

31 March 2022

Corcel Plc ("Corcel" or the "Company"), the battery metals and flexible grid solutions company announces its unaudited half-yearly results for the six months ended 31 December 2021.

Board Statement

Dear Shareholders,

Corcel plc (the "Company, "Corcel") remains strategically focused on all aspects of battery metals, spanning both the upstream and downstream alongside energy generation and storage. Our strategy was conceived two years ago in anticipation of a structural supply price hike driven by the global push towards electrification and decarbonisation. Whilst demand for battery metals continues ever stronger, recent events in Ukraine appear to have also accelerated the widely predicted supply squeeze. This has resulted in immediate, significant and potentially permanent structural price increases, with nickel markets, as an example, having recently hit unprecedented highs. These events arrive on the back of existing supply constraints and an acceleration of the energy transition as countries look to increase energy security, both by reducing hydrocarbon imports and by investing in domestic low-carbon generation options.

The principal development during the period was the agreement with Australian-registered Resource Mining Corporation Limited (ASX: RMI) ("RMI") to acquire 100% of the issued share capital in Australian-registered Niugini Nickel Pty Ltd, which owns 100% of the Wowo Gap nickel-cobalt project in Papua New Guinea. This followed our strategic acquisition of the majority of RMI's debt during 2020, at a time when it was trading at a material discount to par. The Wowo Gap acquisition has enabled the company to approximately double its nickel and cobalt resources and exposure at a heavily discounted price, and begins the journey of building a leading regional battery metal and nickel /cobalt business.

Following the development of the business over the last two years and specifically the Wowo Gap acquisition, Corcel is positioned to significantly benefit from recent market developments. It is therefore moving to accelerate the development of its two nickel deposits in Papua New Guinea, including a fast-track Mining Lease application at the Wowo Gap project (where JORC upgrade work and a Gap Analysis efforts are already ongoing). The Company further expects the award of a Mining Lease at the Mambare nickel project during 2022, and offtake discussions continue with Shandong New Powder COSMO AM&T ("NPC") with a view to supplying nickel to Chinese precursor plants, for ultimate use in NPC's Chinese cathode plant.

During the last two years the Company has also taken its initial steps towards building a UK based energy generation and storage business with exposure to both battery storage and gas peaker plants. The deployment of batteries and flexible energy generation underpins the variable nature of the production of clean energies (such as solar and wind), and is therefore a critical enabler for the energy transition. In building this part of the business, the Company recognises that it is selectively taking early-stage development risk, which it looks to mitigate by diversifying across multiple projects with varying timelines. The Company therefore expects to make further project acquisitions in this space alongside finalising the ongoing marketing process to secure project finance for the gas peaker plant portfolio including Avonmouth and Tring Road.

While the Company did not raise capital during the period, in assessing alternative funding options, the Board has balanced the often competing objectives of securing funding certainty, minimising equity dilution and retaining near term upside exposure. As a result of these funding choices, the Company remains well funded and has recently refinanced debt obligations of £1.3M, which expire in Q4 2022. Shortly after the period end, the Company announced a combination of funding facilities that resulted in up to an additional £1,050,000 of new funding becoming available to the business, and of this total, £365,000 was subsequently announced as having completed.

The Board and I want to thank our shareholders for their support through this challenging and volatile period spanning both the global pandemic and the ongoing conflict in Ukraine. The Board is focused on continuing to build both firm and Net Asset Value based foundations for the future, alongside accelerating the development of our battery metals deposits.

James Parsons
Executive Chairman

Consolidated statement of financial position

as at 31 December 2021

	Notes	31 December 2021 Unaudited, £'000	31 December 2020 Unaudited, £'000	30 June 2021 Audited, £'000
ASSETS				
Non-current assets				
Investments in associates and joint ventures	6	2,381	1,971	2,380
Exploration and evaluation assets	8	1,067	-	-
Goodwill		-	29	-
Property, plant and equipment		110	62	62
FVTOCI financial assets	7	1	3	7
FVTPL financial assets	7	72	-	72
Trade and other receivables		1,416	2,310	1,362
Total non-current assets		5,047	4,375	3,883
Current assets				
Cash and cash equivalents		50	180	392
Trade and other receivables		178	179	1,215
Total current assets		228	359	1,607
TOTAL ASSETS		5,275	4,734	5,490
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Called up share capital	9	2,746	2,736	2,746
Share premium account		24,161	23,779	24,161
Shares to be issued		75	-	75
Other reserves		2,048	1,117	2,018
Retained earnings		(25,245)	(23,927)	(24,630)
Total equity attributable to owners of the parent		3,785	3,705	4,370
Non-controlling interest		-	11	-
Total equity		3,785	3,716	4,370
LIABILITIES				
Non-current liabilities				
Lease liability		-	30	-
Total non-current liabilities		-	30	-
Current liabilities				
Trade and other payables		218	185	237
Lease liability		-	12	-
Short term borrowings		1,272	791	883
Total current liabilities		1,490	988	1,120
TOTAL EQUITY AND LIABILITIES		5,275	4,734	5,490

