

**ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
FOR
CLOUDBREAK DISCOVERY PLC
(FORMERLY IMPERIAL X PLC)**

CLOUDBREAK DISCOVERY PLC
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FOR THE YEAR ENDED 30 JUNE 2021

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Directors

Samuel “Kyler” Hardy
Kyle Hookey
Emma Priestley
Andrew Male

Company Secretary

Shakespeare Martineau

Independent Auditor

PKF Littlejohn LLP
Statutory auditor
15 Westferry Circus
London
E14 4HD

Corporate Adviser

Novum Securities Limited
8-10 Grosvenor Gardens
London
SW1W 0DH

Solicitors

Bird & Bird LLP
12 New Fetter Lane
London EC4A 1JP

Registered Office

6th Floor
60 Gracechurch Street
London
EC3V 0HR

Registrar

Share Registrars Ltd
Suite E, First Floor
9 Lion and Lamb Yard
Farnham, Surrey GU9 7LL

Bankers

HSBC Bank Plc
69 Pall Mall
London
SW1Y 5EY

CHAIRMAN'S STATEMENT

Dear Shareholder,

Enclosed are the financial results of Cloudbreak Discovery Plc ("Cloudbreak" or the "Company") and its subsidiaries (together "the Group") for the year ended 30 June 2021.

In June 2021, the Company changed its name from Imperial X Plc to Cloudbreak Discovery Plc and became a project generator to the natural resource sectors through the acquisition of a portfolio of mineral properties, equity and royalty positions diversified across multiple jurisdictions, but primarily in North America and West Africa (the "Acquisition"). The Acquisition was considered a reverse takeover transaction with the companies acquired (Cloudbreak Discovery Corp., Howson Ventures Inc. and Cabox Gold Corp., collectively "Cloudbreak Canada") becoming the going forward entity for financial statement reporting purposes. The Company also acquired various equity and debt positions in Anglo African Minerals Plc, a Bauxite exploration company with assets in Guinea, West Africa. The company agreed to the terms on these Acquisitions in August 2020 and closed on them in June 2021.

Additionally, Cloudbreak was admitted to the Official List and commenced trading on the London Stock Exchange's Main Market for listed securities on June 3, 2021. The Company successfully fundraised £2,416,348 during the year and entered into a Bought Deal Facility (the "Bought Deal Facility") that allows the Company to utilize a non-revolving £10,000,000 facility as cash needs arise over a period of three years.

As a natural resource project generator listed on the London Stock Exchange's Main Market, Cloudbreak is positioned to provide UK and European investors with a business model and range of assets which to date have largely been unavailable to UK and Europe investors. The Company can pivot between natural resource commodities for the best prospects and opportunities but will have a core focus on base, bulk and industrial materials and metals, which includes the suite of commodities required for the ongoing electrification revolution sweeping the globe. The Company has a well defined business strategy which limits its downside risk quickly by attracting quality partners to advance assets, giving Cloudbreak discovery exposure and considerable exploration exposure while minimizing dilution. Our business model is not constrained by geographic location or commodity, allowing us to diversify our range of assets, jurisdiction and partners.

Financial Review

During the 2021 year the Company earned £2 million in revenue from property sales and option sale agreements. At the end of the fiscal year, there was £1.3m in cash on hand with the cash reserves to be used in the short term to cover compliance costs, initial mineral property due diligence and acquisition costs and other costs incidental to the identification and development of mineral acquisition opportunities.

Subsequent to the year end, the Company has continued to review and acquire mineral properties and generate revenue through optioning out mineral properties to exploration partners. The buying and selling or optioning of its mineral properties will continue the establishment of the Company as a new, growth-focused diversified project generator and natural resource royalty business.

In January 2021, the company completed a private fundraising of £416,348 by issuing 16,653,937 ordinary shares at £0.025 per share. In February 2021, the Company executed a Bought Deal Facility. The agreement prescribes the conditions for the drawdown of £10,000,000 by way of non-revolving equity. In June 2021, the Company completed a private fundraising of £2,000,000 by issuing 66,666,667 ordinary shares at £0.03 per share.

