>-</u>

	Year ended 2025 £'000	Period ended 2024 £'000
Interest on borrowings	44	143
Interest on lease liabilities	2	5
Interest on contingent consideration	34	19
Interest on convertible loan notes	99	54
	<u>179</u>	<u>221</u>

12. Taxation

	Year ended 2025 £'000	Period ended 2024 £'000
Current tax		
Current tax on profit for the year	-	-
R&D tax credit	37	-
Deferred tax		
Origination and reversal of temporary differences	18	10
Total taxation credit	<u>55</u>	<u>10</u>

Reconciliation of tax credit

	Year ended 2025 £'000	Period ended 2024 (restated) £'000
Profit from operations	<u>3,207</u>	<u>4,224</u>
Tax using the Company's effective domestic tax rate of 25% (2024: 25%)	802	1,054
Effects of:		
Disallowable expenditure	(447)	(1,909)
R&D tax credit	37	-
Adjustments to deferred tax	18	10
Current losses with no recognisable deferred tax asset	(355)	855
	<u>55</u>	<u>10</u>

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

12. Taxation (continued)

Factors that may affect future tax charges

At the year end, the UK Company had unused tax losses available for offset against suitable future profits of approximately £11,950,000 (2024: £7,948,000). The amount reflects management's best estimate based on information available at the reporting date. A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams.

Reconciliation of deferred tax

	Year ended 2025 £'000	Period ended 2024 £'000
Deferred tax liability		
Opening balance	180	-
Arising on business combinations	-	190
Credited to the income statement	(18)	(10)
Total deferred tax liability	<u>162</u>	<u>180</u>

Deferred tax liabilities comprise the value of the effective corporation tax for each year, relating to the value of intangible assets acquired from business combinations, over the amortisation period.

13. Exploration assets

Group	Prospecting and exploration rights £'000
Cost	
As at 1 October 2023	6,073
Additions	1,340
Disposal	(1,335)
Effect of foreign exchange	(36)
Balance at 31 December 2024	<u>6,042</u>
As at 1 January 2025	6,042
Additions	668
Disposal	(1,782)
Effect of foreign exchange	(159)
Balance at 31 December 2025	<u>4,769</u>
Impairment	
As at 1 October 2023	1,126
Balance at 31 December 2024	<u>1,126</u>
As at 1 January 2025	1,126
Balance at 31 December 2025	<u>1,126</u>
Net book value	
At 31 December 2024	4,916
At 31 December 2025	<u><u>3,643</u></u>

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

13. Exploration assets (continued)

During the year, the Group disposed of its direct interest in the Wallal, Braeside West, Selta & Ripon Hill Projects and acquired additional intangible assets in Saudi Arabia and the UAE, see below:

	Year ended 2025 £'000	Period ended 2024 £'000
Exploration assets		
Authier North Project	107	107
Tati Gold-Nickel Project	339	365
Wallal, Braeside West, Selta & Ripon Hill Projects	-	1,714
Molopo Farm Project	2,307	2,417
Alara Project	590	186
AMAK Project	-	7
Riwaq/EVM Project	300	120
Total	3,643	4,916

The Directors regularly assess the carrying value of the Group's assets, including its prospecting and exploitation rights, and write off any exploration expenditure that they believe to be irrecoverable.

Authier North Project

In July 2023, Power Metal announced the early completion of an earn-in to a 100% interest in Authier North. The Authier North Property consists of 15 mineral claims covering an area of approximately 560 hectares and is prospective for lithium pegmatites and base metal mineralisation.

Tati Gold-Nickel Project

Located in Tati Greenstone Belt, in northeastern Botswana, Power Metal has a 100% interest in two prospecting licences which form the 91.14km Tati Project, targeting gold and nickel discoveries. Recent soil geochemistry results, reported in February 2024 has identified multiple anomalous areas, including samples of up to 1.076 grammes per tonne ("g/t") gold ("Au") in soil; and represents a significant extension zone trending southwest from the original Cherished Hope historical mine workings where Power Metal in 2022 drilled 3m at 16.77g/t Au from 5m.

Wallal Project, Ripon Hills, Braeside Project and Selta Project

On 29 July 2025, First Development Resources Plc ("FDR") listed on the AIM market of the London Stock Exchange, resulting in a dilution of POW's shareholding leading to a disposal of the subsidiary investment during the year. POW's interests in the projects were therefore disposal of, and the remaining investment in FDR was subsequently recognised as a financial asset.

Molopo Farms Complex Project

In November 2022, Power Metal acquired an additional 58.7% equity stake in private company Kalahari Key Mineral Exploration Pty Limited ("KKME"), taking the Company's holding to 87.71%. KKME is a Botswana registered exploration company with a 100% interest in the 1,723km² Molopo Farms Complex Project ("MFC"). At the MFC, Power Metal is targeting a district-scale nickel and platinum group element.

Alara/Block 8 Project

In October 2024, Power Metal signed a legally binding agreement with Alara Resources Limited ("Alara") and Awtad Copper, to earn a 12.5% stake in the Block 8 concession in Oman. Power Metal achieved the earn-in milestone of 10% based on expenditure of \$500,000 during the year and a further US\$240,000 was spent to attain the remaining 2.5% stake by the end of the year.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. Exploration assets (continued)

AMAK Project

In September 2024, Power Metal signed a Letter of Intent, with AMAK, a Saudi Arabian listed exploration and mining company, for Power Metal to spend \$3,000,000 to earn a 49% stake in the Qatan exploration licence in southern Saudi Arabia. However, unable to reach mutually acceptable terms, both parties decided not to enter into a binding agreement. The project costs incurred were written off during the year.

Riwaq/EVM Project

Power Metal achieved a 20% holding in the Balthaga project from RIWAQ Al-Mawarid for Mining (“RIWAQ”) in Saudi Arabia following the completion of the required US\$350,000 expenditure, during the year. The Company is committing to spend a further US\$150,000 in order to increase the shareholding to 30%. A comprehensive data review and prospectivity re-assessment was completed post-year end identifying new potential targets for rare earth and critical elements. Following the earn in of the later of the first or second interest, Power Metal and RIWAQ will form a joint venture in proportion to their tenement interests.

14. Intangible assets

Group

	Technology £'000	Goodwill £'000	Total £'000
Cost			
As at 1 January 2025	761	429	1,190
Balance at 31 December 2025	761	429	1,190
Amortisation			
As at 1 January 2025	(1)	-	(1)
Charge for the year	(102)	-	(102)
Balance at 31 December 2025	(103)	-	(103)
Net book value			
At 31 December 2024	760	429	1,189
At 31 December 2025	658	429	1,087

Goodwill was calculated as the fair value of initial consideration paid less the fair value of identifiable assets at the date of acquisition.

