

14 September 2021

**Pathfinder Minerals plc  
("Pathfinder" or the "Company")**

**Half-year Results**

Pathfinder reports its unaudited results today for the six months ended 30 June 2021. These results will shortly be made available on the Company's website.

**Dennis Edmonds, Chairman, commented:**

"During the period, the Board took a number of steps to strengthen Pathfinder's position and prepare it to potentially bring a substantial claim against the government of Mozambique for its role in facilitating the expropriation from the Company of Mining Concession 4623C in 2011. These measures included strengthening the Company's financial position and Board, intensifying pressure on the government of Mozambique and the current licence holder, and undertaking substantial legal preparatory work.

At the same time, the Board has been working to advance opportunities to further its multiple-project strategy, to provide additional avenues for value creation."

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").*

## **CHAIRMAN'S STATEMENT**

### **Introduction**

During the period, the Board took a number of steps to strengthen Pathfinder's position and prepare it to potentially bring a substantial claim against the government of Mozambique, under the Mozambique-United Kingdom Bilateral Investment Treaty (2004) (the "Treaty"), for its role in facilitating the expropriation of Mining Concession 4623C (the "Licence") from the Company in 2011 through a transfer which the Board believes was unlawful.

Alongside this, the Board is aware of potential additional commercial opportunities for value creation in the wider market and continues to actively assess such opportunities.

### **Bilateral Investment Treaty claim**

The Board has intensified pressure upon both the government of Mozambique and TZM Resources S.A. ("TZM"), the current Licence holder, placing the parties on notice of their potential exposure in the event of a successful Treaty claim whereby the International Centre for Settlement of Investment Disputes ("ICSID") tribunal would have the power to order the return of the Licence to Pathfinder's control or to order payment of damages by the government of Mozambique to compensate Pathfinder for its loss. As previously announced on 12 April 2021, Pathfinder estimates its losses in connection with the diversion of the licensed areas, including lost profits, to be in excess of US\$ 621.3 million.

On 24 June 2021, the Board held a virtual meeting with the Chairman of the Board of Directors of TZM and representatives from the British High Commission in Mozambique, the UK Department for International Trade, and the National Mining Institute of the Mozambique Ministry of Mineral Resources and Energy, at which it was made clear that, absent an alternative solution, TZM could lose the benefit of its investment in the Licence.

The Board continues to make good progress in the legal preparations to bring a Treaty claim, should it be required, following the receipt in December 2020 of a favourable legal opinion on the prospects of successfully establishing liability against the government of Mozambique, including in respect of the valuation of the claim and towards the engagement of litigation funders.

### **New funds for working capital**

During the period, the Company raised £720,000 before expenses through the private placement of an aggregate of 130,000,000 new shares, as announced on 19 February 2021 and 4 May 2021, to provide the Company with additional working capital as it pursues the recovery of the Licence.

### **Financial results and current financial position**

The unaudited financial statements of the Pathfinder Group for the six months ended 30 June 2021 follow later in this report. The year ended 31 December 2020 financial statements of the Company included a restatement of the results as at 31 December 2019 to increase provision for legacy PAYE balances and to fully recognise share-based payment charges. In addition, the 31 December 2019 results were restated to recognise the fair value of subsisting share options and warrants in accordance with IFRS 2. The half-year results as at 30 June 2020 have been restated to reflect the prior year restated numbers.

The Income Statement for the period ended 30 June 2021 reflects a loss of £298k (period ended 30 June 2020 as restated: £430k). The Group's Statement of Financial Position shows total assets at 30 June 2021 of £631k (30 June 2020 as restated: £365k); the assets were held largely in the form of cash deposits of £606k (30 June 2020 as restated: £271k).

**Management changes**

On 17 March 2021, Jonathan Summers was appointed as an independent Non-Executive Director.

Mr Summers brings over 25 years of international business experience. He is a former Managing Director at Goldman Sachs, mainly in Europe, having spent 15 years at the firm from 1996 to 2011. He was Founding Partner and Head of Business Development for Everett Capital Advisors, a US\$700 million London-based investment fund, and Founding Principal and Head of Business Development for Myriad Asset Management, a US\$5 billion Hong Kong-based multi-strategy asset management firm.