The loss for the year was £902,060 (2020: £1,073,538 loss). The result for the year ended 30 June 2021 consisted mainly of income from property option payments and property sales and expenses from professional and consulting fees and a listing fee associated with the reverse take-over Acquisition. The change in fair value of the equity holdings also contributed positively to the Company's 2021 year but was offset by the impairment of some of the

CLouDBREAK DISCOVERY PLC
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

properties Cloudbreak held and the Anglo African Minerals plc ("AAM") assets.

Financial Position

The Group's Statement of Financial Position as at 30 June 2021 and comparatives at 30 June 2020 are summarised below:

| | 30 June 2021 | 30 June 2020 |
|---------------------------------|------------------|----------------|
| | £ | £ |
| Current assets | 1,799,847 | 477,703 |
| Non-current assets | 4,383,998 | 435,402 |
| Total assets | 6,183,845 | 913,104 |
| Current liabilities | 895,264 | 316,039 |
| Total liabilities | 895,264 | 316,039 |
| Net (liabilities)/assets | 5,288,581 | 597,065 |

On behalf of the Board, I would like to record our thanks to those who have helped the Company throughout the year.



Kyler Hardy
Chairman and Chief Executive Officer
Cloudbreak Discovery PLC

**Samuel “Kyler” Hardy,
Chairman and Chief Executive Officer (aged 38)**

is the Chief Executive Officer and majority shareholder of Cronin Capital Corp ("Cronin"), a merchant banking group based in Vancouver, Canada. Kyler has over 15 years' experience in the global resource sector where he has operated, advised and raised funds via venture capital and private equity. Kyler's experience includes founding and growing a number of companies, including Cronin, Imperial Helium, Tamas Resources, Hexa Resources, and UTM Exploration.

**Kyle Hookey
Non-executive director (aged 31)**

is the Vice President of Corporate Finance at Cronin and has over 10 years' experience in international capital markets, consulting on equity and debt portfolios, corporate transactions and broad investment mandates. Kyle specialises in providing corporate advisory in M&A, financing and corporate restructuring and has advised across both private and public companies, primarily in Canada and Australia. He is currently a director of Allied Copper Corp., Calidus Resources Corp. and Vice President Corporate Finance at Imperial Helium

**Emma Priestley
Non-executive director (aged 48)**

is the Chief Executive Officer at AIM-listed Goldstone Resources Limited and has a background in mining and financial services, having worked with mining companies and consultants, IMC Mackay & Schnellmann, investment bank CSFB, advisers VSA Resources and Ambrian Partners, where she worked as corporate broker and adviser. Emma is a graduate of Camborne School of Mines, is a chartered Mining Engineer and Chartered Mineral Surveyor.

**Andrew Male – appointed 06/01/2021
Non-executive director (aged 54)**

Andrew is an experienced Director holding senior positions at international public and private investment and operational companies. He is an Associate of Columbus Energy Partners, an incubator and accelerator of companies in the energy sector, a Director of Global UAV Technologies Ltd., a geotechnical drone services company, a Non-Executive Director of Graph Blockchain Inc., Executive Chairman of Love Hemp and Managing Director of a privately held Corporate Finance & Investment entity. He also works closely with several Family Offices that seek access to an array of transformational opportunities and is also a former Founder and CEO of a TSX Venture Exchange Top 50 Company.

STRATEGIC AND CORPORATE GOVERNANCE REPORT

The Directors present their Strategic Report of the Group for the year ended 30 June 2021.

PRINCIPAL ACTIVITY

The principal activity of the Group is natural resource project generation.

REVIEW OF OPERATIONS

A review of the business of the Company during the year and an indication of likely future developments may be found in the Chairman's Statement.

SECTION 172 DISCLOSURES

See the Directors Report for Section 172 disclosures

KEY PERFORMANCE INDICATORS

The loss of the Group for the year ended 30 June 2021 amounts to £1,545,314 (30 June 2020: £1,073,538).

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will continue to be used by the Board to assess performance over the period to 30 June 2021.

The main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

| KPI | 2021 | 2020 |
|---|-------------------|---------------|
| Cash and cash equivalents | £1,277,617 | £6,478 |
| Administrative expenses as a percentage of total assets | 14.1%* | 20.2%* |
| Exploration and evaluation cash expenditures | £29,675 | £Nil |
| Carrying value of investment | 4,353,318 | 28,306 |

Cash has been used to fund the Group's operations and facilitate its investment activities (refer to the Statements of Cash Flows).