Following initial recognition, goodwill is subject to impairment reviews, at least annually, and measurement at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are those regarding:

- number of years of cash flows used and forecast growth rate;
- discount rate; and
- terminal growth rate.

No impairment is indicated for the CGU using the value in use calculation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

14. Intangible assets (continued)

Number of years of cash flows used and forecast growth rate

The recoverable amount of the CGU is based on a board and management approved value in use calculation using specific cash flow projections over a five-year period and a terminal growth rate thereafter. The budget for the following financial year forms the basis for the cash flow projections for the CGU. The cashflow projections for the four years subsequent to the forecast year use a growth rate of 49.52%, based on management assumptions.

Pre-tax discount rate

The Group's pre-tax weighted average cost of capital has been used to calculate a discount rate of 19%. This reflects current market assessments of the time value of money for the period under review and the risks specific entities.

Terminal growth rate

An appropriate terminal growth rate is selected, based on the Directors expectations of growth beyond the five-year period. The terminal growth rate used is 2%.

Sensitivity to changes in assumptions

Management have performed sensitivity analysis on key assumptions. A base case and two further scenarios were equally weighted to provide a sensitised scenario. The assumed independent sensitivities in the scenarios were decreasing revenue by 20% and increasing cost of sales and operating expenses by 20%.

Based on the impairment tests performed, no impairment of goodwill was identified to the year ended 31 December 2025. With regard to the value in use assumptions, the directors believe that reasonably possible changes in any of the above key assumptions would not cause the carrying value of the unit to exceed its recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

15. Property, plant and equipment

Group	Fixtures and fittings £'000	Plant and machinery £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
As at 1 October 2023	4	-	7	10	21
Additions on acquisition	-	21	-	-	21
Additions	4	167	9	-	180
Disposals	-	-	(2)	-	(2)
Balance at 31 December	<u>8</u>	<u>188</u>	<u>14</u>	<u>10</u>	<u>220</u>
Depreciation					
As at 1 October 2023	2	-	4	7	13
Charge for the period	-	3	4	3	10
Balance at 31 December	<u>2</u>	<u>3</u>	<u>8</u>	<u>10</u>	<u>23</u>
Cost					
As at 1 January 2025	8	188	14	10	220
Additions	-	24	-	-	24
Disposals	-	-	(4)	-	(4)
Balance at 31 December	<u>8</u>	<u>212</u>	<u>10</u>	<u>10</u>	<u>240</u>
Depreciation					
As at 1 January 2025	2	3	8	10	23
Charge for the year	2	50	3	-	55
Disposals	-	-	(3)	-	(3)
Balance at 31 December	<u>4</u>	<u>53</u>	<u>8</u>	<u>10</u>	<u>75</u>
Net book value					
At 31 December 2024	<u>6</u>	<u>185</u>	<u>6</u>	<u>-</u>	<u>197</u>
At 31 December 2025	<u><u>4</u></u>	<u><u>159</u></u>	<u><u>2</u></u>	<u><u>-</u></u>	<u><u>165</u></u>

16. Right-of-use assets

The Group leases a number of assets in the jurisdictions from which it operates in with all lease payments, in substance, fixed over the lease term, where there are leasehold properties which hold a variable element to lease payments made these are not fixed and not capitalised as part of the right of use asset. All expected future cash out flows are reflected within the measurement of the lease liabilities at each year end.

The Group held 3 (2024: 4) active leases at 31 December 2025.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

16. Right-of-use assets (continued)

	Leasehold property £'000	Plant and machinery £'000	Total £'000
Cost			
As at 1 January 2025	96	7	103
Disposals	(45)	-	(45)
Balance at 31 December 2025	<u>51</u>	<u>7</u>	<u>58</u>
Amortisation			
As at 1 January 2025	(17)	(4)	(21)
Charge for the year	(24)	(3)	(27)
Balance at 31 December 2025	<u>(41)</u>	<u>(7)</u>	<u>(48)</u>
Net book value			
At 31 December 2024	79	3	82
At 31 December 2025	<u>10</u>	<u>-</u>	<u>10</u>

Lease liabilities

	Leasehold property £'000	Plant and machinery £'000	Total £'000
As at 1 January 2025	75	3	78
Interest expense	2	0	2
Lease payments	(16)	(12)	(28)
Disposal	(32)	-	(32)
Balance at 31 December 2025	<u>29</u>	<u>(9)</u>	<u>20</u>

Short term or low value lease expense

	Year ended 2025 £'000	Period ended 2024 £'000
Total short term or low value lease expense	23	82
	<u>23</u>	<u>82</u>

Reconciliation of minimum lease payments

	Year ended 2025 £'000	Period ended 2024 £'000
Within 1 year	20	37
Later than 1 year and less than 5 years	-	41
Total including interest cash flows	20	78
Less: interest cash flows	(1)	(7)
Total principal cash flows	<u>19</u>	<u>71</u>

Reconciliation of current and non-current lease liabilities

	Year ended 2025 £'000	Period ended 2024 £'000
Current	20	37
Non-current	-	41
	<u>20</u>	<u>78</u>

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

17. Investments in subsidiaries

Company	Investment in subsidiary undertakings £'000
As at 1 October 2023	7,184
Additions	1,307
Balance at 31 December 2024	8,491
As at 1 January 2025	8,491
Disposals	(898)
Balance at 31 December 2025	7,593
Impairment	
As at 1 October 2023	4,813
Balance at 31 December 2024	4,813
As at 1 January 2025	4,813
Balance at 31 December 2025	4,813
Net book value	
At 31 December 2024	3,678
At 31 December 2025	2,780

	Year ended 2025 £'000	Period ended 2024 £'000
Non-current investments		
Investment in Power Arabia Ltd	580	580
Investment in First Development Resources Plc	-	899
Investment in Kalahari Key Mineral Exploration Company (Pty) Ltd	1,472	1,472
Investment in GSA (Environmental) Ltd	728	727
Total investment in subsidiaries	2,780	3,678

On 29 July 2025, First Development Resources Plc (“FDR”) successfully listed on the AIM market of the London Stock Exchange (“Admission”). On this date, Power Metal derecognised FDR as a subsidiary and transferred its interest in FDR to financial assets. On IPO, Power Metal purchased a number of FDR shares, of portion of which the value netted against the intercompany loan balance. FDR has been included as a subsidiary from 1 January 2025 to 29 July 2025. All assets and liabilities of the entity, along with the non-controlling interest, were derecognised on this date.