Concurrent with Mr Summers' appointment, John Taylor stepped down as a Non-Executive Director. The Board is grateful to Mr Taylor for his contribution, both as Chief Executive Officer and latterly as Non-Executive Director.

On 25 May 2021, Mark Gasson was appointed as an independent Non-Executive Director.

Mr Gasson is an accomplished geologist with 35 years of experience in gold and base metals exploration and development across Africa and South America. He has served as both a director, and as Exploration Manager, of numerous mining companies and has direct experience in assessing mineral sands projects. His extensive technical experience will strengthen Pathfinder's ability to identify and progress other potential resources projects to run alongside the potential Treaty claim.

**Outlook**

Pathfinder's direction is clear. We will continue to take all steps necessary to prepare the Company to launch a claim against the government of Mozambique, while remaining open to further engagement with the current licence holder on alternative solutions. The Board will seek to advance this claim, for which it has a favourable legal opinion, on a contingency basis with litigation funders. At the same time, we will continue to assess other project opportunities to provide additional avenues for value creation.

Dennis Edmonds  
Chairman  
14 September 2021

Unaudited Consolidated Statement of Comprehensive Income  
For the 6 months ended 30 June 2021

	6 months ended 30 June 2021 Unaudited £'000	6 months ended 30 June 2020 As Restated Unaudited £'000	Year ended 31 December 2020 £'000
<b>CONTINUING OPERATIONS</b>			
Revenue	-	-	-
Administrative expenses	(298)	(430)	(668)
<b>OPERATING LOSS</b>	(298)	(430)	(668)
<b>LOSS BEFORE INCOME TAX</b>	(298)	(430)	(668)
Income tax	-	-	-
<b>LOSS FOR THE PERIOD</b>	(298)	(430)	(668)
Total comprehensive loss for the period attributable to equity holders of the parent	(298)	(430)	(668)
Loss per share from continuing operations in pence per share: Basic and diluted	(0.07p)	(0.14p)	(0.19p)

Unaudited Consolidated Statement of Financial Position  
For the 6 months ended 30 June 2021

	6 months ended 30 June 2021 Unaudited £'000	6 months ended 30 June 2020 As restated Unaudited £'000	Year ended 31 December 2020 £'000
<b>NON-CURRENT ASSETS</b>			
Investments	-	-	-
<b>CURRENT ASSETS</b>			
Trade and other receivables	25	94	33
Cash and cash equivalents	606	271	191
<b>TOTAL ASSETS</b>	<b>631</b>	<b>365</b>	<b>224</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to equity holders of the Company:</b>			
Share capital	2	18,716	18,542
Share premium		14,244	13,501
Other reserves		487	511
Accumulated deficit		(33,128)	(32,593)
<b>TOTAL EQUITY</b>	<b>319</b>	<b>(39)</b>	<b>(125)</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	3	312	369
<b>Non-current Liabilities</b>	-	35	-
<b>TOTAL LIABILITIES</b>	<b>312</b>	<b>404</b>	<b>349</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>631</b>	<b>365</b>	<b>224</b>

Unaudited Consolidated Statement of Changes in Equity  
For the 6 months ended 30 June 2021