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Exploration risks

The exploration and mining business are controlled by a number of global factors, principally supply and demand which in turn is a key driver of global mineral prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be an operating mine. At every stage of the exploration process the projects are rigorously reviewed to determine if the results justify the next stage of exploration expenditure ensuring that funds

are only applied to high priority targets.

Some of the principal assets of the Group comprising the mineral exploration licences and options are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to option agreements and legislation defined by the local government; if this legislation is changed or option payments are not made on time, it could adversely affect the value of the Group's assets.

Dependence on key personnel

The Group is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Uninsured risk

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards and weather conditions or other acts of God.

Funding risk

The only sources of funding currently available to the Group are through the issue of additional equity capital in the parent company or through bringing in partners to fund exploration and development costs. The Group's ability to raise further funds will depend on the success of the Group's exploration activities and its investment strategy. The Group may not be successful in procuring funds on terms which are attractive and, if such funding is unavailable, the Group may be required to reduce the scope of its exploration activities or relinquish some of the exploration licences held for which it may incur fines or penalties.

Financial risks

The Group's operations expose it to a variety of financial risks that can include market risk (including foreign currency, price and interest rate risk), credit risk, and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Investment risks

The Group holds investments in publicly listed and non-listed securities. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Group might suffer through holding its financial investment portfolio in the face of market movements.

COVID-19

The outbreak of the recent global COVID-19 virus has resulted in business disruption and stock market volatility. The extent of the effect of the virus, including its long-term impact, remains uncertain. The Group has implemented extensive business continuity procedures and contingency arrangements to ensure that they are able to continue to operate.

Details of the Group's financial risk management policies are set out in Note 2 to the Financial Statements.

Going Concern

The financial statements have been prepared under the going concern assumption. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

The Group raised £2,416,348 during the year and entered into a Bought Deal facility that allows the Group to utilize a non-revolving £10,000,000 facility as cash needs arise over a period of three years.

The Directors are confident that this funding will continue and consider that the Group will have access to adequate resources to meet operational requirements for at least 12 months from the date of approval of these financial statements. On this basis, the Directors have formed a judgement, at the time of approving the Financial Statements, that there is a reasonable expectation that the Group has access to adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the Financial Statements.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. The Directors are aware that no system can provide absolute assurance against material misstatement or loss, however, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

CORPORATE GOVERNANCE REPORT

As a Group listed on the Standard Segment of the Official List of the UK Listing Authority, the Group is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board is committed to maintaining high standards of corporate governance and so far, as appropriate given the Group's size and the constitution of the Board, complies and intends to comply with The Corporate Governance Guidelines for Small and Mid-Sized Companies (the "QCA Code").

In light of the Group's size and recent history, the Group has deviated from the QCA Code in the following respects:

- The provisions relating to the composition of the Board and the division of responsibilities are not being complied with as the Board feels these provisions to be inapplicable, given the size of the Group and the limited scope of its activities.
- The Board do not consider an internal audit function to be applicable due to the limited number of transactions.
- A diversity policy as applied to the Group's administrative management and supervisory bodies has not yet been developed.

The Directors are responsible for internal control in the Group and for reviewing effectiveness. Due to the size of the Group, all key decisions are made by the Board. The Directors have reviewed the effectiveness of the Group's systems during the period under review and consider that there have been no material losses, contingencies or uncertainties due to weaknesses in the controls.

The Group will hold timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Directors' responsibility to oversee the financial position of the Group and monitor the business and affairs of the Group, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Group at all times. The Board

also addresses issues relating to internal control and the Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Directors have established an audit committee, a nomination committee and a remuneration committee with formally delegated duties and responsibilities. Emma Priestley and Andrew Male are each considered by the Board to be an independent Non-Executive Director.

The QCA Code has ten principles of corporate governance that the Group has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board; and
10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

There follows a short explanation of how the Group will apply each of the principles:

Principle One – Business Model and Strategy

The Board has determined that the best medium and long term value can be delivered through the adoption of a single strategy. The Group's principal activity is mineral property project generation and to execute its strategy through rigorous due diligence of its mineral property targets and to maximize its returns by seeking buyers to purchase its properties or by seeking partners to jointly develop its properties through joint ventures or other partnering mechanisms.

