METALS EXPLORATION PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

Metals Exploration plc (AIM: MTL) ("Metals Exploration", the "Company" or, together with its subsidiaries the "Group"), a Philippine gold producer, announces record interim results for the six months ended 30 June 2023. The results will be made available on the Company's website at www.metalsexploration.com.

Highlights

- **Record half-year operating profit of US$31.1 million achieved (H1 2022: US$9.4 million) - up 231%;**
- **Record half-year gold production of 45,533 ounces (H1 2022: 31,348 ounces) - up 45%;**
- **Record half-year gold recoveries of 89.8% (H1 2022: 87.7%) – up 2.4%;**
- **Record half-year positive cashflow from operations of US$39.8 million (H1 2022: US$17.0 million) – up 134%;**
- **Net Debt as at 30 June 2023 US$48.8 million (H1 2022: US$92.9 million);**
- **Debt repayments during H1 2023 of US$35.0 million (H1 2022: US$17.0 million);**
- **Over 20 million man-hours since the last reported lost-time injury;**
- **FY2023 full year production forecast of between 78,000 and 81,000 ounces of gold, with AISC forecast to be between US$1,120 and US$1,200 per ounce.**

Production Summary

Runruno Project Production Summary	Units	Actual 6 Months to 30 June 2023	Actual 6 Months to 30 June 2022	Actual 12 Months to 31 December 2022
Mining				
Ore Mined	Tonnes	848,023	1,289,123	2,292,439
Waste Mined	Tonnes	5,385,929	5,676,856	11,422,847
Total Mined	Tonnes	6,233,952	6,965,979	13,715,286
Au Grade Mined	g/tonne	1.59	1.10	1.31
Strip Ratio		6.08	4.28	4.89
Processing				
Ore Milled	Tonnes	1,068,391	1,017,258	2,068,031
Gold (Au) Grade	g/tonne	1.48	1.09	1.27
Sulphur Grade	%	1.41	0.98	1.36
Au Milled (contained)	ounces	50,701	35,742	84,677
Recovery	%	89.8	87.7	85.7
Au Poured	ounces	45,533	31,348	72,537
Sales				
Au Sold	ounces	46,186	30,676	69,249
Au Price	US$/oz	1,939	1,878	1,797

Review of Operations

During H1 2023 the Group enjoyed a sustained stable mine and process operations. Higher grade ore from Stage 3 of the mine plan was accessed and processed, which combined with record recoveries and consistently high prices led to a record operating profit of US$31.1 million, up 231% on H1 2022.

Safety and health

The outstanding safety record of the operation continues with in excess of 20 million man-hours with no lost time incidents occurring since the last lost time incident in December 2016. This is something we are incredibly proud of and all employees and contractors are to be congratulated on this ongoing achievement.

Finance

A higher head grade of 1.48g/t for H1 2023 (H1 2022: 1.09g/t) contributed to the record gold production and sales revenue. Gold sales were US$89.6 million (H1 2022 US$57.6 million). Operations resulted in positive free cash flow of US$39.8 million (H1 2022: US$17.0 million).

As at H1 2023 end, the Group's net debt was US$48.8 million (H1 2022: US$92.9 million). Total debt repayments made during H1 2023 were US$35.0 million (H1 2022: US$17.0 million). Details of these debt facilities can be found in Note 6.

Mining

Mining production of ore and waste was slightly down at 6.2Mt for H1 2023 (H1 2022: 7.0Mt) due to diverting dump trucks to assist with the Residual Storage Impoundment ("RSI") final spillway earthworks which commenced in Q1 2023. Total ore mined was lower at 0.8Mt (H1 2022: 1.3Mt), however the grade mined was up at 1.59g/t (H1 2022: 1.10g/t).

An exploration drill programme in Stages 4 and 5 commenced in Q1 2023, with the objective of identifying new gold resources both in and near-to the current pit-shell design. To date, this drilling has not produced any material gold discoveries. The final holes in this drill programme should be completed in early Q4 2023.

Process plant

Stable operations were delivered during H1 2023, leading to record gold production of 45,533 ounces (H1 2022: 30,676 ounces). Throughput for H1 2023 of 1.07Mt (H1 2022: 1.02Mt) was on budget, while unfettered access to mine plan Stage 3 and 4 provided an increased head grade of 1.48g/t (H1 2022: 1.09g/t).

