

26 March 2021

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 2020.

Board Statement

Dear Shareholders,

During the second half of 2020, and despite a highly challenging period driven by the global pandemic, Corcel plc has continued to progress its balanced portfolio of mineral exploration projects, coupled with UK based energy generation and storage. For over a year now the Company has been strategically focused upon the exciting intersection of battery metals mining and their end use in both energy storage and the electric vehicle revolution.

The Company has a 41% interest in the Mambare nickel-cobalt asset in Papua New Guinea, where it is targeting the near-term award of a mining lease to enable direct shipping ore operations. A critical milestone in this process was achieved in July 2020 when a positive outcome at the Warden's Hearing was secured. The Warden's Hearing is considered a broad analogue to local community planning approval in the UK and positions the Company for further permitting progress this year, initially with an environmental impact assessment permit expected very shortly. Whilst permitting at Mambare, as with other large scale mining projects globally, is a relatively slow process, the prize is significant and the Company is committed to commercialising this large scale deposit.

One of the key priorities for the Company has been to increase its exposure to key battery metal positions prior to the widely expected supply crunch and associated structural price rise. With this in mind, the Company exercised its option to buy a further AUD 3.05m of debt in Resource Mining Corporation Limited ("RMI"), an ASX listed company with a 100% interest in the Wowo Gap nickel-cobalt project. This project is located 200km from the Papua New Guinea Capital of Port Moresby and some 150km southeast of the Company's existing Mambare asset. This positions the Company with a very substantial AUS 4.7m senior lender position in RMI which was secured at a highly attractive 65% discount from the face value of the debt.

The Company also successfully completed its 2020 exploration programme at the Dempster Vanadium project in Yukon, Canada. Vanadium is another battery metal where supply is not expected to be able to grow sufficiently to support demand. The results, which were released shortly after the end of the period, highlight exceptionally good rock and soil samples, which, amongst other signs, indicate the presence and grade of the Canol Formation and enable good formation tracking. Preparation work is underway for a drill programme as part of a potential 2021 exploration programme.

The combination of the Company's Mambare asset and RMI's Wowo Gap asset provide a strong regional nickel-cobalt platform of scale which is expected, together with the Dempster Vanadium exposure, to provide material upside to shareholders as global electric vehicle growth fuels an ever-increasing demand for nickel and vanadium. The Company continues to explore further acquisitions in the battery metals space which are designed to broaden the Company's current exposure to substantially all of the key battery metals going forward.

Alongside the battery metals portfolio, the Company also materially progressed its UK based energy generation and storage portfolio, particularly the battery storage site at Burwell. A 100MW 132kV connection offer from UK Power Networks was secured in September 2020 and the Company bought out its partners in December such that it now owns 100% of the project and has autonomy and full strategic control of the project. Subject to securing the land lease, which is expected shortly, the Company is targeting "shovel ready" status before the summer. Meanwhile, further UK sites are under active evaluation to build a broader opportunity funnel in this increasingly essential space.

The Board and I want to thank our shareholders for their support during 2020, which we know has not always been easy given global events and the short-term challenges the Company has had to endure in order to build firm foundations for the future.

We believe Corcel is now extremely well placed to take advantage of the growing trends underpinning the world's transition to a low carbon economy, including multiple approaching material inflexion points.

Our commitment to build your company into a substantial value generating business remains absolute.