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

Consolidated statement of income
for the period ended 31 December 2021

	Notes	6 months to 31 December 2021 Unaudited, £'000	6 months to 31 December 2020 Unaudited, £'000
Administrative expenses	3	(507)	(493)
Impairment of loans and receivables		-	-
Gain on sale of financial instruments designated as FVTPL		-	(5)
Exploration expenses		-	-
Other operating income		-	7
Foreign currency gain		-	-
Finance costs, net		(105)	(29)
Share of loss of associates and joint ventures		(2)	(6)
Loss for the period before taxation		(614)	(526)
Tax expense		-	-
Loss for the period after taxation		(614)	(526)
(Loss)/profit for the period attributable to:			
Equity holders of the parent		(614)	(524)
Non-controlling interest		-	(2)
		(614)	(526)
Earnings per share			
Loss per share – basic, pence	4	0.16	0.23
Loss per share – diluted, pence	4	0.16	0.23

Consolidated statement of comprehensive income
for the period ended 31 December 2021

		6 months to 31 December 2021 Unaudited, £'000	6 months to 31 December 2020 Unaudited, £'000
(Loss)/profit for the period		(614)	(526)
Revaluation of FVTOCI investments	7	(6)	(1)
Total comprehensive loss for the period		(620)	(527)
Total comprehensive loss attributable to:			
Equity holder of the Parent		(620)	(525)
Non-controlling interest		-	(2)
		(620)	(527)

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

**Consolidated statement of changes in equity
for the period ended 31 December 2021**

The movements in equity during the period were as follows:

	Share capital	Share premium account	Shares to be issued	Retained earnings	Other reserves	Total Equity attributable to owners of the Parent	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 July 2020 (audited)	2,726	23,032	-	(23,403)	908	3,263	13	3,276
Changes in equity for six months ended 31 December 2020								
Profit/ (loss) for the period	-	-	-	(524)	-	(524)	(2)	(526)
Other comprehensive (loss)/income for the period	-	-	-	-	(1)	(1)	-	(1)
Total comprehensive (loss)/income for the period	-	-	-	(524)	(1)	(524)	(2)	(527)
Transactions with owners								
Issue of shares	10	1,002	-	-	-	1,012	-	1,012
Share issue and fundraising costs	-	(45)	-	-	-	(45)	-	(45)
Warrants issued	-	(210)	-	-	210	-	-	-
Total Transactions with owners	10	747	-	-	210	967	-	967
As at 31 December 2020 (unaudited)	2,736	23,779	-	(23,927)	1,117	3,705	11	3,716
As at 1 July 2021 (audited)	2,726	24,161	75	(24,630)	2,018	4,370	-	4,370
Changes in equity for six months ended 31 December 2021								
Profit/ (loss) for the period	-	-	-	(615)	-	(615)	-	(615)
Other comprehensive (loss)/income for the period	-	-	-	-	-	-	-	-
Revaluation of FVTOCI investments	-	-	-	-	(6)	(6)	-	(6)
Total comprehensive (loss)/income for the period	-	-	-	(615)	(6)	(621)	-	(621)
Transactions with owners								
Issue of shares	-	-	-	-	-	-	-	-
Share issue and fundraising costs	-	-	-	-	-	-	-	-
Warrants issued	-	-	-	-	36	36	-	36
Total Transactions with owners	-	-	-	(615)	30	(585)	-	(585)
As at 31 December 2021 (unaudited)	2,746	24,161	75	(25,245)	2,048	3,785	-	3,785

