

30 September 2022

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

Half-year Results

Pathfinder reports its unaudited results for the six months ended 30 June 2022. These results will shortly be made available on the Company's website.

Dennis Edmonds, Chairman, commented:

"Significant work over the past 18 months has gone into preparing to bring a claim against the Government of Mozambique and reviewing strategic options with third parties to implement it. This work has culminated in the Option Agreement with AAG announced yesterday and now paves the way for AAG to hopefully apply its firepower to launch the Claim and see it through to conclusion. We will work closely with AAG over the remainder of the year on due diligence and their potential entering into binding definitive documentation. We also look forward to progressing other opportunities under review for our Pathfinder Battery Commodities subsidiary."

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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

Activities during the period were substantially focused around holding discussions with institutional litigation funders and other parties regarding the Company's strategic options for pursuing its claim against the Government of Mozambique (the "Claim") for the expropriation of Mining Concession 4623C (the "Licence"). Alongside this, the Board has been reviewing additional commercial opportunities across several minerals and geographies which, if pursued, would offer shareholders additional avenues for potential value creation.

Strategy

On 12 April 2022, Pathfinder announced that it was discussing a range of strategic options including a disposal, subject to regulatory and shareholder approvals as needed, of the Company's wholly owned subsidiary, IM Minerals Limited ("IMM") and the rights to bring the Claim.

These discussions have advanced positively, and Pathfinder announced yesterday that the Company has entered into an option agreement with Acumen Advisory Group LLC ("AAG"), an asset recovery specialist incorporated in Delaware, USA, with a track record of international claims enforcement, under which Pathfinder has granted AAG an exclusive option for three months to acquire IMM and the rights to bring the Claim (the "Option Agreement"). If rights under the Option Agreement are exercised and the transaction proceeds, it would, subject to fulfilling certain conditions precedent, result in the payment of £2 million in cash to Pathfinder by AAG, a binding commitment by AAG to commence legal proceedings against the Government of Mozambique in respect of the Claim within three months of completion of the transaction, with AAG confirming that it has secured at least US\$15 million and will use its best endeavours to pursue the Claim to a satisfactory conclusion within five years, and a contingent payment by AAG to Pathfinder of US\$24 million or 20% of net recoveries (whichever is greater) from any award or settlement of the Claim.

This transaction, if completed, would ensure that the full force of a timely and well-funded Claim is brought against the Government of Mozambique and that Pathfinder could participate very considerably in any financial upside which has been independently evaluated to be worth in a range of US\$110 million to US\$1.5 billion as previously announced.

In the meantime, the £2 million proceeds from the disposal of IMM, if completed, would enable Pathfinder to pursue from a robust financial position other opportunities for value creation within the minerals sector. In this regard, Pathfinder is investigating a range of battery metals opportunities. As previously announced, the Company has registered another wholly owned subsidiary alongside IMM, Pathfinder Battery Commodities Ltd ("Pathfinder Battery Commodities"). Pathfinder Battery Commodities seeks to complement Pathfinder's original heavy mineral sands focus (through IMM) by developing projects which will supply battery metals to the rapidly growing renewable energy, electric vehicle, and other green-technology sectors. Metals and transactions (subject to regulatory and shareholder approval, as appropriate) under consideration include graphite, lithium, nickel, chromium, and cobalt in countries including Madagascar, Zimbabwe, and Malawi. The Company's portfolio may be further developed to other metals and jurisdictions covered by the directors' technical, financial, and legal skillsets. To this end, Pathfinder has conducted technical due diligence on the Ambatomitamba graphite mine owned by Societe Malgache du Graphite (SOMAGRA) in Madagascar. The mine, having at one time been the largest producer of graphite in the country, is a brownfield prospect for which SOMAGRA is developing a mineral resource estimate.

Financial results and current financial position

The unaudited financial statements of the Pathfinder Group for the six months ended 30 June 2022 follow later in this report. The Income Statement for the period ended 30 June 2022 reflects a materially reduced loss of £185k (H1 2021: £298k). The Group's Statement of Financial Position shows total assets as at 30 June 2022 of £166k (31 December 2021: £384k). The assets were held largely in the form of cash deposits of £146k (31 December 2021: £365k).