The net assets disposed of and gain on disposal, in relation to FDR, as at 29 July 2025 were as follows:

Net assets disposed of and gain on disposal	29 July 2025 £'000
Intangible assets	877
Cash and cash equivalents	222
Trade and other payables	(1,221)
Borrowings	(136)
Exchange reserve	(20)
	(278)
Movement in non-controlling interest	768
Fair value uplift on recognition of financial asset	1,964
Other receivable written off	(492)
Gain on sale of discontinued operation	2,518

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

17. Investments in subsidiaries (continued)

	29 July 2025
	£'000
Net cash outflow arising on disposal:	
Consideration paid in cash for shares on IPO	(292)
Less cash and cash equivalents disposed of	(222)
Net cash outflow	(514)

At the date of this report, all subsidiaries are still owned by the Company as per the ownership interests shown below.

Entity	Activity	Country of incorporation	Ownership interest	Registered office
African Battery Metals Ltd	Mining and exploration	United Kingdom	100%	25 Eccleston Place, London, United Kingdom, SW1W 9NF
Kalahari Key Mineral Exploration Pty Ltd	Mining and exploration	Botswana	87.71%	Plot 50788, Phakalane, Botswana
Power Arabia Ltd	Mining and exploration	United Kingdom	82.86%	25 Eccleston Place, London, United Kingdom, SW1W 9NF
Tati Greenstone Resources Pty Ltd	Mining and exploration	Botswana	100%	Plot 337/338, Corner Khama Street & Selous Avenue, Francistown, Botswana
Power Metal Resources Botswana Pty Ltd	Mining and exploration	Botswana	100%	Plot 13130, East Gate Building, Broadhurst Mail, Broadhurst, Gaborone, Botswana
ION Battery Resources Ltd	Mining and exploration	United Kingdom	100%	25 Eccleston Place, London, United Kingdom, SW1W 9NF
102162331 Saskatchewan Ltd	Mining and exploration	Canada	100%	507 6th Avenue East Vancouver, British Columbia Canada, V5T 1K9
GSA (Environmental) Ltd	Mining and exploration	United Kingdom	75%	Salisbury House, London Wall, London, United Kingdom, EC2M 5PS

For the year ended 31 December 2025, Power Arabia Ltd incurred a loss of £358,629 (2024: £457,934), and GSA (Environmental) Ltd incurred a loss of £534,847 (2024: £85,204). There were no other material losses in the subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**18. Capital commitments**

As an exploration and development company, Power Metal has a portfolio of exploration projects held through holding companies aligned to local jurisdictions. While these entities are required to maintain good standing through regulatory filings, financial reporting and tax compliance, the Company is not subject to fixed or unavoidable financial commitments in respect of these obligations beyond normal administrative requirements.

Exploration activities are typically governed by licence or contractual frameworks that may include indicative or minimum expenditure levels. However, such expenditures are discretionary in nature and are undertaken at the Company's election, with activity levels adjusted according to available funding and strategic priorities. The Company retains flexibility to scale back or cease activities on any project, in which case associated costs would largely fall away. Upon renewal of the licences held at Molopo Farm Project (earliest of which will be 1 July 2026), the minimum expenditure commitments in respect of these licences will be BWP5,650,000 (c.£315,000), in the first year and BWP1,500,000 (c.£84,000) in year two.

Certain projects include production royalties and milestone payments. These are contingent upon projects reaching production and generating revenues, which is not expected to occur in the short term. As such, no obligation exists in respect of these items. Exploration licences, claims and permits are subject to periodic renewal, generally involving modest administrative fees. These do not represent material or binding financial commitments.

The Company expects to spend US\$150,000 on the Balthaga project held by Power Arabia Ltd in the near term. This represents planned discretionary expenditure rather than a contractual commitment.

No provision has been made in the financial statements for these amounts as the Company does not have any contractual or legally binding capital commitments in respect of its exploration projects at the reporting date. While certain licences or agreements may include indicative or minimum work programmes, these do not give rise to unavoidable obligations, as the Company retains the ability to withdraw from or not renew such interests without significant penalty.

19. Investments in joint ventures

Group	Year ended	Period ended
	2025	2024
	£'000	£'000
Opening balance	4,242	290
Additions	-	4,381
Share of losses	(116)	(123)
Disposals	-	(306)
Closing balance	<u>4,126</u>	<u>4,242</u>
Company	Year ended	Period ended
	2025	2024
	£'000	£'000
Opening balance	4,286	811
Additions	-	4,286
Disposals	-	(811)
Closing balance	<u>4,286</u>	<u>4,286</u>

Fermi Exploration Ltd

In October 2024, the Company disposed of 70% of its shareholding in Power Metal Resources Canada Inc., to UCAM Limited, and retained the remaining 30%. Power Metal Resources Canada Inc. was subsequently renamed to Fermi Exploration Ltd ("Fermi") and is recognised as a joint venture on the statement of financial position.

During the year, the Company recharged £82,300 (2024:£115,000) to Fermi in relation to administrative costs paid for by Power Metal.

Fermi recognised a loss of approximately CAD\$715,300 (2024: CAD\$254,500 for the period from recognition as an associate to 31 December 2024). Power Metal included its share of the loss in the financial statements for the

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

19. Investments in joint ventures (continued)

year ended 31 December 2025. This amounted to £116,100 (2024: £45,000). Summarised financial information for Fermi is listed below:

	Year ended 2025 CAD\$'000	Period ended 2024 CAD\$'000
Current assets		
Cash and cash equivalents	5,891	8,441
Total current assets	5,891	8,441
Non-current assets		
Mineral tenements	12,366	2,099
Investment in subsidiary	5	3
Total non-current assets	12,371	2,102
Total assets	18,262	10,543
Current liabilities		
Trade creditors	135	76
Total current liabilities	135	76
Total liabilities	135	76

20. Financial assets at fair value through profit or loss

Group			Year ended 2025 Total £'000	Period ended 2024 Total £'000
	Listed £'000	Unlisted £'000		
Non-current				
Opening balance	210	674	884	1,161
Additions	-	9,984	9,984	125
Fair value adjustment – equity investment	-	-	-	(93)
Fair value adjustment – derivative assets	-	-	-	15
Reclassification to current financial assets	(178)	-	(178)	(34)
Effective interest	-	66	66	-
Disposals	-	-	-	(290)
Impairment	-	(706)	(706)	-
Closing balance	32	10,018	10,050	884
			Year ended 2025 Total £'000	Period ended 2024 Total £'000
Current				
Opening balance	15,705	154	15,859	7,188
Additions	2,862	-	2,862	188
Fair value adjustment – equity investment	8,207	-	8,207	8,759
Fair value adjustment – derivative assets	(134)	-	(134)	194
Fair value adjustment – gold investment	-	7	7	-
Reclassification	-	13	13	-
Reclassification from current financial assets	178	-	178	34
Disposals	(24,952)	-	(24,952)	(504)
Closing balance	1,866	174	2,040	15,859