	FVTOCI investments reserve	Share-based payments reserve	Warrants Reserve	Foreign currency translation reserve	Total other reserves
	£'000	£'000	£'000	£'000	£'000
As at 1 July 2020 (audited)	1	99	273	535	908
Changes in equity for six months ended 31 December 2020					
Other Comprehensive income					
Transfer of FVTOCI reserve relating to impaired assets and disposals	(1)	-	-	-	(1)
Unrealised foreign currency gains arising upon retranslation of foreign operations	-	-	-	-	-
Total comprehensive income/(loss) for the period	(1)	-	-	-	(1)
Warrants issued	-	-	210	-	210
Total transactions with shareholders	-	-	210	-	210
As at 30 June 2021 (audited)	-	99	483	535	1,117
As at 1 July 2021 (audited)	4	99	1,380	535	2,018
Changes in equity for six months ended 31 December 2021					
Other Comprehensive income					
Revaluation of FVTOCI investments	(6)	-	-	-	(6)
Share options granted during the year	-	-	-	-	-
Warrants granted during the year	-	-	36	-	36
Unrealised foreign currency gains arising upon retranslation of foreign operations	-	-	-	-	-
Total comprehensive income/(loss) for the period	(6)	-	36	-	30
As at 31 December 2021 (unaudited)	(2)	99	1,416	535	2,048

Consolidated statement of cash flows
for the period ended 31 December 2021

	Note	6 months to 31 December 2021 Unaudited £'000	6 months to 31 December 2020 Unaudited £'000
Cash flows from operating activities			
(Loss)/profit before taxation		(614)	(526)
Decrease/(increase) in receivables		(14)	(68)
Increase in payables		(95)	23
Share-based payments		36	-
Finance cost, net		69	29
Share of loss of associates and joint ventures, net of tax		2	6
Net cash flows from operations		(616)	(536)
Cash flows from investing activities			
Proceeds from sale of FVTPL and FVTOCI investments		-	14
Additional investments in JVs and investment in associates		(3)	(34)
Purchase of financial assets carried at amortised cost		(31)	(355)
Purchase of property, plant and equipment		-	(62)
Cash acquired on business combination		2	-
Net cash flows from investing activities		(32)	(437)
Cash flows from financing activities			
Proceeds from issue of shares		-	738
Interest paid		(69)	-
Proceeds of new borrowings, as received net of associated fees		475	-
Repayment of borrowings		(100)	-
Net cash flows from financing activities		306	738
Net decrease in cash and cash equivalents		(342)	(235)
Cash and cash equivalents at the beginning of period		392	415
Cash and cash equivalents at end of period		50	180

**Half-yearly report notes
for the period ended 31 December 2021**

1 Company and Group

As at 30 June 2021 and 31 December 2021 the Company had one or more operating subsidiaries and has therefore prepared full and interim consolidated financial statements respectively.

The Company will report again for the full year ending 30 June 2022.

The financial information contained in this half yearly report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The financial information for the year ended 30 June 2021 has been extracted from the statutory accounts of the Group for that year. Statutory accounts for the year ended 30 June 2021, upon which the auditors gave an unqualified audit report which did not contain a statement under Section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

2 Accounting Policies

Basis of preparation

The consolidated interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2021, which have been prepared in accordance with IFRS.

Business combinations

On the acquisition of a subsidiary, the business combination is accounted for using the acquisition method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities are initially recognised at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregated amount of the consideration transferred, measured at the date of acquisition. The consideration paid is allocated to the assets acquired and liabilities assumed on the basis of fair values at the date of acquisition. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

If the cost of acquisition exceeds the identifiable net assets attributable to the Group, the difference is considered as purchased goodwill, which is not amortised but annually reviewed for impairment. In the case that the identifiable net assets attributable to the Group exceed the cost of acquisition, the difference is recognised in profit or loss as a gain on bargain purchase.

If the initial accounting for a business combination cannot be completed by the end of the reporting period in which the combination occurs, only provisional amounts are reported, which can be adjusted during the measurement period of 12 months after acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Half-yearly report notes
for the period ended 31 December 2021, continued

3 Administrative expenses

	6 months to 31 December 2021	6 months to 31 December 2020
	Unaudited £'000	Unaudited £'000
Staff Costs:		
Payroll	220	220
Pension	10	10
Share based Payments -Staff	-	-
Consultants	-	10
Staff Welfare	-	-
HMRC / PAYE	26	26
Total:	256	266
Professional Services:		
Accounting	43	26
Legal	11	26
Business Development	-	-
Marketing & Investor Relations	20	43
Funding costs	-	9
Other	12	34
Total:	86	138
Regulatory Compliance	55	57
Travel	4	2
Office and Admin Costs:		
General	18	8
IT costs	5	4
Depreciation	-	-
Rent - Main Office	6	12
Insurance	77	6
Total:	106	89
Total administrative expenses	507	493