Efforts to bring BIOX performance up to design continue, however ongoing issues with controlling the temperature in the BIOX tanks continue. Notwithstanding this a higher record overall gold recovery rate of 89.8% was achieved (H1 2022: 87.7%).

Unplanned process plant downtime during H1 2023 was caused in the main by tails line failures and conveyor belt and return water line repairs.

Residual Storage Impoundment

The RSI is operating to design with an excellent environmental performance record. Construction of the final Stage 6 RSI lift was completed in H1 2023 and the dam water freeboard remained well within design limits.

Earthworks for the construction of the RSI final in-rock spillway are well advanced and the day-to-day performance of the RSI is continuously monitored by an independent international consulting group.

Community & Government Relations

Productive relations with both the community and the Philippine government continue. In conjunction with relevant government agencies, the Company has largely completed the removal of illegal miners, including their infrastructure and dwellings, from mine plan Stages 4 and 5.

Corporate

In June 2023, the Company issued 7,147,850 new ordinary shares at an issue price of £0.01679 (US$0.02032) to certain members of senior management in lieu of a £120,012 (US$145,215) cash bonus.

Darren Bowden, CEO of Metals Exploration, commented:
"We are delighted with the Group's performance in the first half of 2023 which has seen significant operational improvements and record performances at Runruno, also enabling us to continue to reduce our debt substantially. We are also very proud of our ongoing outstanding safety record as this is something that is at the forefront of everything we do and is an incredible achievement by all our employees and contractors.

The Company is well set for the remainder of the year as we look to continue to deliver strong performances at Runruno across all our key metrics and hit our target guidance for production and AISC for FY2023."

For further information please visit or contact www.metalsexploration.com

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CONDENSED CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME for the six months ended 30 June 2023

	Notes	*6 month period ended 30 June 2023 (unaudited)*	*6 month period ended 30 June 2022 (unaudited)*	*Year ended 31 December 2022 (audited)*
		US$	*US$*	*US$*
Continuing Operations				
Revenue		89,551,687	57,621,936	124,410,991
Cost of sales		(53,677,981)	(42,493,529)	(91,667,471)
Gross profit		35,873,706	15,128,407	32,743,520
Administrative expenses		(4,758,815)	(5,724,198)	(8,924,926)
Operating profit		**31,114,891**	**9,404,209**	**23,818,594**
Impairment reversal/(loss)	*5*	8,846,685	(670,677)	(1,202,397)
Net finance and other costs		(2,930,501)	(7,271,289)	(13,765,824)
Loss on fair value changes to derivatives		(57,800)	(526,495)	(4,883)
Share based payment expense		(21,814)	(75,698)	(102,001)
Share of (loss)/ profit of associates		3,021	(2,729)	(76,854)
Profit before tax		**36,954,482**	**857,321**	**8,666,635**
Tax expense		4,141	(75,255)	87,321
Profit for the period attributable to equity holders of the parent		**36,958,623**	**782,066**	**8,753,956**
Other comprehensive income:				
Items that may be re-classified subsequently to profit or loss:				
Exchange differences on translating foreign operations		(660,052)	40,020	(247,475)
Items that will not be re-classified subsequently to profit or loss:				
Re-measurement of pension liabilities		-	-	(634,652)
Total comprehensive profit for the period attributable to equity holders of the parent		**36,298,571**	**822,086**	**7,871,829**
Earnings per share:				
Basic cents per share	*4*	**1.77**	**0.04**	**0.42**
Diluted cents per share	*4*	**1.75**	**0.04**	**0.42**