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025**

20. Financial assets at fair value through profit or loss (continued)

Company			Year ended	Period
	Listed	Unlisted	2025	ended
	£'000	£'000	Total	2024
			£'000	Total
				£'000
Non-current				
Opening balance	210	674	884	1,157
Additions	-	9,984	9,984	125
Fair value adjustment – equity investment	-	-	-	(93)
Fair value adjustment – derivative assets	-	-	-	15
Reclassification to current financial assets	(178)	-	(178)	(34)
Effective interest	-	66	66	-
Disposals	-	-	-	(286)
Impairment	-	(706)	(706)	-
Closing balance	32	10,018	10,050	884
			Year ended	Period
			2025	ended
	Listed	Unlisted	Total	2024
	£'000	£'000	£'000	Total
				£'000
Current				
Opening balance	15,705	154	15,859	7,188
Additions	2,862	-	2,862	188
Fair value adjustment – equity investment	8,207	-	8,207	8,759
Fair value adjustment – derivative assets	(134)	-	(134)	194
Fair value adjustment – gold investment	-	7	7	-
Reclassification	-	13	13	-
Reclassification from non-current financial assets	178	-	178	34
Disposals	(24,952)	-	(24,952)	(504)
Closing balance	1,866	174	2,040	15,859

21. Inventories

Group			Year ended	Period
			2025	ended
			£'000	2024
				£'000
Work in progress			-	22
			-	22

During the period ended 31 December 2024, the Group acquired 75% of GSA (Environmental) Ltd (“GSA”). The balance in inventories at 31 December 2024 is made up of work in progress held by GSA.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

22. Trade and other receivables

Group	Year ended	Period
	2025	ended
	£'000	2024
		£'000
Accounts receivable	41	24
Other receivables	756	766
Prepayments	56	83
	<u>853</u>	<u>873</u>
Company	Year ended	Period
	2025	ended
	£'000	2024
		£'000
Receivables due from group undertakings	2,516	1,998
Receivables due from joint venture partners	-	-
Accounts receivable	66	4
Other receivables	682	684
Prepayments	48	48
	<u>3,312</u>	<u>2,734</u>

The carrying amount of trade and other receivables approximates to their fair value. The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined based on historical data available to management in addition to forward looking information utilising management knowledge. The ECL balance as at 31 December 2025 was £362,000 (2024: £214,000).

23. Cash and cash equivalents

Group	Year ended	Period
	2025	ended
	£'000	2024
		£'000
Bank balances	5,676	446
Cash and cash equivalents	<u>5,676</u>	<u>446</u>
Company	Year ended	Period
	2025	ended
	£'000	2024
		£'000
Bank balances	5,632	89
Cash and cash equivalents	<u>5,632</u>	<u>89</u>

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

24. Non-controlling interest

At 31 December 2025, the Group has material non-controlling interests (“NCIs”) arising from its subsidiaries Kalahari Key Mineral Exploration Pty Ltd (“KKME”), Power Arabia Ltd (“POW Arabia”), and GSA (Environmental) Ltd (“GSA”). These NCIs can be summarised as follows;

	Year ended	Period
	2025	ended
	£'000	2024
		£'000
Balance at 1 October	896	907
Total comprehensive loss allocated to NCI	(340)	(231)
Additions	-	100
Effect of step acquisition of POW Arabia	-	120
Disposal of First Development Resources	(768)	-
Total	(212)	896

	Year ended	Period
	2025	ended
	£'000	2024
		£'000
Power Metal Resources SA	(306)	(306)
First Development Resources Plc	-	939
Kalahari Key Mineral Exploration Company (Pty) Ltd	73	95
Power Arabia Ltd	75	89
GSA (Environmental) Ltd	(54)	79
Total	(212)	896

First Development Resources Plc was a 58.59% owned subsidiary of the Company that had material NCI. During the year, FDR was derecognised as a subsidiary and the NCI was derecognised.

Kalahari Key Mineral Exploration Pty Ltd (“KKME”) is an 87.71% owned subsidiary of the Company that has a material NCI. In November 2022, Power Metal acquired an additional 58.7% equity stake in private company KKME, taking the Company’s holding to 87.71%.

Summarised financial information reflecting 100% of the KKME relevant figures is set out below:

	Year ended	Period ended
	2025	2024
	£'000	£'000
Administrative expenses	(168)	(55)
Loss after tax	(168)	(55)
Loss allocated to NCI	(21)	(7)
Other comprehensive income allocated to NCI	(1)	5
Total comprehensive loss allocated to NCI	(22)	(2)
Current assets	0	3
Non-current assets	1,563	1,673
Current liabilities	(1,007)	(961)
Net assets	556	715
Non-controlling interest (12.29% 2024:12.29%)	73	95

POW Arabia Ltd (“POW Arabia”) is an 82.86% owned subsidiary of the Company that has material NCI. In March 2024, POW Arabia issued 70,000,000 new ordinary shares. 58,000,000 of these were issued to the Company with the remaining 12,000,000 being issued to other investors. This diluted the Company’s shareholding from 100% to 82.86%.

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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24. Non-controlling interest (continued)

Summarised financial information reflecting 100% of the Power Arabia Ltd relevant figures is set out below:

	Year ended 2025 £'000	Period ended 2024 £'000
Other income	(7)	
Administrative expenses	(352)	(460)
Loss after tax	(359)	(460)
Loss allocated to NCI	(14)	(79)
Other comprehensive income allocated to NCI	-	48
Total comprehensive loss) allocated to NCI	(14)	(31)
Current assets	78	105
Non-current assets	889	313
Current liabilities	(1,086)	(179)
Net assets	(119)	239
Non-controlling interest (17.14% 2024:17.14%)	75	89

GSA (Environmental) Ltd (“GSA”) is a 75% owned subsidiary of the Company that has material NCI. The Company acquired 75% of the issued share capital in GSA on 17 May 2024 for total consideration of £727,000.