Half-yearly report notes
for the period ended 31 December 2021, continued

4 Loss per share

The following reflects the loss and share data used in the basic and diluted profit/(loss) per share computations:

	6 months to 31 December 2021 Unaudited	6 months to 31 December 2020 Unaudited
Loss attributable to equity holders of the parent company, in Thousand Sterling (£'000)	614	524
Weighted average number of Ordinary shares of £0.0001 in issue, used for basic and diluted EPS	384,787,602	225,302,423
Loss per share – basic and diluted, pence	0.16	0.23

At 31 December 2021 and at 31 December 2020, the effect of all the instruments is anti-dilutive as it would lead to a further reduction of loss per share, therefore they were not included into the diluted loss per share calculation.

Options and warrants that could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS because they are anti-dilutive for the periods presented:

	6 months to 31 December 2021 Unaudited	6 months to 31 December 2020 Unaudited
Share options granted to employees – total, of them	6,215,334	6,212,534
- Vested at the end of the reporting period	125,000	122,900
- Not vested at the end of the reporting period	6,090,334	6,089,634
Warrants given to shareholders as a part of placing equity instruments – not all conditions met and/or out of the money	141,999,329	98,339,078
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Total number of instruments in issue not included into the fully diluted EPS calculation	148,214,663	104,551,612
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Half-yearly report notes
for the period ended 31 December 2021, continued

5 Segmental analysis

Since the last annual financial statements, the Group has re-considered its operational segments.

For the six-month period to 31 December 2021	Battery Metals (Nickel and Vanadium)	Flexible Grid Solutions (FGS and WDD)	Corporate and unallocated	Total
	£'000	£'000	£'000	£'000
Revenue	-	-	-	-
Result				
Segment results	(5)	(24)	(480)	(509)
Loss before tax and finance costs				
Finance costs	-	-	(105)	(105)
Loss for the period before taxation				
Taxation expense	-	-	-	-
Loss for the period after taxation	(5)	(24)	(585)	(614)
Total assets at 31 December 2021	4,497	487	291	5,275

For the six-month period to 31 December 2020	Battery Metals (Nickel and Vanadium)	Flexible Grid Solutions	Corporate and unallocated	Total
	£'000	£'000	£'000	£'000
Revenue	-	-	-	-
Result				
Segment results	(10)	(30)	(454)	(494)
Loss before tax and finance costs				
Finance costs	-	-	(30)	(30)
Loss for the period before taxation				
Taxation expense	-	-	-	-
Loss for the period after taxation				(524)
Total assets at 31 December 2020	4,281	158	295	4,734

Half-yearly report notes
for the period ended 31 December 2021, continued

6 Investments in associates and joint ventures

	31 December 2021 Unaudited £'000	31 December 2020 Unaudited £'000	30 June 2021 Audited £'000
At the beginning of the period	2,380	1,947	1,947
Additional investments in JVs	3	30	439
Share of loss for the period using equity method	(2)	(6)	(6)
At the end of the period	2,381	1,971	2,380

7 Financial assets

	31 December 2021 Unaudited £'000	31 December 2020 Unaudited £'000	30 June 2021 Audited £'000
FVTOCI financial instruments at the beginning of the period	7	4	4
Disposals	-	-	-
Revaluations and impairment	(6)	(1)	3
FVTOCI financial assets at the end of the period (unaudited)	1	3	7

	31 December 2021 Unaudited £	31 December 2020 Unaudited £	30 June 2021 Audited £
FVTPL financial instruments at the beginning of the period	72	5	5
Additions	-	-	72
Disposals	-	(5)	(5)
FVTPL financial assets at the end of the period (unaudited)	72	-	72

Half-yearly report notes
for the period ended 31 December 2021, continued

8 Business Combination – Niugini Nickel Pty Ltd

On 18 October 2021 the Company, via its 100% owned subsidiary Corcel Australasia Pty Ltd, completed the acquisition of 100% of the shares in Niugini Nickel Pty Ltd (“NN”) from Resource Mining Corporation Pty Ltd (“RMC”). Consideration paid by the Company for the acquisition of NN was the forgiveness of the corporate debt held by the Company and payable by RMC totalling AUD 4,761,087. The Company has accounted for the fair value of this consideration based on the cost to acquire the debt, at a substantial discount to face value, plus transaction costs. As at 18 October 2021 the total cost of acquisition of the debt payable by RMC stood at £1,013,302.