The Company announced on 29 September 2022, after the reporting period, that it has entered into a loan agreement whereby an FCA authorised financial institution has arranged for the provision to the Company of an unsecured loan facility of up to £120,000 (the "Loan") for working capital purposes. The Loan carries a simple fixed interest of 5.0 percent on any amounts drawn down. The Loan is designed to provide the Company with access to additional working capital, should it be required, during the period of the Option Agreement (as announced yesterday) and is repayable in full (together with accrued interest) on 2 February 2023, unless extended by mutual agreement.

Board changes

Jonathan Summers retired as a director of the Company on 30 June 2022 upon the conclusion of the Annual General Meeting. The Board thanks Mr Summers for his valued contribution during his time with the Company.

Outlook

Significant work over the past 18 months has gone into preparing to bring a Claim and reviewing strategic options with third parties to implement it. This work has culminated in the Option Agreement with AAG and now paves the way for AAG to hopefully apply its firepower to launch the Claim and see it through to conclusion. We will work closely with AAG over the remainder of the year on due diligence and their potential entering into binding definitive documentation (although as noted in the 29 September 2022 announcement, there is no guarantee that the Option Agreement will be exercised). We also look forward to progressing other opportunities under review for our Pathfinder Battery Commodities subsidiary.

Dennis Edmonds
Chairman
30 September 2022

Unaudited Consolidated Statement of Comprehensive Income
For the 6 months ended 30 June 2022

	6 months ended 30 June 2022 Unaudited £'000	6 months ended 30 June 2021 As Restated Unaudited £'000	Year ended 31 December 2021 £'000
CONTINUING OPERATIONS			
Revenue	-	-	-
Administrative expenses	(185)	(298)	(367)
OPERATING LOSS	(185)	(298)	(367)
LOSS BEFORE INCOME TAX	(185)	(298)	(367)
Income tax	-	-	-
LOSS FOR THE PERIOD	(185)	(298)	(367)
Total comprehensive loss for the period attributable to equity holders of the parent	(185)	(298)	(367)
Loss per share from continuing operations in pence per share: Basic and diluted	(0.03)	(0.07)	(0.07)

Unaudited Consolidated Statement of Financial Position
For the 6 months ended 30 June 2022

		6 months ended 30 June 2022 Unaudited £'000	6 months ended 30 June 2021 As restated Unaudited £'000	Year ended 31 December 2021 £'000
NON-CURRENT ASSETS				
Investments		-	-	-
CURRENT ASSETS				
Trade and other receivables		20	25	19
Cash and cash equivalents		146	606	365
TOTAL ASSETS		166	631	384
EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the Company:				
Share capital	2	18,717	18,716	18,716
Share premium		14,239	14,244	14,234
Share based payment reserve		162	232	199
Warrant reserve		107	255	255
Accumulated deficit		(33,169)	(33,128)	(33,169)
TOTAL EQUITY		56	319	235
CURRENT LIABILITIES				
Trade and other payables	3	110	312	149
NON-CURRENT LIABILITIES				
		-	-	-
TOTAL LIABILITIES		110	312	149
TOTAL EQUITY AND LIABILITIES		166	631	384

Unaudited Consolidated Statement of Changes in Equity
For the 6 months ended 30 June 2022

	Called up share capital £'000	Share premium £'000	Share based payment reserve £'000	Warrant reserve £'000	Accumulated deficit £'000	Total equity £'000
Balance at 31 December 2020	18,584	13,685	184	253	(32,830)	(124)
Loss for the period	-	-	-	-	(298)	(298)
Issue of share capital	132	599	-	-	-	731
Cost of issue	-	(40)	-	-	-	(40)
Share based payments	-	-	48	2	-	50
Balance at 30 June 2021	18,716	14,244	232	255	(33,128)	319
Loss for the period	-	-	-	-	(70)	(70)
Issue of share capital	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Share based payments	-	(10)	(33)	-	29	(14)
Balance at 31 December 2021	18,716	14,234	199	255	(33,169)	235
Loss for the period	-	-	-	-	(185)	(185)
Issue of share capital	1	5	-	-	-	6
Cost of share issue	-	-	-	-	-	-
Share based payments	-	-	(37)	(148)	185	-
Balance at 30 June 2022	18,717	14,239	162	107	(33,169)	56

Unaudited Consolidated Statement of Cash Flows
For the 6 months ended 30 June 2022