Summarised financial information reflecting 100% of GSA (Environmental) Ltd relevant figures is set out below:

	Year ended 2025 £'000	Period ended 2024 £'000
Revenue	82	340
Cost of sales	(16)	(7)
Gross profit	66	333
Administrative expenses	(682)	(418)
Other income	105	-
Finance costs	(61)	-
Taxation	37	-
Loss after tax	(535)	(85)
Loss allocated to NCI	(134)	(21)
Total comprehensive loss allocated to NCI	(134)	(21)
Current assets	45	200
Non-current assets	171	394
Current liabilities	(996)	(839)
Non-current liabilities		
Net liabilities	(780)	(245)
Non-controlling interest (25.00% 2024:25.00%)	(55)	78

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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25. Share capital

	Number of ordinary Shares	
	Year ended 2025	Period ended 2024
Ordinary shares in issue at start of year/period	115,610,437	2,080,106,256
Issued for cash	-	130,000,000
Issued in lieu of expenses	-	3,362,068
Total prior to share consolidation	115,610,437	2,213,468,324
1 to 20 share consolidation	-	110,673,416
Issued for settlement for acquisition	-	4,148,514
Issued in lieu of expenses	-	788,507
In issue at the end of the year/period– fully paid (par value 0.1p)	115,610,437	115,610,437

	Number of deferred Shares	
	Year ended 2025	Period ended 2024
Deferred shares in issue at 1 October	3,628,594,957	3,628,594,957
Capital reduction	(3,628,594,957)	-
In issue at the end of the year/period	-	3,628,594,957

	Ordinary share capital	
	Year ended 2025 £'000	Period ended 2024 £'000
Balance at beginning of year/period	8,671	8,531
Share issues	3	140
Capital reduction	(6,362)	-
Balance at the end of the year/period	2,312	8,671

	Share Premium	
	Year ended 2025 £'000	Period ended 2024 £'000
Balance at beginning of year/period	29,258	27,497
Share issues	184	1,761
Capital reduction	(29,442)	-
Balance at the end of the year/period	-	29,258

All ordinary shares rank equally with regard to the Company's residual assets.

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.

Both classes of deferred shares (Deferred and Deferred A), do not entitle the holders thereof to receive notice of or attend and vote at any general meeting of the Company or to receive dividends or other distributions or to participate in any return on capital on a winding up unless the assets of the Company are in excess of £1,000,000,000,000. The Company retains the right to purchase the deferred shares from any shareholder for a consideration of one penny in aggregate for all that shareholder's deferred shares. As such, the deferred shares effectively have no value. Share certificates will not be issued in respect of the deferred shares.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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25. Share capital (continued)

Issue of ordinary shares

At the beginning of the year, the Company held a balance in shares to be issued, relating to shares issued in December 2024, which had not yet been registered at Companies House. The balance consisted of 703,037 shares at an issue price of 14.224 pence per share in relation to interest accrued on a loan received from ACAM Ltd, 534,188 ordinary shares issued at a price of 14.04 pence per share in relation to the acquisition of GSA (Environmental) Ltd, and 85,470 ordinary shares at an issue price of 14.04 pence per share in lieu of fees incurred with one of the Company's suppliers. When the share issues were registered at Companies House in January 2025, the balance in shares to be issued was reduced to nil and the respective values were recognised in share capital and share premium accordingly.

On 8 December 2025, following a hearing on 21 November 2025, the Company announced that the High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List, made an order confirming the reduction of share capital ("Capital reduction") under section 641 Companies Act 2006 (the "Order"). The reduction was approved by special resolution of the shareholders at the Company's general meeting held on 10 November 2025 and involved the cancellation of:

- All of the paid-up capital to the extent of £0.009 on each issued Deferred share;
- All of the paid-up capital to the extent of £0.00099 on each issued Deferred A share;
- The Company's share premium account; and
- The Company's capital redemption reserve.

The Capital Reduction did not affect the number of ordinary shares in issue, nor did it affect the nominal value of rights attaching to them. The purpose of the Capital Reduction is to create distributable reserves to provide the Company with flexibility for future distributions and corporate purposes.

26. Earnings per share

Basic and diluted earnings per share

The calculation of the basic earnings per share ("EPS") is based on the results attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Diluted EPS in the current year includes the impact of outstanding share options at 31 December 2025.

Basic	Year ended 2025	Period ended 2024 (restated)
Profit attributable to equity holders of the parent (£)	3,545,807	4,456,000
Weighted average number of ordinary shares in issue	116,175,238	109,721,458
Basic and diluted loss per ordinary share (pence)	3.05	4.06
Diluted	Year ended 2025	Period ended 2024 (restated)
Profit attributable to equity holders of the parent	3,545,807	4,456,000
Weighted average number of ordinary shares in issue	116,175,238	111,217,558
Basic and diluted loss per ordinary share (pence)	3.05	4.01

The basic and diluted earnings per share for the year are the same as any outstanding and exercisable share options and warrants at the year end, are not exercisable due to market conditions.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

27. Share options and warrants

Reconciliation of outstanding share options:

2025	Number of options	Weighted average exercise price
Outstanding at 1 January 2025	11,400,000	0.28
Lapsed during the year	<u>(250,000)</u>	<u>0.65</u>
Outstanding and exercisable at 31 December 2025	<u>11,150,000</u>	<u>0.27</u>

The weighted average contractual life of the options outstanding at the reporting date is 1 years and 361 days.

Exercise prices of the share options outstanding at the end of the 2025 financial year was £0.065, £0.030 and £0.020 (2024: £0.065, £0.030 and £0.020).

2024	Number of options	Weighted average exercise price
Outstanding at 1 October 2023	90,500,000	0.03
Granted prior to share consolidation	<u>82,000,000</u>	<u>0.02</u>
Outstanding prior to share consolidation	172,500,000	0.02
1 to 20 share consolidation	8,625,000	0.49
Lapsed post share consolidation	<u>(3,625,000)</u>	<u>(0.07)</u>
Granted post share consolidation	<u>6,400,000</u>	<u>0.20</u>
Outstanding and exercisable at 31 December 2024	<u>11,400,000</u>	<u>0.28</u>

Directors Options

There were no options issued to Directors in the year ended 31 December 2025 (2024: 4,775,000).

2024	Exercise price (£'s)	Number of Options
Sean Wade	0.02	1,975,000
Scott Richardson Brown	0.02	1,350,000
Ed Shaw	0.02	1,200,000
Bill Brodie Good	0.02	<u>250,000</u>
		<u>4,775,000</u>

The volatility measured at the standard deviation of continuously compounded share returns is based on a statistical analysis of daily share prices over the last year.