Principle Two – Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Shareholders are encouraged to attend the Group's Annual General Meeting. Investors also have access to current information on the Group through its website, [www.cloudbreakdiscovery.com], and via Kyler Hardy, Chief Executive Officer, and Andrew Male, Non-Executive Director who are responsible for shareholder liaison and are available to answer investor relations enquiries. Shareholders can email the Group at info@cloudbreakdiscovery.com or via a submission on the Group website.

The Group's annual report, Notice of Annual General Meetings (AGM) are sent to all shareholders and can be downloaded from our website. Copies of the interim report and other investor presentations are also available on the Group's website. Shareholders are kept up to date via regulatory news flow ("RNS") on matters of a material substance and regulatory nature.

Periodic updates are provided to the market and any deviations to these updates are announced via RNS. At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provide voting shareholders with an opportunity to vote in advance of the AGM if they are unable to vote in person. Our registrars, count the proxy votes which are properly recorded, and the results of the AGM are announced through an RNS.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Group's AGM are as much as possible within the recommended guidelines of the QCA Code. Non-deal roadshows will be arranged throughout the year to meet with existing shareholders and potential new stakeholders to maintain, as much as possible, transparency and dialogue with the market. Additionally, Investor presentations can be found on the Group's website.

Principle Three – Considering Wider Stakeholder and Social Responsibilities

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, contractors, suppliers, regulators and other stakeholders.

The Group has close ongoing relationships with a broad range of its stakeholders and provides them via regular contact with the opportunity to raise issues and provide feedback to the Group. The Board regularly reviews and assesses its key resources and relationships and has established processes and systems to ensure that there is close oversight and contact with its minority investee companies and key stakeholders.

Principle Four – Risk Management

The Board is responsible for ensuring that procedures are in place and being implemented effectively to identify, evaluate and manage the significant risks faced by the Group, noting that the Group is primarily an operating company with some remaining minority investments in portfolio companies. A risk assessment matrix has been established by the Group and is updated at regular intervals. The following principal risks, and controls to mitigate them, have been identified:

| Risk | Impact | Probability | Risk Level | Mitigating Actions & Controls | Risk Owner | Accept |
|------------------------------------|---------------|--------------------|-------------------|---|-------------------|---------------|
| Exploration risks | High | Low | Medium | Experience of the Board and the technical senior management team; | CEO | Yes |
| Dependence on key personnel | High | Medium | Low | Key management have significant equity; Share options awarded; Exciting business opportunities | CEO | Yes |
| Uninsured risk | Medium | Low | Low | Group's exploration programmes are in the early stages with no mine development or operations in place as of yet | CFO | Yes |
| Funding risk | High | Medium | Medium | Cash on hand, investments held and bought deal equity facility in place sufficient to fund the Company for the foreseeable future | CEO | Yes |

CLOUDBREAK DISCOVERY PLC
 STRATEGIC REPORT AND CORPORATE GOVERNANCE REPORT
 For the year ended 30 June 2021

| | | | | | | |
|------------------------|--------|--------|--------|---|-----|-----|
| Financial risks | High | Medium | Medium | No debt held by the Group. Investments held are mostly public company shares that are tradable | CEO | Yes |
| COVID-19 risks | Medium | Medium | Medium | The Group has been able to operate during the global pandemic without significant disruption as they are utilizing technology that allows them to operate remotely. | CEO | Yes |

Principle Five – A Well-Functioning Board of Directors

The Board comprises the Chairman and Chief Executive Officer Kyler Hardy, and three Non-Executive Directors, Kyle Hookey, Emma Priestley and Andrew Male. Biographical details of the current Directors are set out on page 6. Executive and Non-Executive Directors are subject to re-election in accordance with both the requirements of the UK Companies Act 2016 and the Group’s articles of association (“Articles”). The Group’s Articles state that Directors are subject to re-election at intervals of no more than three years. The letters of appointment for all Directors stipulate the time commitment that each Director is expected to provide to the Group. The Board Chairman serves as chair of every meeting of the Board of Directors.

The Board meets in person at least twice per year and has monthly Board calls. It has established an Audit Committee, the members of which are Kyle Hookey, Emma Priestley and Andrew Male. The Nominations Committee consists of Emma Priestley, Andrew Male (chair) and Kyle Hookey. A Remuneration Committee has been established and is composed of Emma Priestley (chair), Andrew Male and Kyle Hookey.