	Called up share capital £'000	Share premium £'000	Share based payment reserve £'000	Warrant reserve £'000	Accumulated deficit £'000	Total equity £'000
<b>Restated as at 31 December 2019 and 1 January 2020</b>	18,504	13,307	188	136	(32,163)	(28)
Loss for the period	-	-	-	-	(430)	(430)
Issue of share capital	38	211	-	-	-	249
Cost of issue	-	(17)	-	-	-	(17)
Share based payments as restated	-	-	3	184	-	187
<b>Restated as at 30 June 2020 and 1 July 2020</b>	<b>18,542</b>	<b>13,501</b>	<b>191</b>	<b>320</b>	<b>(32,593)</b>	<b>(39)</b>
Loss for the period	-	-	-	-	(238)	(238)
Issue of share capital	42	184	-	-	-	226
Cost of share issue	-	-	-	-	-	-
Share based payments as restated	-	-	(7)	(67)	-	(74)
<b>Balance at 31 December 2020</b>	<b>18,584</b>	<b>13,685</b>	<b>184</b>	<b>253</b>	<b>(32,831)</b>	<b>(125)</b>
Loss for the period	-	-	-	-	(297)	(297)
Issue of share capital	132	599	-	-	-	731
Cost of share issue	-	(40)	-	-	-	(40)
Share based payments	-	-	23	27	-	50
<b>Balance at 30 June 2021</b>	<b>18,716</b>	<b>14,244</b>	<b>207</b>	<b>280</b>	<b>(33,128)</b>	<b>319</b>

Unaudited Consolidated Statement of Cash Flows  
For the 6 months ended 30 June 2021

	6 months ended 30 June 2021 Unaudited £'000	6 months ended 30 June 2020 As restated Unaudited £'000	Year ended 31 December 2020 £'000
<b>Cash flows from operating activities</b>			
Operating loss	(297)	(430)	(668)
<b>Adjustments for:</b>			
Share-based payments	50	187	113
Services settled in shares	11	-	50
Foreign exchange movement	-	-	-
<b>Net cash flow from operating activities before changes in working capital</b>	<b>(236)</b>	<b>(243)</b>	<b>(505)</b>
<b>Changes in working capital:</b>			
Decrease in trade and other receivables	8	9	70
Increase in trade and other payables	(37)	115	60
<b>Net cash flow used in operating activities</b>	<b>(265)</b>	<b>(119)</b>	<b>(375)</b>
<b>Cash flow from financing activities</b>			
Proceeds arising as a result of the issue of ordinary shares	720	250	430
Costs related to issue of ordinary share capital	(40)	(17)	(17)
Interest paid	-	-	(5)
<b>Net cash flow from financing activities</b>	<b>680</b>	<b>233</b>	<b>408</b>
<b>Net increase in cash and cash equivalents in the period</b>	<b>415</b>	<b>114</b>	<b>33</b>
Cash and cash equivalents at beginning of the period	191	158	158
<b>Cash and cash equivalents at end of the period</b>	<b>606</b>	<b>272</b>	<b>191</b>

## 1. ACCOUNTING POLICIES

### **Basis of preparation**

These unaudited consolidated interim financial statements (“interim financial statements”) for the six months ended 30 June 2021 have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Group has chosen not to adopt IAS 34 ‘Interim Financial Statements’ in preparing this interim financial information. The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with international accounting standards in accordance with the requirements of the Companies Act 2006 applicable to Companies reporting under IFRS.

The interim financial statements of Pathfinder Minerals plc are unaudited financial statements for the six months ended 30 June 2021. These include unaudited comparatives for the six-month ended 30 June 2020 together with audited comparatives for the year to 31 December 2020. The unaudited financial statements do not constitute statutory accounts, as defined under section 244 of the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The functional and presentational currency of the Company is Pound Sterling.

The accounting policies applied in preparing these financial statements are in terms of IFRS and are consistent with those applied in the previous annual financial statements for the year ended 31 December 2020.

### Going concern

The Directors maintain cash flow forecasts looking ahead for periods not less than 12 months. As at the date of approval of the financial statements, the cash flow forecast indicated that the Company has sufficient cash resources for at least the next 12 months. The cash flow forecast could be impacted by any significant changes to the Company’s planned activities, and this could have a material impact on whether the Company remains a going concern and the Company’s need to raise additional capital. Although the Company has been successful in securing the support of legal representatives in order that it can pursue its claim against the government of Mozambique, there is no guarantee that additional fees will not be incurred, which have not yet been forecast.

The Board and the Company have a successful track record in having raised finance in the past, but no assurance can be given that any additional funding will be available should it become required, or if such funding was available, that it would be offered on reasonable terms.

During the six months ended 30 June 2021, the Company raised £720k before expenses via new share issues.