Reconciliation of outstanding warrants

2025	Number of warrants	Weighted average exercise price (£'s)
Outstanding at 1 January 2025	33,869,881	0.29
Prior period adjustment	359,303	0.55
Lapsed during the year	<u>(3,535,714)</u>	<u>0.40</u>
Granted during the year	<u>3,227,883</u>	<u>0.15</u>
Outstanding and exercisable at 31 December 2025	<u>33,921,353</u>	<u>0.27</u>

The weighted average contractual life of the warrants outstanding is 2 years 331 days.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

27. Share options and warrants (continued)

2024	Number of warrants	Weighted average exercise price (£'s)
Outstanding at 1 October 2023	589,166,136	0.02
Lapsed prior to share consolidation	<u>(93,500,000)</u>	<u>(0.03)</u>
Outstanding prior to share consolidation	495,666,136	0.02
Post 1 to 20 share consolidation	24,783,307	0.46
Lapsed post consolidation	(4,246,759)	(0.78)
Granted post share consolidation	<u>13,333,333</u>	<u>0.15</u>
Outstanding and exercisable at 31 December 2024	<u>33,869,881</u>	<u>0.03</u>

Directors Warrants

No warrants were issued to Directors in the year ended 31 December 2025 (2024: Nil).

During the year, the Group identified an inconsistency in the number of warrants disclosed in the prior year. The comparative disclosure has been corrected. This had no impact on the previously reported financial position, results, or equity of the Group.

£155,000 (2024: £2,222,000) has been recognised as a share-based payment expense in the statement of comprehensive income related to the issue of share options and warrants and £Nil (2024: Nil) has been included in non-current assets as it relates to the acquisition of certain financial assets.

28. Trade and other payables

Group	Year ended 2025 £'000	Period ended 2024 (restated) £'000
Trade payables	352	603
Other payables	9	43
Other taxation and social security	37	35
Accrued expenses	<u>301</u>	<u>980</u>
	<u>699</u>	<u>1,661</u>

Company	Year ended 2025 £'000	Period ended 2024 (restated) £'000
Trade payables	145	200
Other payables	-	21
Other taxation and social security	32	38
Accrued expenses	<u>198</u>	<u>649</u>
	<u>375</u>	<u>908</u>

The comparative figures as at 31 December 2024 have been restated to correct an overstatement of accruals. For further details see note 34.

The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 31.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

29. Borrowings

Group	Year ended 2025			Period ended 2024		
	Current £'000	Non- current £'000	Total £'000	Current £'000	Non- current £'000	Total £'000
Other borrowings	568	-	568	498	2,414	2,912
	<u>568</u>	<u>-</u>	<u>568</u>	<u>498</u>	<u>2,414</u>	<u>2,912</u>

Company	Year ended 2025			Period ended 2024		
	Current £'000	Non- current £'000	Total £'000	Current £'000	Non- current £'000	Total £'000
Other borrowings	-	-	-	-	2,414	2,414
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,414</u>	<u>2,414</u>

Movement in borrowings

Group	1	Proceeds	Interest accrued £'000	Non-cash movements £'000	Repayments £'000	31
	January 2025 £'000	of borrowing £'000				December 2025 £'000
Other borrowings	2,912	439	143	(2,218)	(708)	568
	<u>2,912</u>	<u>439</u>	<u>143</u>	<u>(2,218)</u>	<u>(708)</u>	<u>568</u>

Company	1	Proceeds	Interest accrued £'000	Non-cash movements £'000	Repayments £'000	31
	October 2023 £'000	of borrowing £'000				December 2024 £'000
Other borrowings	2,414	250	44	(2,000)	(708)	-
	<u>2,414</u>	<u>250</u>	<u>44</u>	<u>(2,000)</u>	<u>(708)</u>	<u>-</u>

In June 2024, the Company received £2,000,000 from ACAM LP by way of a loan note. The loan term is five years. Effective interest of £36,000 (2024: £129,000) has been recognised in the statement of comprehensive income in relation to the loan, during the period. Under the agreement, convertible interest is charged at 10% per annum, payable semi-annually in July and December each year, in cash, or in Company shares. The first tranche of interest due for the period from 3 June to 2 December 2024, was paid in shares.

In February 2025, Power Metal sold part of its shareholding in Guardian Metal Resources Plc (“GMET”), to UCAM Ltd, the proceeds of which were used to redeem the loan note with all accrued interest.

In June 2024, GSA (Environmental) Ltd (“GSA”), a 75% owned subsidiary, received £500,000 from Cabacra Ltd by way of a convertible loan note. Under the initial agreement, GSA will pay interest at a fixed rate of 10%, with all amounts payable at the end of the loan term, being 28 June 2025. The loan was modified during the year so that the loan term was extended to 16 July 2026, and the interest rate payable on the notes increased to 12%. A gain on modification of £33,000 was recognised in the statement of comprehensive income. Effective interest of £99,000 (2024: £54,000), was recognised in the statement of comprehensive income during the year. The equity element of this convertible loan amounts has been calculated at £80,000 following the modification and is recorded in the convertible loan reserve in the financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

29. Borrowings (continued)

In October 2024, the Company received a £400,000 loan from Tamesis Partners LLP (“Tamesis”). No cash was received as the loan was netted against an invoice due from Power Metal to Tamesis. The loan term is five years. Effective interest of £8,000 (2024: £14,000) has been recognised in the statement of comprehensive income in relation to the loan. Convertible interest is charged on the loan at 10% per annum, payable in cash or Company shares. As at the 31 December 2024, an amount of £7,000 was recognised in equity in relation to the convertible portion of the interest. During the year ended 31 December 2025, the loan note, with all accrued interest, was repaid by the Company.

During the year, the Company received a total of £250,000 from GMET. This was an interest free loan repayable on demand. The balance was settled during the reporting year.

See note 32 for information on borrowings from related parties.

30. Contingent assets and liabilities

The Company received a non-refundable option payment of £5,300 (CAD\$10,000), during the year from JV partner Michael B. Nugent (“MBN”) in respect of an option granted to acquire the 30% interest in the Silver Peak Resources Limited (“Silver Peak”) currently held by the Company. The amount received has been recognised as deferred income, as recognition of the income is contingent upon the exercise or expiry of the option. The terms of the option are as follows:

- MBN will pay Power Metal CAD\$10,000;
- During the option period, Power Metal grants MBN the sole and exclusive right to acquire all, in whole or part, Power Metal's ownership interest in Silver Peak;
- Where the option is exercised during the period 1 April 2025 to 31 March 2026: CAD\$9,547.00 per one percent of Silver Peak acquired, totalling C\$320,000 for the entire 33.52% interest held by Power Metal in Silver Peak;
- Where the Option is exercised during the period 1 April 2026 to 31 March 2027: CAD\$10,740.00 per one percent of Silver Peak, totalling C\$360,000 for the entire 33.52% interest held by Power Metal in Silver Peak;
- Where the Option is exercised during the period 1 April 2027 to 31 March 2028: CAD\$11,933.00 per one percent of Silver Peak, totalling C\$400,000 for the entire 33.52% interest held by Power Metal in Silver Peak.