Emma Priestley and Andrew Male are considered to be Independent Directors and as such the Group is in compliance with the requirement to have a minimum of two independent non-executive directors on its Board.

The Board shall review further appointments.

The Group reports annually in the Directors’ Report on the number of Board and committee meetings held during the year and the attendance record of individual Directors. To date in the current financial year the Directors have a 100% record of attendance at such meetings. Directors meet formally and informally both in person and by telephone.

Principle Six – Appropriate Skills and Experience of the Directors

The Board currently consists of four Directors. Shakespeare Martineau acts as the Company Secretary. The Group believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and all of the Directors have experience in mining and public markets. Information about the directors can be found on page 6.

The Board is kept abreast with developments of governance and LSE regulations. The Group's lawyers provide updates on governance issues. The directors have access to the Group's company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.

Principle Seven – Evaluation of Board Performance

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives, as well as the Directors' continued independence. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

Principle Eight – Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group as a whole and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, employees, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with employees, representatives, regulators, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Directors consider that at present the Group has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, with effect from the date on which its shares were admitted to LSE, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded on LSE and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Issues of bribery and corruption are taken seriously, The Group has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employment contract specifies that the employee will comply with the policies. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine – Maintenance of Governance Structures and Processes

The Audit Committee is chaired by Kyle Hookey with Emma Priestley and Andrew Male being the other members. The Board has adopted appropriate delegations of authority which set out matters which are reserved for the Board. The Chairman is responsible for the effectiveness of the Board as well as primary contact with shareholders, while, as an operating company, execution of the Group's strategy is delegated to the Chief Executive Officer.

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported. It receives reports from Group advisors and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets not less than twice in each financial year, and it has unrestricted

access to the Group's auditors.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Group; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. The Board notes requirement for the Group to meet the LSE Rules for Companies such that the Group is suitable at all times to remain admitted to trading on LSE. This includes the requirement for a governance structure compatible with this requirement.

The Board retains full and effective control over the Group and holds regular meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board, they include:

- approval of the Group's strategic aims and objectives;
- Review of Group performance and ensuring that any necessary corrective action is taken;
- Extension of the Group's activities into new business or geographical areas;
- Any decision to cease to operate all or any part of the Group's business;
- Major changes to the Group's corporate structure and management and control structure;
- Any changes to the Group's listing;
- Changes to governance and key business policies;
- Ensuring maintenance of a sound system of internal control and risk management;
- Approval of half yearly and annual report and accounts and preliminary announcements of final year results;
- Reviewing material contracts and contracts not in the ordinary course of business.

As the Group grows, the directors will ensure that the governance framework remains in place to support the development of the business.

Principle Ten – Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the LSE market. All shareholders are encouraged to attend the Group's Annual General Meeting where they will be given the opportunity to interact with the Directors.

Investors also have access to current information on the Group through its website, [www.cloudbreakdiscovery.com], and via Kyler Hardy, Chief Executive Officer, who is available to answer investor relations enquiries.

The Group shall include, when relevant, in its annual report, any matters of note arising from the Audit Committee (none for the current year).

Copies of all Annual Reports, Notices of Meetings, Circulars sent to shareholders and Admission Documents (in respect of the last 5 years) are included on the Group's website.

If a significant proportion of votes was ever cast against a resolution by shareholders in General Meeting, the Group would, on a timely basis, provide an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

OUTLOOK

The future developments are discussed in the Chairman's Statement.

ON BEHALF OF THE BOARD:



Kyler Hardy
Chairman and Chief Executive Officer
Cloudbreak Discovery Plc
29 December 2021

DIRECTORS' REPORT

The Directors are pleased to present their Report and the audited consolidated Financial Statements of the Company and its subsidiaries for the year ended 30 June 2021.

GENERAL INFORMATION

Cloudbreak Discovery Plc (formerly Imperial X plc) is a public limited company incorporated in England and Wales under the Companies Act (registered number 6275976). The Group is domiciled in the United Kingdom and its registered address is 6th Floor 60 Gracechurch Street, London, EC3V 0HR.