James Parsons
Executive Chairman

Consolidated statement of financial position

as at 31 December 2020

	Notes	31 December 2020 Unaudited, £'000	31 December 2019 Unaudited, £'000	30 June 2020 Audited, £'000
ASSETS				
Non-current assets				
Investments in associates and joint ventures	6	1,971	1,947	1,947
Goodwill		29	42	25
Property, plant and equipment		62	—	—
Right of use asset		—	44	—
FVTOCI financial assets	7	3	77	4
Trade and other receivables	8	2,310	1,318	1,690
Total non-current assets		4,375	3,428	3,666
Current assets				
Cash and cash equivalents		180	40	415
FVTPL financial assets	7	—	5	5
Trade and other receivables		179	836	175
Total current assets		359	881	595
TOTAL ASSETS		4,734	4,309	4,261
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Called up share capital	9	2,736	2,716	2,726
Share premium account		23,779	22,320	23,032
Other reserves		1,117	(348)	908
Retained earnings		(23,927)	(21,570)	(23,403)
Total equity attributable to owners of the parent		3,705	3,118	3,263
Non-controlling interest		11	12	13
Total equity		3,716	3,130	3,276
LIABILITIES				
Non-current liabilities				
Lease liability		30	28	30
Long-term borrowings		—	—	760
Total non-current liabilities		30	28	790
Current liabilities				
Trade and other payables		185	373	183
Lease liability		12	17	12
Short term borrowings		791	761	—
Total current liabilities		988	1,151	195
TOTAL EQUITY AND LIABILITIES		4,734	4,309	4,261

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

**Consolidated statement of income
for the period ended 31 December 2020**

	Notes	6 months to 31 December 2020 Unaudited, £'000	6 months to 31 December 2019 Unaudited, £'000
Revenue			
Management services		—	—
		<hr/>	<hr/>
Administrative expenses	3	(493)	(371)
Impairment of loans and receivables		—	(8)
Loss of FVTPL investments		(5)	—
Exploration expenses		—	(1)
Other operating income		7	—
Foreign currency gain		—	(15)
Finance costs, net		(29)	(222)
Share of gains in associates and joint ventures		(6)	(3)
Loss for the period before taxation		<hr/> (526)	<hr/> (620)
Tax expense		—	—
Loss for the period after taxation		<hr/> (526)	<hr/> (620)
 (Loss)/profit for the period attributable to:			
Equity holders of the parent		(524)	(614)
Non-controlling interest		(2)	(6)
		<hr/> (526)	<hr/> (620)
 Earnings per share			
Loss per share – basic, pence	4	0.23	2.86
Loss per share – diluted, pence	4	0.23	2.86

**Consolidated statement of comprehensive income
for the period ended 31 December 2020**

	6 months to 31 December 2020 Unaudited, £'000	6 months to 31 December 2019 Unaudited, £'000
(Loss)/profit for the period	(526)	(620)
Revaluation of FVTOCI investments	(1)	(35)
Unrealised foreign currency gain/(loss) arising upon retranslation of foreign operations	—	16
Total comprehensive loss for the period	<hr/> (527)	<hr/> (639)

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

**Consolidated statement of changes in equity
for the period ended 31 December 2020**

The movements in equity during the period were as follows:

	Share capital	Share premium account	Retained earnings	Other reserves	Total Equity attributable to owners of the Parent	Non- controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 July 2019 (audited)	1,999	21,113	(20,960)	(329)	1,823	18	1,841
Changes in equity for six months ended 31 December 2019							
Profit/ (loss) for the period	—	—	(614)	—	(614)	(6)	(620)
Other comprehensive (loss)/income for the period	—	—	4	(19)	(15)	—	(15)
Transactions with owners							
Issue of shares	717	1,255	—	—	1,972	—	1,972
Share issue and fundraising costs	—	(48)	—	—	(48)	—	(48)
Total Transactions with owners	717	1,207	—	—	1,924	—	1,924
As at 31 December 2019 (unaudited)	2,716	22,320	(21,570)	(348)	3,118	12	3,130
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

	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 2019 (audited)	(924)	76	—	519	(329)
Changes in equity for six months ended 31 December 2019					
Other Comprehensive income					
Transfer of FVTOCI reserve relating to impaired assets and disposals	(35)	—	—	—	(35)
Unrealised foreign currency gains arising upon retranslation of foreign operations	—	—	—	16	16
Total comprehensive income/(loss) for the period	(35)	—	—	16	19
As at 31 December 2019 (unaudited)	(959)	76	—	535	348
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 31 December 2020 (unaudited)	—	99	483	535	1,117