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
as at 30 June 2023

	Notes	*30 June 2023 (Unaudited) US$*	*30 June 2022 (Unaudited) US$*	*31 December 2022 (Audited) US$*
Non-current assets				
Property, plant and equipment	*5*	84,395,285	88,810,504	81,459,218
Other intangible assets		467,179	49,743	33,049
Investment in associate companies		108,432	179,536	105,411
Trade and other receivables		12,616,843	5,572,524	8,796,133
		97,587,739	**94,612,307**	**90,393,811**
Current assets				
Inventories		19,471,994	22,136,388	21,215,487
Trade and other receivables		7,640,051	6,890,283	8,135,100
Cash and cash equivalents		490,207	288,439	861,069
		27,602,252	**29,315,110**	**30,211,656**
Non-current liabilities				
Loans	*6*	-	(74,146,474)	(51,983,413)
Trade and other payables		(1,247,303)	-	(1,314,556)
Retirement benefits obligations		(2,463,112)	(1,871,640)	(2,463,112)
Deferred tax liabilities		(574,038)	(880,935)	(574,038)
Provision for mine rehabilitation		(3,781,339)	(4,031,740)	(3,764,708)
		(8,065,792)	**(80,930,789)**	**(60,099,827)**
Current liabilities				
Trade and other payables		(13,210,650)	(12,791,908)	(12,431,948)
Loans - current portion	*6*	(49,301,270)	(18,711,883)	(30,001,208)
Derivative liabilities		(382,920)	(805,124)	(308,725)
		(62,894,840)	**(32,308,915)**	**(42,741,881)**
Net assets		**54,229,359**	**10,687,713**	**17,763,759**
Equity				
Share capital	*7*	282,503	27,952,353	281,638
Share premium account	*7*	144,350	196,118,890	-
Acquisition of non-controlling interest reserve		(5,107,515)	(5,107,515)	(5,107,515)
Translation reserve		13,760,949	14,708,496	14,421,001
Re-measurement reserve		(472,649)	162,003	(472,649)
Other reserves		1,661,734	1,613,617	1,639,920
Profit and loss account		43,959,987	(224,760,131)	7,001,364
Equity attributable to equity holders of the parent		**54,229,359**	**10,687,713**	**17,763,759**

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2023

	Share capital US$	Share premium account US$	Acquisition of non-controlling interest reserve US$	Translation reserve US$	Re-measurement reserve US$	Other reserve US$	Profit and loss account US$	Total equity US$
Balance at 1 January 2023	281,638	-	(5,107,515)	14,421,001	(472,649)	1,639,920	7,001,364	17,763,759
Exchange differences on translating foreign operations	-	-	-	(660,052)	-	-	-	(660,052)
Profit for the period	-	-	-	-	-	-	36,958,623	36,958,623
Total comprehensive (loss)/profit for the period	-	-	-	(660,052)	-	-	36,958,623	36,298,571
Share based payment	-	-	-	-	-	21,814	-	21,814
Equity issue	865	144,350	-	-	-	-	-	145,215
Balance at 30 June 2023	**282,503**	**144,350**	**(5,107,515)**	**13,760,949**	**(472,649)**	**1,661,734**	**43,959,987**	**54,229,359**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2022

	Share capital US$	Share premium account US$	Acquisition of non-controlling interest reserve US$	Translation reserve US$	Re-measurement reserve US$	Other reserve US$	Profit and loss account US$	Total equity US$
Balance at 1 January 2022	27,950,217	195,855,125	(5,107,515)	14,668,476	162,003	1,537,919	(225,542,197)	9,524,028
Exchange differences on translating foreign operations	-	-	-	40,020	-	-	-	40,020
Profit for the period	-	-	-	-	-	-	782,066	782,066
Total comprehensive (loss)/profit for the period	-	-	-	40,020	-	-	782,066	822,086
Share based payment	-	-	-	-	-	75,698	-	75,698
Equity issue	2,136	263,765	-	-	-	-	-	265,901
Balance at 30 June 2022	**27,952,353**	**196,118,890**	**(5,107,515)**	**14,708,496**	**162,003**	**1,613,617**	**(224,760,131)**	**10,687,713**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2022

	Share capital US$	Share premium account US$	Acquisition of non-controlling interest reserve US$	Translation reserve US$	Re-measurement reserve US$	Other reserve US$	Profit and loss account US$	Total equity US$
Balance at 1 January 2022	27,950,217	195,855,125	(5,107,515)	14,668,476	162,003	1,537,919	(225,542,197)	9,524,028
Exchange differences on translating foreign operations	-	-	-	(247,475)	-	-	-	(247,475)
Change in pension liability	-	-	-	-	(634,652)	-	-	(634,652)
Profit for the year	-	-	-	-	-	-	8,753,956	8,753,956
Total comprehensive profit/(loss) for the period	-	-	-	(247,475)	(634,652)	-	8,753,956	7,871,829
Share based payments	-	-	-	-	-	102,001	-	102,001
Share issue	2,136	263,765	-	-	-	-	-	265,901
Capital reduction	(27,670,715)	(196,118,890)	-	-	-	-	223,789,605	-
Balance at 31 December 2022	**281,638**	**-**	**(5,107,515)**	**14,421,001**	**(472,649)**	**1,639,920**	**7,001,364**	**17,763,759**

Equity is the aggregate of the following:

- Share capital; being the nominal value of shares issued.
- Share premium account; being the excess received over the nominal value of shares issued less direct issue costs.
- Acquisition of non-controlling interests reserve; being amounts recognised on acquiring additional equity in a controlled subsidiary.
- Translation reserve; being the foreign exchange differences on the translation of foreign subsidiaries.
- Re-measurement reserve; being the cumulative actuarial gains and losses, return on plan assets and changes in the effect of the asset ceiling (excluding net interest on defined benefit liability) recognised in the statement of total comprehensive income.
- Other reserves; being the cumulative fair value of warrants associated with certain mezzanine debt facilities and share-based payments expense.
- Profit and loss account; being the cumulative loss attributable to equity shareholders.

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT for the six months ended 30 June 2023

	6 month period ended 30 June 2023 (unaudited) US$	*6 month period ended 30 June 2022 (unaudited) US$*	*Year ended 31 December 2022 (audited) US$*
Net cash arising from operating activities	**39,838,746**	**17,037,683**	**38,189,947**
Investing activities			
Exploration expenses incurred	(449,477)	-	-
Purchase of property, plant and equipment	(4,687,652)	(3,991,767)	(8,227,773)
Net cash used in investing activities	**(5,137,129)**	**(3,991,767)**	**(8,227,773)**
Financing activities			
Repayment of borrowings – principal	(32,855,626)	(16,477,173)*	(31,998,689)
Repayment of borrowings – interest	(2,194,374)	(522,827)*	(1,824,311)
Net cash used in financing activities	**(35,050,000)**	**(17,000,000)**	**(33,823,000)**
Net(decrease)/increase in cash and cash equivalents	(348,383)	(3,954,084)	(3,860,826)
Cash and cash equivalents at beginning of period	861,069	4,736,970	4,736,970
Foreign exchange difference	(22,479)	(494,447)	(15,075)
Cash and cash equivalents at end of period	**490,207**	**288,439**	**861,069**

* Restated 30 June 2022 repayment of borrowings with a value of US$17 million into its principal and interest elements to align with disclosures in the 2022 full year financial statements.

Notes to the condensed consolidated interim financial statements

1. General information

These condensed consolidated interim financial statements of Metals Exploration and its subsidiaries (the "Group") were approved by the Board of Directors on 26 September 2023. Metals Exploration is the parent company of the Group. Its shares are quoted on AIM market of the London Stock Exchange plc. The registered address of Metals Exploration plc is 38 – 43 Lincoln's Inn Fields, London, WC2A 3PE.

The condensed consolidated interim financial statements for the period 1 January 2023 to 30 June 2023 are unaudited. The group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing the interim financial information. The condensed consolidated interim financial statements incorporate unaudited comparative figures for the interim period from 1 January 2022 to 30 June 2022 and the audited financial year ended 31 December 2022.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory accounts for the year ended 31 December 2022, which were prepared under UK-adopted international financial accounting standards, were filed with the Registrar of Companies. The auditors reported on these accounts and their report was unqualified and did not contain a statement under either Section 498 (2) or Section 498 (3) of the Companies Act 2006.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with UK-adopted international accounting standards. The financial information has been prepared based on UK-adopted international accounting standards that the Board of Directors expect to be applicable as at 31 December 2023.

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which are measured at fair value, and in accordance with UK-adopted international accounting standards. There have been no changes in accounting policies as described in the 2022 annual financial statements.

3. Going concern

These condensed consolidated interim financial statements of the Group have been prepared on a going concern basis, which contemplates the continuity of business activities, the realisation of assets and the settlement of liabilities in the normal course of business.

Although as at 30 June 2023, the Group's current liabilities continue to exceed its current assets, primarily due to the estimated external borrowings the Group expects to repay within the next 12 months, there is no obligation to adhere to a set loan principal or interest repayment schedule.

The Group is not subject to any set principal or interest repayment schedule. Excess free cashflow is required to be paid to lenders on a minimum quarterly basis only when net working capital is in excess of US$5million. In addition, the Group is not in default if it is unable to make a quarterly payment to the lenders, but would continue to be obliged to pay out the excess free cash flow as soon as possible. As a result of these debt repayment arrangements, including the ongoing existence of a US$5million positive net working capital balance, together with the sustained positive cash flows being produced by the Runruno Project, the Directors believe there is no material uncertainty over the Group's going concern.