	6 months ended 30 June 2022 Unaudited £'000	6 months ended 30 June 2021 Unaudited £'000	Year ended 31 December 2021 £'000
Cash flows from operating activities			
Operating loss	(185)	(297)	(367)
Adjustments for:			
Share-based payments	-	50	35
Services settled in shares	-	11	-
PAYE/NI provision written back	-	-	(140)
Net cash flow from operating activities before changes in working capital	(185)	(236)	(472)
Changes in working capital:			
(Increase)/Decrease in trade and other receivables	(39)	8	15
Decrease in trade and other payables	(2)	(37)	(61)
Net cash flow used in operating activities	(226)	(265)	(518)
Cash flow from financing activities			
Proceeds arising as a result of the issue of ordinary shares	6	720	720
Costs related to issue of ordinary share capital	-	(40)	(28)
Interest paid	-	-	-
Net cash flow from financing activities	6	680	692
Net decrease/increase in cash and cash equivalents in the period	(220)	415	174
Cash and cash equivalents at beginning of the period	365	191	191
Cash and cash equivalents at end of the period	145	606	365

1. ACCOUNTING POLICIES

Basis of preparation

These unaudited consolidated interim financial statements (“interim financial statements”) for the six months ended 30 June 2022 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 2021, 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 2022. These include unaudited comparatives for the six-month ended 30 June 2021 together with audited comparatives for the year to 31 December 2021. 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 2021.

Going concern

The Directors maintain cash flow forecasts looking ahead for periods not less than 12 months. As at the reporting date, the Company’s cash balance was £85k. The Directors believe that the Group’s bilateral investment treaty claim makes Pathfinder an attractive proposition for investors and are confident that funding will continue to be secured.

As announced on 29 September 2022, the Company entered into an agreement with Acumen Advisory Group LLC (“AAG”), an asset recovery specialist incorporated in Delaware, USA, with a track record of international claims enforcement, under which Pathfinder has granted AAG an exclusive option to acquire IM Minerals Limited (“IMM”), a wholly owned subsidiary of Pathfinder, and the rights to bring a claim against the Government of Mozambique (the “Claim”) under the Mozambique-United Kingdom Bilateral Investment Treaty (2004) (the “Option Agreement”), for the expropriation of Mining Concession 4623C (the “Licence”).

Summary of the terms of the agreement with AAG

Exclusive option granted to AAG for a period of three months to 27 December 2022 (unless extended) to enable AAG to complete due diligence and enter into binding definitive documentation in respect of the acquisition of IMM and the rights to the Claim (the “Acquisition Agreement”).

If rights under the Option Agreement are exercised and the Acquisition Agreement is entered into, it would, subject to fulfilling certain conditions precedent, result in:

- Payment of £2 million in cash to Pathfinder by AAG for the acquisition of 100% of IMM on signature of the Acquisition Agreement
- Binding commitment by AAG to commence legal proceedings against the Government of Mozambique in respect of the Claim within three months of completion of the Acquisition Agreement with AAG confirming that it has secured at

least US\$15 million and will use its best endeavours to pursue the Claim to a satisfactory conclusion within five years

- Contingent payment by AAG to Pathfinder of US\$24 million or 20% of net recoveries (whichever is greater) from any award or settlement of the Claim

While the Board is confident in the strength of the Claim and therefore the attractiveness of IMM as a vehicle, shareholders should be aware that there is no guarantee that the Option Agreement will be exercised and therefore that the Acquisition Agreement will be entered into on the terms agreed. Accordingly, there is no guarantee that any amounts will be recovered by Pathfinder pursuant to this transaction. Entering into the Acquisition Agreement will be conditional upon shareholder approval pursuant to AIM Rule 15, which, in turn, may lead to the Company being classified as an AIM Rule 15 cash shell.

In September 2022, the Company entered into an unsecured loan facility agreement under which an amount of up to £120,000 can be drawn down for working capital purposes. The loan facility is further described in Note 4 below. As at the date hereof, none of the loan facility has been drawn upon.

As at the date of approval of the financial statements, the cash flow forecast indicates that additional cash resources will be required in the first quarter of 2023, both to repay any amounts drawn down on the Loan (unless extended) and for general working capital purposes. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. 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.

The Company has, in the past, been successful in securing the support of legal representatives in order that it can pursue its claim against the government of Mozambique; there is, however, no guarantee that additional fees will not be incurred, which have not yet been forecast.