Consolidated statement of cash flows
for the period ended 31 December 2020

	Note	6 months to 31 December 2020 Unaudited £'000	6 months to 31 December 2019 Unaudited £'000
Cash flows from operating activities			
(Loss)/profit before taxation		(526)	(620)
Decrease/(increase) in receivables		(68)	7
Increase in payables		23	189
Impairment of loans and receivables		—	8
Share of loss of associates and joint ventures, net of tax		6	3
Interest payable		29	222
Currency adjustments		—	15
Net cash flows from operations		(536)	(176)
Cash flows from investing activities			
Proceeds from sale of FVTPL and FVTOCI investments		14	99
Additional investments in JVs		(30)	—
Additional investments in subsidiaries		(4)	—
Purchase of financial assets carried at amortised cost	8	(355)	—
Purchase of property, plant and equipment		(62)	—
Net cash flows from investing activities		(437)	99
Cash flows from financing activities			
Proceeds from issue of shares		738	53
Net cash flows from financing activities		738	53
Net increase in cash and cash equivalents		(235)	(24)
Cash and cash equivalents at the beginning of period		415	64
Cash and cash equivalents at end of period		180	40

**Half-yearly report notes
for the period ended 31 December 2020**

1 Company and Group

As at 30 June 2020 and 31 December 2020 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 2021.

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 2020 has been extracted from the statutory accounts of the Group for that year. Statutory accounts for the year ended 30 June 2020, 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 2020, which have been prepared in accordance with IFRS.

During the period the following new standards and amendments were adopted. The adoption of these standards has not had a material impact on the financial information of the Group in future periods.

- Amendments to References to Conceptual Framework in IFRS Standards – effective from 1 January 2020;
- Definition of Material (Amendments to IAS 1 and IAS 8) – effective from 1 January 2020;
- Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform;
- Amendment to IFRS 3 Business Combinations – effective 1 January 2020.

Half-yearly report notes
for the period ended 31 December 2020, continued

3 Administrative expenses

	6 months to 31 December 2020	6 months to 31 December 2019
	Unaudited £'000	Unaudited £'000
Staff Costs:		
Payroll	220	150
Pension	10	5
Consultants	10	24
HMRC / PAYE	26	11
Professional Services:		
Accounting	26	22
Legal	26	11
Marketing	43	40
Funding costs	9	—
Other	34	—
Regulatory Compliance	57	42
Travel	2	17
Office and Admin Costs:		
General	8	2
IT costs	4	3
Rent - Main Office	12	25
Other lease arrangements	—	16
Insurance	6	3
Total administrative expenses	493	371

Half-yearly report notes
for the period ended 31 December 2020, 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 2020 Unaudited	6 months to 31 December 2019 Unaudited*
Loss attributable to equity holders of the parent company, in Thousand Sterling (£'000)	524	614
Weighted average number of Ordinary shares of £0.0001 in issue, used for basic and diluted EPS	225,302,423	21,495,874
Loss per share – basic and diluted, pence	0.23	2.86

*On 23 December 2019, the 1 for 100 Share Consolidation was completed and the post-consolidation share capital consists of 86,873,352 Ordinary Shares of £0.0001 each. Comparative weighted average number of ordinary shares is adjusted for the share 100:1 share consolidation.

At 31 December 2020 and at 31 December 2019, 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 2020 Unaudited	6 months to 31 December 2019* Unaudited
Share options granted to employees – total, of them	6,212,534	3,171,967
- Vested at the end of the reporting period	122,900	122,900
- Not vested at the end of the reporting period	6,089,634	3,049,067
Warrants given to shareholders as a part of placing equity instruments – not all conditions met and/or out of the money	98,339,078	7,206,782
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Total number of instruments in issue not included into the fully diluted EPS calculation	<hr/> 104,551,612 <hr/>	<hr/> 10,378,749 <hr/>

*30 June 2019 numbers were retrospectively adjusted for 100:1 share consolidation.