In June 2021, the entire share capital of Cloudbreak Discovery Corp, Howson Ventures Inc. and Cabox Gold Corp. (together "Cloudbreak Canada") were acquired in a reverse takeover transaction ("RTO") between Imperial X Plc and Cloudbreak Canada. In conjunction with the RTO, the Company changed its name to Cloudbreak Discovery Plc and was admitted to the London Stock Exchange's Main Market for listed securities with an issued share capital of 389,565,060 ordinary shares with a market capitalisation of approximately £7,459,938.

1. PRINCIPAL ACTIVITY

The principal activity of Cloudbreak Discovery plc and its subsidiaries (together "the Group") during the year was mineral resource project generation, following the Acquisition completed on 2 June 2021.

2. RESULTS AND DIVIDENDS

Loss on ordinary activities of the Group after taxation amounted to £902,060 (2020: £1,073,538 Loss).

The Directors do not recommend the payment of a dividend (2020: £Nil).

3. SUBSTANTIAL INTEREST

Substantial Interests

On 30 June 2021, the following parties had notified the Group of a beneficial interest that represents 3% or more of the Group's issued share capital at those dates:

| | 2021 | | 2020 | |
|-----------------------------|-------------|----------------------|-------------|----------------------|
| | Shares | Percentage ownership | Shares | Percentage ownership |
| Shaun Gibson | 19,605,815 | 5.03% | Nil | Nil |
| Campbell Smyth | 14,571,890 | 3.74% | Nil | Nil |
| Samuel Kyler Hardy | 61,750,365 | 15.83% | 4,965,000 | 8.8% |
| Rosemount Capital Pty. Ltd. | 30,319,064 | 7.77% | Nil | Nil |
| Melissa Sturgess | 1,478,102 | 0.38% | 5,078,482 | 9.0% |
| Emma Priestly | 2,000,000 | 0.51% | 2,000,000 | 3.5% |

4. ANNUAL GENERAL MEETING

Details of the Group's forthcoming Annual General Meeting are set out in a separate circular that will be sent to all Shareholders with the Annual Report and Accounts.

5. DIRECTORS' INDEMNITY PROVISIONS

All of the previous and current Directors benefited from qualifying third-party indemnity insurance in place during the year ended 30 June 2021 and as at the date of approval of the Financial Statements.

6. SECTION 172 DISCLOSURES – PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Group,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Group's employees,
- Foster the Group's relationships with suppliers, customers and others, and
- Consider the impact of the Group's operations on the community and the environment.

The Group operates as a minerals exploration project generation business which is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The nature of the business is important to the understanding of the Group by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under FCA regulations.

The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2020:

- **Remunerate the Directors with share options in lieu of cash:** during the year, having decided on a plan to raise new funds to finance operations, the Directors also decided that to maximise funds available for exploration the Directors would be remunerated in part by share options instead of cash. This has the added benefit of more fully aligning the interests of the Directors with those of the members.
- **Ethical responsibility to the community and the environment:** the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption & bribery. Wherever possible, local communities are engaged in the geological operations & support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact.

7. POST YEAR END EVENTS

Details of any post year end events are set out in Note 17 to the Financial Statements.

8. GOING CONCERN

The Directors have a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern within accounting policies.

9. COVID-19

The spread of COVID-19 will continue to have a material impact on many economies globally both through the effects of the virus itself and the measures taken by government to restrict its spread. The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor. We are all working remotely to progress investments and discussions to ensure that we protect and advance the long-term value of our Group and the interests of our shareholders. The impact of COVID-19 to the Group has been assessed as low.

10. FUTURE DEVELOPMENTS

For further details on the future developments of the Group, see the Chairman's Statement.

11. DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant

audit information and to establish that the auditors are aware of that information.

12. AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office.

13. DIRECTOR'S RESPONSIBILITY STATEMENT PURSUANT TO DISCLOSURE AND TRANSPARENCY RULES

Each of the Directors confirm that to the best of their knowledge and belief:

- the financial statements prepared in accordance with IFRS as adopted by the European Union and in conformity with the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Group and parent company; and
- the Annual Report and financial statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that they face.

14. GREEN HOUSE GAS EMISSIONS

Given the nature of its activities which include aerial geophysics with a helicopter and the operation of drill rigs, the Group is conscious of greenhouse gas emissions. The Directors are mindful of their responsibilities in this regard and strive to seek opportunities where improvements may be made.