The Group and its ability to operate as a going concern and to meet its commitments as and when they fall due is dependent upon the ability of the Group to operate the Runruno Project successfully so as to generate sufficient cash flows to enable the Group to settle its liabilities as they fall due.

The Board of Directors believes that the Runruno Project will continue to operate successfully and produce positive cash flows for at least 12 months from the date of this interim report, being 26 September 2023. As a result, the Board of Directors considers it appropriate that the half-year financial information should be prepared on a going concern basis.

Notes to the condensed consolidated interim financial statements

4. Earnings per share

The earnings per share was calculated on the basis of net profit/(loss) attributable to equity shareholders divided by the weighted average number of ordinary shares.

	6 month period ended 30 June 2023 (unaudited) US$	*6 month period ended 30 June 2022 (unaudited) US$*	*Year ended 31 December 2022 (audited) US$*
Earnings			
Net profit/(loss) attributable to equity shareholders for the purpose of basic and diluted earnings per share	36,958,623	782,066	8,753,956
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,089,230,821	2,072,588,751	2,080,759,193
Number of dilutive shares under warrant/option	22,000,000	19,958,011*	16,181,534
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,111,230,821	2,092,546,762*	2,096,940,727
Basic earnings cents per share	1.77	0.04	0.42
Diluted earnings cents per share	1.75	0.04	0.42

* Restated to remove 94,125,000 warrant instruments previously incorrectly included as these were anti-dilutive in nature.

5. Impairment reversal

Property, plant and equipment ("PPE")

The Group considers that the entire Runruno project (encompassing capitalised property, plant and equipment, mining licence costs, deferred exploration expenditure and the provision for mine rehabilitation and decommissioning) comprises a single cash generating unit ("CGU") as all stages of the project are interdependent in terms of generating cash flow and do not have the capacity to generate separate and distinct cash flow streams.

The Group assesses the recoverable amount of the Runruno project CGU based on the value in use of the Runruno operations using cash flow projections over the remaining expected life of mine ("LOM") and at appropriate discount rates. Based on assumptions current as at 30 June 2023, in particular the ongoing relatively high gold prices and the increased productivity of the Runruno mine, the Group considered that a partial reversal of the 2018 impairment of PPE be recognised. Accordingly, and in accordance with IAS 36 -- *Impairment of Assets,* an impairment credit has been raised in H1 2023 to increase the book value of the PPE by US$10 million.

Notes to the condensed consolidated interim financial statements

6. Loans

Senior debt
The US$83,000,000 senior debt facility has effectively been fully repaid with only US$1,253 outstanding as at 30 June 2023. This small balance has remained in place to maintain the existing security while the process of elevating the status of the mezzanine debt from unsecured to secured debt (the “Elevation”). This Elevation process provides for the interest rate on the mezzanine debt to reduce from 15% to 7%.

The process of elevating the status of the mezzanine loans to that of secured debt is continuing. The mechanics to achieve this requires new securities to be created across several jurisdictions. The documentation to achieve all aspects of the elevation is largely agreed, and the process of executing these documents is expected to commence in Q3 2023.

Mezzanine debt
Since 2015, the Company has entered into numerous facility agreements with two major shareholders, MTL Luxembourg Sarl (“MTL Luxembourg”) and Runruno Holdings Limited (the “RHL Group”) (the “Mezzanine Lenders”). The purpose of these unsecured advances was for general corporate and working capital requirements of the Company and to enable completion of the Runruno Project.

In October 2020 the various original mezzanine facilities were consolidated into two new facilities (the “New Mezzanine Facilities”) and a £100,000 revolving credit facility. There is no obligation to make any repayment of any amounts due under the New Mezzanine Facilities until the senior debt is fully repaid.

The majority mezzanine lender, MTL Luxembourg, Nick Candy’s investment vehicle (holding 70.7% of the mezzanine debt), has confirmed in writing that, subject to completion of the elevation documents within a reasonable period, the interest rate on its portion of the mezzanine debt will reduce to 7% per annum from 15% per annum as from 3 November 2022 (being the date that the Company could have fully repaid the Senior Facility, but for the requirements of the Elevation).

The minority 29.3% mezzanine lender, the RHL Group, has not confirmed the same in writing; however, the Company is hopeful the RHL Group will apply the 7% interest rate from 3 November 2022 and that this will be formalised once the elevation documents are completed within a reasonable period.

Total mezzanine debt payments of US$35.0 million were made during H1 2023 (H1 2022: US$17.0 million).

The net debt position of the Group as at 30 June 2023 was US$48.8 million (H1 2022: US$92.9 million).