## 2. SHARE CAPITAL

### Called up, allotted, issued and fully paid share capital

	No. Ordinary shares of 0.1p each	Nominal value (£s)
Total as at 31 December 2020	399,033,832	18,584,157
25 February 2021	38,500,000	38,500
30 March 2021	23,764,336	23,794
20 May 2021	70,000,000	70,000
Total as at 30 June 2021	531,328,168	18,716,451

As at 1 January 2020 and throughout the period to 30 June 2021, the Company had in issue 183,688,116 Deferred shares of 9.9p each.

### Share options & warrants in issue

<u>Share options</u>		
<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Number subsisting</u>
2.75p	3 July 2021	2,500,000
2.50p	9 April 2022	7,500,000
1.25p	11 May 2022	19,000,000
1.25p	30 August 2022	6,000,000
0.55p	16 March 2023	6,000,000
1.25p	31 March 2023	6,000,000
1.25p	8 June 2023	6,000,000
1.25p	22 June 2023	3,000,000
1.75p	20 September 2023	18,750,000

<u>Share warrants</u>		
<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Number subsisting</u>
1.75p	21 October 2021	9,259,260
3.50p	3 June 2022	10,703,018
0.50p <sup>(1)</sup>	11 May 2022	12,833,334
1.50p	11 May 2022	41,846,153
1.25p	2 November 2022	2,500,000
0.60p	29 April 2024	3,500,000

<sup>(1)</sup> On 19 February 2021, in accordance with the terms of the 11 May 2020 warrant instrument, the warrants subsisting thereunder were repriced from 0.60p to 0.50p each.

On 17 March 2021, the Company issued options to Jonathan Summers, a director of the Company, exercisable for a period of up to two years effective from 17 March 2021, to subscribe for up to 6,000,000 Ordinary shares at a price of 0.55p per share.

On 1 April 2021, the Company issued options to Jonathan Summers, a director of the Company, exercisable for a period of up to two years effective from 1 April 2021, to subscribe for up to 6,000,000 Ordinary shares at a price of 1.25p per share.

## 2. SHARE CAPITAL (continued)

On 1 April 2021, the Company issued options to Mark Gasson, a director of the Company, exercisable for a period of up to two years effective from 1 April 2021, to subscribe for up to 6,000,000 Ordinary shares at a price of 1.25p per share.

On 21 May 2021, the Company issued broker warrants, exercisable for a period of up to three years effective from 30 April 2021, to subscribe for up to 3,500,000 Ordinary shares at a price of 0.6p per share.

On 23 June 2021, the Company issued options to David Taylor, the Company Secretary, exercisable for a period of up to two years effective from 23 June 2021, to subscribe for up to 3,000,000 Ordinary shares at a price of 1.25p per share.

## 3. TRADE AND OTHER PAYABLES

	6 months ended 30 June 2021 Unaudited £'000	6 months ended 30 June 2020 Unaudited £'000	Year ended 31 December 2020 £'000
Trade creditors	34	48	58
Social security and other taxes	224	218	226
Other creditors	44	88	48
Accruals and deferred income	10	15	17
	<b>312</b>	<b>369</b>	<b>349</b>

## 4. PRIOR YEAR ADJUSTMENTS

The impact of the 2019 restatement in respect of the legacy PAYE balances and recognition of the share-based payment charges also impacted the numbers as reported at 30 June 2020, which have therefore been restated for comparison, as follows:

	6 months ended 30 June 2020 as previously reported Unaudited £'000	Restatement £'000	6 months ended 30 June 2020 Unaudited as restated £'000
Administrative expenses	(228)	(70)	(298)
Operating loss	(228)	(70)	(298)
Loss for the year	(228)	(70)	(298)
Loss per share (basic and diluted)	(0.07p)	-	(0.07p)
Trade and other receivables	214	(189)	25
Total assets	485	146	631
Other reserves	48	439	487
Accumulated deficit	(31,990)	(602)	(33,128)
Total equity	101	218	319
Trade and other payables	349	(37)	312
Total equity and liabilities	485	146	631