The Group has taken the exemption available under Sections 15(5) and 20D(7) of Energy and Carbon Reporting that allows for non-disclosure of quantitative usage in respect of energy, as the Group has consumed less than 40,000 kWh in the United Kingdom during the period of which the Directors' report is prepared.

This report was approved by the Board on 29 December 2021 and signed on its behalf.

On Behalf of the Board:



Kyler Hardy

*Chairman and Chief Executive Officer
Cloudbreak Discovery Plc*

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Group law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the parent company financial statements, as applied in accordance with international accounting standards in conformity with the Companies Act 2006. Under company law the Directors must not approve the group and parent company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and parent company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Board on 29 December 2021 and signed on its behalf.

ON BEHALF OF THE BOARD:



Kyler Hardy

*Chairman and Chief Executive Officer
Cloudbreak Discovery Plc*

DIRECTORS REMUNERATION REPORT

The following have been Directors of the Company during the financial year ended 30 June 2021:

Samuel “Kyler” Hardy

Kyle Hookey

Emma Priestley

Andrew Male (appointed 1 June 2021)

Melissa Sturgess (resigned 16 June 2021)

Directors’ Interests in Shares, Options and Warrants

The Directors who held office at 30 June 2021 had the following beneficial interests in shares and options of the Group:

| Ordinary Shares | Number of shares at 30 June 2021 | Number of shares at 30 June 2020 |
|----------------------|----------------------------------|----------------------------------|
| Samuel “Kyler” Hardy | 62,458,704 | 4,965,000 |
| Kyle Hookey | 3,445,588 | 300,000 |
| Emma Priestley | 2,000,000 | 2,000,000 |
| Andrew Male | 2,000,000 | - |
| Melissa Sturgess | - | 5,078,482 |
| Total | 69,904,292 | 12,701,584 |

| Share Options | Options held at 30 June 2021 | Grant date | Exercise price | Expiry date |
|----------------------|------------------------------|-------------|----------------|-------------|
| Samuel “Kyler” Hardy | 1,500,000 | 1 June 2020 | 2.5p | 1 June 2030 |
| Kyle Hookey | 500,000 | 1 June 2020 | 2.5p | 1 June 2030 |
| Emma Priestley | 500,000 | 1 June 2020 | 2.5p | 1 June 2030 |
| Total | 2,000,000 | | | |

Director’s Remuneration

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing the compensation arrangement for all key management personnel (considered to be the Directors), regarded as the Officers of the Group. The Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis

Director service contracts

Andrew Male

On June 1, 2021 the Group entered into a consultancy agreement with Andrew Male, director of the Company. Under the agreement, Andrew Male is entitled to £4,000 per month with a one-time up-front fee of £19,760.

Melissa Sturgess

Melissa Sturgess, a former director of the Company, was entitled to £1,000 per month during the 2021 year. Melissa resigned from the Group in June 2021.

Kyler Hardy

Kyler Hardy, CEO and Chairman of the Company, has no personal service contract in place with the Group.

On June 1, 2021, the Group entered into a management services agreement with Cronin Services Ltd. ("Cronin"), a company controlled by Kyler Hardy. Under the agreement, Cronin provides a number of management services to the

CLouDBREAK DISCOVERY PLC
DIRECTORS REMUNERATION REPORT
For the year ended 30 June 2021

Group (see Related Parties Note 18).

Emma Priestley

Emma Priestley, director of the Company, has no service contract in place with the Group.

Kyle Hookey

Kyle Hookey, director of the Company, has no service contract in place with the Group.

Details of the nature of each element of the remuneration of each member of Key Management for the year ended June 30, 2021 and 2020, were as follows:

| | 2021 | 2020 |
|----------------------|----------------|-------------|
| Melissa Sturgess | £Nil | £Nil |
| Samuel “Kyler” Hardy | Nil | Nil |
| Kyle Hookey | Nil | Nil |
| Andrew Male | 23,760 | Nil |
| Emma Priestley | Nil | Nil |
| Total | £23,760 | £Nil |

Re-election of Directors

The Articles of Association require one third of the Directors who are subject to retirement by rotation to retire and submit themselves for re-election each year. In addition, all directors who are appointed to fill a casual vacancy are required to retire and submit themselves for re-election at the next forthcoming AGM.

This report was approved by the Board on 29 December 2021 and signed on its behalf.