Notwithstanding the above, the directors consider the Group and the Company to be a going concern and therefore have prepared these financial statements on a going concern basis.

2. SHARE CAPITAL

Called up, allotted, issued and fully paid share capital

	No. Ordinary shares of 0.1p each	Deferred shares of 9.9p each	Allotment price (£s)	Share Capital £'000	Share Premium £'000
Total as at 31 December 2021	531,328,168	183,688,116		18,716	14,234
6 May 2022	1,166,666		0.005	1	5
Total as at 30 June 2022	532,494,834	183,688,116		18,717	14,239

Share options in issue

Share Options		At 1 January 2022	Issued / (exercised / lapsed)	At 30 June 2022
Exercise Price	Expiry Date			
2.50p	9 April 2022	7,500,000	(7,500,000)	-
1.25p	11 May 2022	19,000,000	(9,000,000)	10,000,000
1.25p	30 August 2022	6,000,000	-	6,000,000
1.75p	20 September 2023	18,750,000	-	18,750,000
0.55p	16 March 2023	6,000,000	-	6,000,000
1.25p	31 March 2023	6,000,000	-	6,000,000
1.25p	8 June 2023	6,000,000	-	6,000,000
1.25p	22 June 2023	3,000,000	-	3,000,000
1.25p	3 October 2023	5,000,000	-	5,000,000
		77,250,000	(16,500,000)	60,750,000

Share warrants in issue

Share Warrants		At 1 January 2022	Issued / (exercised / lapsed)	At 30 June 2022
Exercise Price	Expiry / Date			
0.50p ⁽¹⁾	11 May 2022	1,166,666	(1,166,666)	-
3.50p	17 June 2022	10,703,018	(10,703,018)	-
1.50p	11 May 2022	38,769,230	(38,769,230)	-
1.25p	2 November 2022	2,500,000	-	2,500,000
0.50p ^{(2) (3)}	31 May 2023	11,666,668	-	11,666,668
1.50p ⁽³⁾	31 May 2023	3,076,923	-	3,076,923
0.60p	29 April 2024	3,500,000	-	3,500,000
		71,382,505	(50,638,914)	20,743,591

⁽¹⁾ On 6 May 2022, 1,166,666 warrants over Ordinary shares were exercised at a price of 0.5p per share.

⁽²⁾ 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.

⁽³⁾ On 6 May 2022, 11,666,668 warrants with an exercise price of 0.50p and 3,076,923 warrants with an exercise price of 1.50p, all with an expiry date of 11 May 2022, were extended so as to expire on 31 May 2023.

3. TRADE AND OTHER PAYABLES

	6 months ended 30 June 2022 Unaudited £'000	6 months ended 30 June 2021 Unaudited £'000	Year ended 31 December 2021 £'000
Trade creditors	5	34	-
Social security and other taxes	64	224	86
Other creditors	41	44	42
Accruals and deferred income	-	10	21
	110	312	149

4. EVENTS AFTER THE REPORTING DATE

Long term management incentive awards ("LTMI")

On 16 August 2022, the Company made long-term management incentive awards to secure the retention of directors and other senior management personnel. The management incentive awards provide for the payment of a bonus to the recipients as a percentage of the cash or cash equivalent of finance received by the Company up to 15 August 2027, either directly in cash or other instruments such as shares, by way of non-conditional working capital, loans, convertible loans, equity finance, as a result of divestment of Company assets such as IM Minerals Ltd, net recoveries relating to an award or negotiated settlement of the dispute, or other yet to be determined payments to the Company from other financial or equivalent instruments.

Director	LTMI	Expiry
Peter Taylor	6%	15 August 2027
Dennis Edmonds	3%	15 August 2027

In addition to the awards to directors, a 1% LTMI was awarded to senior management personnel.

As at the date hereof, no amounts have been paid under the LTMI.

Loan facility

On 29 September 2022, the Company announced it has entered into a loan agreement whereby an FCA authorised financial institution has arranged for the provision to the Company of an unsecured loan facility of up to £120,000 (the "Loan") for working capital purposes. The Loan carries a simple fixed interest of 5.0 percent on any amounts drawn down. The Loan is designed to provide the Company with access to additional working capital, should it be required, during the period of the Option Agreement (as announced yesterday) and is repayable in full (together with accrued interest) on 2 February 2023, unless extended by mutual agreement. As at the date hereof, none of the loan facility has been drawn upon.