The Company has determined the fair value of the assets and liabilities of NN to be recognised in these consolidated interim financial statements as follows:

	Fair value recognised on acquisition £(000's)
Assets	
Cash	2
Receivables	15
Property, plant and equipment	47
Exploration and evaluation assets	1,067
	1,131
Total Assets	
Liabilities	
Trade and other payables	(63)
Non current loans payable	(55)
	(118)
Total liabilities	
	1,013
Total identifiable net assets at fair value	
	1,013
Purchase consideration	
	1,013

9 Share Capital of the company

The share capital of the Company is as follows:

	Number of shares	Nominal, £'000
<i>Allotted, issued and fully paid</i>		
Deferred shares of £0.0009 each	1,788,918,926	1,610
A Deferred shares of £0.000095 each	2,497,434,980	237
B Deferred shares of £0.000099 each	8,687,335,200	860
Ordinary shares of £0.0001 each	384,787,602	39
As at 1 July 2021 (Audited) and 31 December 2021 (Unaudited)		2,746

Half-yearly report notes
for the period ended 31 December 2021, continued

10 Capital Management

Management controls the capital of the Group in order to control risks, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

11 Events after the reporting period

Shandong New Powder COSMO AM&T ("NPC") – MOU on Nickel Offtake Agreement

On 10 January 2022, the Company announced that it had executed an MOU with NPC for the entering into a nickel offtake agreement for up to 0.5 Mt per annum, to be supplied from the Company's Mambare and Wowo gap nickel projects in Papua New Guinea. The term of the MOU is 12 months, during which time both parties will seek to negotiate a binding offtake agreement, intended to operate for a period of 3-5 years.

Avonmouth and Tring Road Gas Peaker Project Extensions

On 4 February 2022, the Company announced that its rights to participate in the Avonmouth and Tring Road Gas Peaker projects had each been extended, by mutual indication and formal lease extension respectively, to allow the parties more time to conclude the financing arrangements necessary to take the projects to financial close and then construction.

Debt Conversion, Funding & Refinancing and Equity Share Agreement

On 21 February 2022, the Company announced the restructuring of a portion of its existing debt facility with Align Research and Riverfort Global Opportunities PCC Limited (the "Funding Parties") including:

- Entering into of a new debt facility of up to £450,000 – including the issuance of warrants exercisable at £0.015
- Entering into an Equity Share Agreement for up to £600,000 with a floor price of £0.015
- Conversion of £135,000 of the existing drawn down debt with the Funding Parties and
- Refinancing of £270,000 of drawn down debt to mature at the end of October 2022

The conversion, refinancing, new debt facility and new equity share facility has resulted in up to an additional £1,050,000 of new funding becoming available to the Company with the majority of the existing debt refinanced to October 2022.

On 16 March 2022, the Company further announced that the £135,000 debt previously agreed to be converted, plus an additional amount of £35,000 due 30 April 2022, was converted into 11,333,333 Company shares. This left £270,000 of debt due for settlement by the end of October 2022 and £100,000 due for settlement on 30 April 2022.

T-4 Capacity Market Auction

On 24 February 2022 the Company announced that its Avonmouth gas peaker project had been provisionally awarded a 15-year Capacity Market contract with National Grid, for commencement in 2025/26. The clearing price of the auction was £30.59/kW/annum which, following formal award and completion of the peaker project, would equate to approx. £1.5 million per annum in revenue for the 50MW project.

Debt Conversion and Option Awards

On 28 February 2022, the Company announced that £128,586 of Company debt held by C4 Energy Limited, a company controlled by the Company's chairman Mr James Parsons, had agreed to convert the entirety of its holding of Company debt into 8,572,400 new ordinary shares in the Company with an 18-month lock-in period.

**Half-yearly report notes
for the period ended 31 December 2021, continued**

Also on 28 February 2022, the Company announced the issuance of 20,606,278 options to subscribe for Company shares at a strike price of £0.017 per share and for an exercise period of 5 years. The Options vest only after both (a) the awarding of a mining lease at the Company's Mambare Nickel project in Papua New Guinea and (b) following 3 years of the date of grant.

Equity Fundraising

On 16 March 2022 the Company announced that it had raised a further £365,000 in funding by the placing of 24,333,332 new ordinary shares in the Company at a price of £0.015 per share.