The Group’s outstanding debt is summarised as follows:

	June 2023	*June 2022*	*December 2022*
	US$	*US$*	*US$*
Total loans due within one year*	49,301,270	18,711,883	30,001,208
Total loans due after more than one year*	-	74,146,474	51,983,413

* Given the Group is not subject to a fixed repayment schedule then, in accordance with the restructured debt facilities, there is no certainty as to what amount of debt will be repaid within one year from period end. Thus, the determination of what debt is deemed current and what is deemed non-current is subject to estimation. In making this calculation the Group has taken account of the Group’s estimate of what principal repayments will be made during the next 12 month period.

Notes to the condensed consolidated interim financial statements

7. Share capital

The 17 June 2022 AGM approved a capital reorganisation which consisted of both a capital sub-division and a capital reduction. The capital sub-division effected a change in the nominal value of ordinary shares. This was achieved by dividing the existing ordinary shares of £0.01 nominal value into one New Ordinary Share, with a nominal value of £0.0001 and one Deferred Share with a nominal value of £0.0099 each. The Deferred Shares had limited rights as set out in the new Articles of the Company adopted at the AGM. This capital sub-division was effective as from the day of the AGM. The capital reduction element was to cancel, for no consideration, the deferred shares and share premium account by way of creating a reserve to be offset against accumulated losses. This capital reduction was completed in July 2022.

In June 2023 the Company issued 7,147,850 new ordinary shares at an issue price of £0.01679 in lieu of paying a cash bonus.

	June 2023	*June 2022*	*December 2022*	***June 2023***	*June 2022*	*December 2022*
	Number of shares	*Number of shares*	*Number of shares*	***US$***	*US$*	*US$*
Ordinary shares of £0.01 par value						
Opening balance	-	2,071,334,586	2,071,334,586	-	27,950,217	27,950,217
Sub-division	-	(2,071,334,586)	(2,071,334,586)	-	(27,950,217)	(27,950,217)
Closing balance	**-**	-	-	**-**	-	-
Ordinary shares of £0.0001 par value						
Opening balance	2,088,796,421	-	-	281,638	-	-
Sub-division/capital reduction	-	2,071,334,586	2,071,334,586	-	279,502	279,502
Share issue in period	7,147,850	17,461,835	17,461,835	865	2,136	2,136
Closing balance	**2,095,944,271**	2,088,796,421	2,088,796,421	**282,503**	281,638	281,638
Deferred shares of £0.0099 par value						
Opening balance	-	-	-	-	-	-
Sub-division/capital reduction	-	2,071,334,586	-	-	27,670,715	-
Closing balance	-	2,071,334,586	-	**-**	27,670,715	-
Share premium						
Opening balance			-	-	195,855,125	195,855,125
Sub-division/capital reduction				-	-	(196,118,890)
Share issue in period				144,350	263,765	263,765
Closing balance				**144,350**	196,118,890	-

Notes to the condensed consolidated interim financial statements

8. Contingent liabilities

The Group has no contingent liabilities identified as at 30 June 2023 (2022: US$nil) other than:

- In accordance with the provisions of the Financial and Technical Assistance Agreement ("FTAA") with the Philippine government, which governs the operations of the Runruno mine, an application to extend the exemption from numerous taxes including corporate income tax, VAT, stamp duty and import duty has been lodged. This application for the extension of the exemption from these taxes has passed through several steps in the process of being approved and has the garnered the support of some of the relevant government departments.

  Although uncertain, the Group remains confident that the extension will ultimately be granted. As a result, the interim financial statements are based on the assumption that the extension will be granted (consistent with the December 2022 financial statements).

  However, should this exemption request not be granted, the Group will have liability for various past taxes. The Group believes it will be able to net this potential liability against past payments VAT and import duties which it believes it is entitled to recover. As some of these past VAT and Import duty payments are subject to court proceedings the potential quantum of the tax liability can't be predicted with certainty.

9. Subsequent events

There have been no subsequent disclosable events other than:

- On 18 September 2023 the Company announced the resignation of Mr David Cather as Independent Chairman and non-executive director. Mr Steven Smith has been appointed interim Chairman until such time as the Company appoints a new independent Chairman. Mr Cather will continue as a director the of Metals Exploration Pte Ltd (the group's Singapore incorporated holding company), while remaining a mining engineering consultant to FCF Minerals, the Company's Philippine operating subsidiary.