At the reporting date, the realisation of the associated economic benefits is not considered virtually certain and, including due to the underlying project being impaired to £nil. Accordingly, no asset or income has been recognised in these financial statements in relation to the option. The potential financial effect of this contingent asset is considered immaterial.

As part of the acquisition of GSA (Environmental) Limited (“GSA”) on 17 May 2024, the Group has recognised a contingent liability related to contingent consideration due to the sellers. In accordance with IFRS 3 Business Combinations, the contingent liability was initially recognised at fair value at the acquisition date. Under the terms of the acquisition agreement, the Group is required to pay additional consideration to the sellers of GSA based on the achievement of specific performance targets over the period of 3 years. The amount of the contingent consideration is subject to variability and will be remeasured at each reporting date in accordance with IFRS 9 Financial Instruments. As at 31 December 2025, the fair value of the liability has been estimated at £318,000 (2024: £575,000) based on management’s assessment of the probability-weighted expected outcomes. Management believes that recognition of the contingent liability appropriately reflects the Group’s obligations

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

31. Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments.

- credit risk
- liquidity risk
- market risk
- currency risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Cost may be an appropriate estimation of fair value at the measurement date only in limited circumstances, such as for a pre-revenue entity when there is no catalyst for change in fair value, or if the transaction date is relatively close to the measurement date. Other indicators include insufficient recent information, a wide range of possible fair values and cost represents the best estimate.

Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2),
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (continued)

There have been no transfers between levels during the year. Additions to level 3 during the year are valued based on cost of investment, for both the Group and the Company. See note 20 for further detail.

**Group
2025**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	7,085	-	5,005	12,090
	<u>7,085</u>	<u>-</u>	<u>5,005</u>	<u>12,090</u>

**Company
2025**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	7,085	-	5,005	12,090
	<u>7,085</u>	<u>-</u>	<u>5,005</u>	<u>12,090</u>

**Group
2024**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	15,915	-	828	16,743
	<u>15,915</u>	<u>-</u>	<u>828</u>	<u>16,743</u>

**Company
2024**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	15,915	-	828	16,743
	<u>15,915</u>	<u>-</u>	<u>828</u>	<u>16,743</u>

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (continued)

Group	Carrying amount	
	Year ended 2025 £'000	Period ended 2024 £'000
Trade and other receivables	853	790
Cash and cash equivalents	5,676	446
	<u>6,529</u>	<u>1,236</u>

Company	Carrying amount	
	Year ended 2025 £'000	Period ended 2024 £'000
Trade and other receivables	3,312	2,687
Cash and cash equivalents	5,632	89
	<u>8,944</u>	<u>2,776</u>

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Group**31 December 2025**

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	662	662	-	-
Borrowings	568	-	568	-
	<u>1,230</u>	<u>662</u>	<u>568</u>	<u>-</u>

31 December 2024

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	1,977	1,977	-	-
Borrowings	2,912	-	498	2,414
	<u>4,889</u>	<u>1,977</u>	<u>498</u>	<u>2,414</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (continued)

Company

31 December 2025

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	341	341	-	-
	<u>341</u>	<u>341</u>	<u>-</u>	<u>-</u>

31 December 2024

	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	1,268	1,268	-	-
Borrowings	2,414	-	-	2,414
	<u>3,682</u>	<u>1,268</u>	<u>-</u>	<u>2,414</u>

The Group reviews its facilities regularly to ensure that it has adequate funds for operations and expansion plans.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Due to the nature of the Group's operations, it will be mainly exposed to fluctuations in the price of iron and gold. The Group, where able, will look to hedge its foreign currency exposure.

Currency risk

The Group operates internationally and is exposed to foreign currency risk arising on cash and cash equivalents and receivables denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are US Dollar ("USD"), Canadian Dollar ("CAD"), Australian Dollar ("AUD"), Saudi Riyal ("SAR") and Botswana Pula ("BWP"). The following balances were held in foreign currency at the reporting date are:

Net foreign currency financial (liabilities)/assets	Group		Company	
	Year ended	Period ended	Year ended	Period ended
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
USD	1	1	1	1
CAD	50	50	50	50
AUD	271	134	-	-
BWP	6	4	-	-
SAR	134	98	-	-
Total net exposure	<u>462</u>	<u>287</u>	<u>51</u>	<u>51</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

31. Financial instruments (continued)

Sensitivity analysis

A 10% strengthening of sterling against the respective currencies at 31 December 2025 would have increased/(decreased) equity and profit or loss by the amounts shown below:

Group	Profit and loss		Equity	
	Year ended 2025 £'000	Period ended 2024 £'000	Year ended 2025 £'000	Period ended 2024 £'000
CAD	(5)	(5)	(5)	(5)
AUD	(27)	(13)	(27)	(13)
BWP	(1)	-	(1)	-
SAR	(13)	(10)	(13)	(10)
Total net exposure	(46)	(28)	(46)	(28)

Company	Profit and loss		Equity	
	Year ended 2025 £'000	Period ended 2024 £'000	Year ended 2025 £'000	Period ended 2024 £'000
CAD	(5)	(5)	(5)	(5)
Total net exposure	(5)	(5)	(5)	(5)

A 10% weakening of the sterling against the respective currencies would have an equal but opposite effect.

Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of equity which at 31 December 2025 for the Group totalled £25,883,000 (2024: £23,279,000) and for the Company totalled £27,410,000 (2024: £23,619,000).

Accounting classifications and fair values

Fair values and carrying amounts

The carrying values of financial assets and liabilities are all approximate to their fair values per the statement of financial position.

32. Related parties

In addition to matters reported in note 10, the following related party transactions took place during the year ended 31 December 2025:

Douglas Brodie Good, who served as a Director of the Company during the year, is also a Director of BBG Consultants Limited ("BBG"), a management consultancy business. The total fees invoiced to the Group by BBG in the year ended 31 December 2025 was £166,000 (2024: £203,000) of which £48,000, in relation to director fees, was outstanding at the year end (2024: £19,000). All fees related to consultancy, with exception of £24,000 (2024: £24,000) which related to director fees for PA Ltd.

Sean Wade, who served as a Director of the Company during the year, is also a Director of Keysford Limited ("Keysford"), The total fees invoiced to the Group by Keysford in the year ended 31 December 2025 was £24,000 (2024: £24,000) all of which were outstanding at the year end (2024: £24,000). All fees related to director fees of PA Ltd.