Half-yearly report notes
for the period ended 31 December 2020, 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 2020	Battery Metals (Nickel and Vanadium)	Flexible Grid Solutions (FGS and WDD)	Corporate and unallocated	Total
	£'000	£'000	£'000	£'000
Revenue	—	—	—	—
Result				
Segment results	(10)	(30)	(454)	(494)
Loss before tax and finance costs				
Interest payable				(30)
Loss for the period before taxation				(30)
Taxation expense				—
Loss for the period after taxation				(524)
Total assets at 31 December 2020	4,281	158	295	4,734
For the six-month period to 31 December 2019	Battery Metals (Nickel and Vanadium)	Flexible Grid Solutions	Corporate and unallocated	Total
	£'000	£'000	£'000	£'000
Revenue	—	—	—	—
Result				
Segment results	(3)	(29)	(366)	(398)
Loss before tax and finance costs				
Interest payable				(222)
Loss for the period before taxation				(620)
Taxation expense				—
Loss for the period after taxation				(620)
Total assets at 31 December 2019	3,264	107	938	4,309

Half-yearly report notes
for the period ended 31 December 2020, continued

6 Investments in associates and joint ventures

	31 December 2020	31 December 2019	30 June 2020
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
At the beginning of the period	1,947	1,950	1,950
Additional investments in JVs	30	—	—
Share of loss for the period using equity method	(6)	(3)	(3)
At the end of the period	1,971	1,947	1,947

7 Financial assets

	31 December 2020	31 December 2019	30 June 2020
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
FVTOCI financial instruments at the beginning of the period	4	178	178
Disposals	—	(55)	(132)
Revaluations and impairment	(1)	(45)	(42)
FVTOCI financial assets at the end of the period (unaudited)	3	77	4

	31 December 2020	31 December 2019	30 June 2020
	Unaudited	Unaudited	Audited
	£	£	£
FVTPL financial instruments at the beginning of the period	5	5	5
Disposals	(5)	—	—
FVTPL financial assets at the end of the period (unaudited)	—	5	5

8 Debt Purchased from Resource Mining Corporation Limited

On 7 April 2020, the Company announced the partial purchase of the corporate debt of Resource Mining Corporation Pty Ltd, the 100% owner of the WoWo Gap nickel-cobalt project in Papua New Guinea. The Company agreed to purchase AUD 1.7 million of outstanding corporate debt in RMI from Sinom Hong Kong Limited. The consideration was £178,096 cash plus 13,288,982 new ordinary shares, representing aggregate consideration of £324,275, being a 62% discount to the face value of the debt. The new shares were subject to a lock-up of one year.

During the reporting period, the Company has also exercised the 6-month option to purchase the remaining RMI debt of AUD 3.05 million for consideration of 23,711,018 new ordinary shares and AUD 640,000 in cash (£355,259), which represents a similar discount to the initial acquisition. All the loan notes are interest free and unsecured. Directly attributable transactions costs were also included in the carrying value of the debt bringing the total of the debt value to £987,121 on 31 December 2020.

Half-yearly report notes
for the period ended 31 December 2020, continued

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	189,910,596	19
As at 1 July 2020 (Audited)		2,726
Issued ordinary shares on 26 October 2020 at £0.01 per share (cash placement)	75,000,000	8
Issued ordinary shares on 26 October 2020 at £0.01 per share (non-cash, creditor settlement)	3,000,000	—
Issued ordinary shares on 28 October 2020 at £0.0098 per share (RMI debt acquisition)	23,711,018	2
Total number of issued ordinary shares of £0.0001	101,711,018	10
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	291,621,614	29
At 31 December 2019 (Unaudited)		2,736

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.

Half-yearly report notes
for the period ended 31 December 2020, continued

11 Events after the reporting period

Dempster Vanadium – Exploration Results

On 14 January 2021, the Company announced the results from the 2020 exploration program at the Dempster Vanadium project in the Yukon, Canada.

- o 14 rock and 179 soil samples collected during work programme
- o Rock samples yielded anomalous vanadium values ranging from 0.12% to 0.35% vanadium pentoxide ("% V2O5")
- o 13 of the 14 rock samples returned anomalous zinc and silver values
- o Soil samples returned vanadium values up to 0.82% V2O5 with 18 samples equal or greater to 0.40% V2O5
- o Additional McGill University research results expected shortly
- o Planning for the 2021 Exploration Program underway - expected to include drilling at the project

Issue of Equity

On 21 January 2021 the Company announced the issuance 2,880,000 new ordinary shares in the Company to a service provider.

Mambare Project Update

On 25 January 2021 the Company provided an update on the Company's Mambare nickel-cobalt asset in Papua New Guinea.

Resource Mining Corporation: Nickel Project Acquisition

On 10 February 2021 the Company announced an update in relation to its investment in Resource Mining Corporation Ltd, in Australia. RMI announced that it expanded its existing nickel portfolio by acquiring a controlling interest in a nickel project in Tanzania.

Fundraising, Directors' Dealings and TVR

On 18 February 2021, the Company announced that it agreed a funding package consisting of equity and debt.

The equity fundraising has directly raised gross proceeds of £300,000 from the issue of 24,000,000 new ordinary shares of £0.0001 (Ordinary Shares) at £0.0125 per share, being a 4% premium to the mid-price of the Company's ordinary shares at the close on 17 February 2021, being the latest practicable date prior to the publication of this announcement. The Company has also issued the equity investors with two warrants for every one share exercisable at £0.02 per new warrant share at any time over the next two years.

Two Company Directors, James Parsons and Scott Kaintz, have also participated in the placing of 800,000 new ordinary shares and 1,600,000 warrants each. The Company has also agreed to issue a further 2,880,000 new Ordinary Shares at the Placing Price for an invoice received from Align Research in respect of research services, and who has agreed to receive the payment of their £30,000 invoice plus VAT, both paid in shares.

The debt element of the fundraising is a definitive loan agreement arranged by Align Research Limited (the "Lender") to provide, in aggregate, £300,000 through an unsecured loan facility, for working capital purposes in support of the execution of the Company's Flexible Grid Solutions and battery metals strategy. The Loan Facility, which is aimed at minimising dilution at current prices, provides for the loan ("Loan") to be drawn down in 5 tranches being £100,000 on 1 March 2021, and £50,000 on 1 April, 1 May, 1 June and 1 July respectively. The Loan plus a fixed coupon of 8% is repayable in full on maturity (except where the Lenders request part or all of the Loan and any coupon to be utilised in paying for the warrants), which is 28 December 2021. The coupon is repayable in either cash or shares at the Lender's discretion, and if in shares at a price of £0.013 per share.

As part of the Loan Facility, the Company will issue a total of 23,076,923 three-year warrants to the Lender. The Warrants are only exercisable when the share price per Ordinary Share is at or above £0.02 per share (a 63% premium to the current mid-price), at which point the holders can subscribe for ordinary shares in the Company at £0.013 per share, or at the future placing price of any subsequent fundraise during the first 12 months of the Warrants being issued, if lower than £0.013. Should the Warrants be exercised in whole or part during the term of the Loan Facility it has been agreed that the Warrant payment proceeds will be netted off against the repayment of the pro-rata drawn Loan Facility. In the event of the Warrants being exercised during this period the full 8% Loan Facility interest on each repayment will be payable in shares at a price of £0.013 per share. If the entirety of the Warrants are exercised, this would result in an additional 23,076,923 Warrant shares and 1,846,154 Interest Shares ultimately be issued.