During the year, the Company advanced funds to joint venture, Fermi Exploration Ltd ("Fermi"), totalling £331,500 (2024: £95,000) and received funds of £393,000 (2024: £115,000). As at 31 December 2025, £82,000 was due to Fermi (2024: £20,000).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

32. Related parties (continued)

During the year, the Company advanced funds to its subsidiary, Tati Greenstone Resources Pty Ltd, totalling £Nil (2024: £12,000). The loan is repayable on demand and on 31 December 2025, £434,000 was outstanding (2024: £434,000). An expected credit loss of £Nil was recognised at the year end in respect of the intercompany receivable (2024: £1,000).

During the year, the Company advanced funds to its subsidiary, Power Metal Resources Botswana Pty Ltd totalling £29,000 (2024: £33,500). The loan is repayable on demand and on 31 December 2025, £95,000 was outstanding (2024: £67,000). An expected credit loss of £2,500 was recognised at the year end in respect of the intercompany receivable (2023: £7,500).

During the year, First Development Resources Plc (“FDR”), listed on the AIM market and as a result FDR was derecognised as a subsidiary and the retained interest recognised as a financial asset. The Company converted £493,000 of its intercompany loan and paid £293,000 in cash for shares on IPO, additionally the Company advanced funds totalling £6,500 (2024: £233,500) whilst FDR was a subsidiary. The loan is repayable on demand and on 31 December 2025, £136,000 was outstanding (2024: £329,500). All historic expected credit losses were reversed during the year.

During the year, the Company advanced funds to its subsidiary, Power Arabia, totalling £894,500 (2024: £644,000). As at 31 December 2025, £964,000 was due to the Company (2024: £69,700). An expected credit loss of £71,500 was recognised at the year end in respect of the intercompany receivable. (2024: £5,200).

During the year, the Company advanced funds to its subsidiary, ION Battery Resources Limited totalling £1,500 (2024: £2,000). The loan is repayable on demand and on 31 December 2025, £252,000 was outstanding (2023: £250,500). An expected credit loss of £124,000 was recognised at the year end in respect of the intercompany receivable (2024: £5,500).

During the year, the Company advanced £46,500 (2024: £223,000) of funds to its subsidiary, Kalahari Key Mineral Exploration (Pty) Limited. The loan is repayable on demand and on 31 December 2025, £986,000 was outstanding (2024: £939,500). An expected credit loss of £3,700 was recognised at the year end in respect of the intercompany receivable (2024: £13,000).

During the year, the advanced funds to GSA (Environmental) Ltd, of £94,500 (2024: £83,000) and received funds of £Nil (2024: £38,000). The loan is repayable on demand and on 31 December 2025, £139,500 was outstanding (2024: £45,000). An expected credit loss of £7,600 was recognised at the year end in respect of the intercompany receivable (2024: £3,600).

During the year, the Company made a strategic investment into Kingia FZCO (“Minestarters”) and advanced funds to £21,000 (2024: £Nil). The loan is repayable on demand and on 31 December 2025, £21,000 was outstanding (2024: £Nil). An expected credit loss of £1,700 was recognised at the year end in respect of the intercompany receivable (2024: £Nil).

During the period, the Group had an outstanding loan of £660,000 with The Smarter Web Company Plc, formerly Uranium Energy Exploration Plc (“UEE”), an entity of which Sean Wade, CEO, is also a director. Following a change in UEE’s strategy and loss of alignment with the Group, the loan was formally waived to affect a full commercial disengagement, with no balance outstanding at the reporting date. All historic expected credit losses were reversed during the year.

33. Subsequent events

On 2 March 2026, the Company announced a strategic investment of US\$1.5million for an initial 4.6% shareholding in Greyridge Exploration Corp (“Greyridge”), a Canadian-based mineral exploration company focused on the discovery of copper and gold deposits in Saudi Arabia. In conjunction with the investment, Power Metal signed a memorandum of understanding with Greyridge to establish a non-binding framework setting out the basis for the Company’s majority-owned subsidiary, Power Arabia, and Greyridge to explore the option into joint ventures or similar collaborations, such as earn-in agreements, across Greyridge’s projects in Saudi Arabia and any future licences that it obtains.

The notes on pages 47 to 88 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

33. Subsequent events (continued)

On 20 March 2026, the Company announced a strategic investment of US\$1million for 2.6% interest in Next Minerals S.A. (“Next Minerals”), a Chile-based mining company focused on the development of medium scale copper operations. Power Metal will enter a subscription agreement for the issue of 65,142 shares and 65,142 warrants in Next Mineral. The warrants will have a three-year life from issue and will be issued on a 1:1 basis. The Company’s investment will be made alongside an investment from Swift Mining Services Ltd (“Swift”) for a combined sum of US\$3million and a total interest of 7.9%. Swift operates a similar incubator model as Power Metal, focusing on undervalued copper and gold assets in emerging markets.

Subsequent to the year end, the Company announced a series of transactions in its own shares in accordance with the authority granted by shareholders at the Annual General Meeting and the share capital reduction which received High Court approval on 9 December 2025. The Company purchased a total of 2,694,161 ordinary shares of 2 pence each in the capital of the Company, through its joint broker, SP Angel Corporate Finance LLP, for a cumulative total of £392,628. The share repurchased are held in treasury following these transactions.

34. Prior year restatement

During the year ended 31 December 2025, the Company identified an error relating to the overstatement of accruals in relation to professional fees. An amount of £400,000 was incorrectly recognised as an accrual as at 31 December 2024 with the Company. In addition, the Group identified an understatement of director fees of £48,000 within a subsidiary, Power Arabia Limited.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, these errors have been corrected retrospectively in the Group and Company financial statement, where applicable.

As a result of the correction:

- Group accruals at 31 December 2024 have been reduced by £352,000, with a corresponding increase in retained earnings; and
- Company accruals at 31 December 2024 have been reduced by £400,000, with a corresponding increase in retained earnings.

The comparative Consolidated Statement of Comprehensive Income has been restated to reverse the net £352,000 of expenses previously recognised in error. The Consolidated Statement of Cash Flows has also been restated to reflect the correction, with no impact on net cash flows.

The impact of the adjustment on retained earnings is as follows:

	Group	Company
	Period ended	Period ended
	2024	2024
	£'000	£'000
Retained earnings at 31 December 2024 (as previously reported)	(20,172)	(18,852)
Adjustment for prior year error	352	400
Restated retained earnings at 31 December 2024	<u>(19,820)</u>	<u>(18,452)</u>

35. Ultimate controlling party

The Directors do not believe that there is an ultimate controlling party of the Group.