ON BEHALF OF THE BOARD:



Kyler Hardy

*Chairman and Chief Executive Officer
Cloudbreak Discovery Plc*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOUDBREAK DISCOVERY PLC

Opinion

We have audited the financial statements of Cloudbreak Discovery plc (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2021 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and as regard to the Group financial statements, international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern and associated cashflow forecasts for a period of 12 months from the date of approval of the financial statements. We reviewed the assessment and made enquiries of management to confirm key assumptions made and drivers of the assessment. We evaluated the inputs to the cashflow forecast for reasonableness, compared non-discretionary costs to historic costs incurred by the Group, and also considered the availability of funding or access to additional working capital of the Group. The Group's liquid investment assets and existing debt facilities have been used as a basis to the going concern assumption.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit. This is reviewed accordingly during fieldwork and completion dependent on adjustments made during the audit.

The Group was audited to a level of materiality for the financial statements as a whole of £239,000, a benchmark calculated using 2% of gross assets of the Group. This is the first year in which the Group has existed in its current form. In the prior year, the Group consisted of the Parent Company and its dormant subsidiary only and a Group materiality was used of £19,500 based on the expenditure incurred in the year. We consider gross assets to be the most significant determinant of the Group's financial position and performance used by shareholders and investors for the current year, with the key

financial statement balances of the Group being the investment assets.

The performance materiality applied at the Group level was £167,000 and we have reported misstatements during our audit work above £12,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. In the prior year, the Group consisted of the Parent Company and its dormant subsidiary only and a Group materiality was used of £15,600 based on the expenditure incurred in the year. The Group performance materiality was set by us so as to ensure sufficient coverage of key balances.

The materiality applied to the Parent Company was £99,000 (2020: £19,000) being 2% of total draft expenditure, with performance materiality applied of £69,000 (2020: £15,200).

The audit of Cloudbreak Discovery (Canada) Ltd was performed by component auditors with component materiality set at £185,000, performance materiality set at £129,500 and triviality set at £9,250.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. We looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, including the accounting for the reverse acquisition in the period, impairment of investments and exploration assets. We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The audit of the Parent Company was performed in London by PKF Littlejohn LLP, using a team with specific experience of auditing reverse acquisitions, exploration entities and publicly listed entities. The work on the material component was performed in Canada by local auditors with knowledge of the history of the component and specific laws and regulations and local accounting legislations. This work was reviewed by us and subsequently additional testing relating to certain areas of the component audit were performed by us in order for us to obtain sufficient and appropriate evidence to support our opinion on the Group and Parent Company financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our scope addressed this matter |
|--|--|
| <p>Acquisition of Cloudbreak (Canada) Ltd by way of share for share exchange and reverse acquisition accounting (Note 4 and Note 11)</p> | <p>We have obtained and reviewed management’s accounting of the transaction. Our work included the following:</p> |
| <p>On 2 June 2021, Cloudbreak Discovery Plc completed the acquisition of Cloudbreak Discovery (Canada) Ltd. This transaction is classified as a reverse takeover (‘RTO’) under the LSE rules and the accounting standards. For accounting purposes, Cloudbreak Discovery (Canada) Ltd is considered to be the accounting acquirer.</p> <p>The reverse acquisition does not constitute a business combination and is accounted for in accordance with IFRS 2 ‘Share-based payments’ and associated IFRIC guidance. There is a risk the share-based payment has been incorrectly calculated and that the reverse acquisition has been incorrectly presented and disclosed.</p> | <ul style="list-style-type: none"> • Reviewing the prospectus, sale and purchase agreement and related documentation from the acquisition to ensure the terms of the RTO have been accurately assessed by management in forming their opinion on the most appropriate accounting treatment for the acquisition; • Critically assessing the ‘deemed acquisition cost,’ comprising the fair value of the consideration shares, together with the fair value of the assets and liabilities acquired; • Reperforming the consolidation and acquisition adjustments; • Reviewing and agreeing the presentation and disclosures relating to the reverse acquisition in the financial statements. |
| | <p>Based on the procedures performed, we consider management’s judgements to be reasonable and the related disclosures appropriate.</p> |

| | |
|---|--|
| <p>Carrying value and classification of investments (Group) and carrying value of the investment in subsidiary (Company) (Note 11)</p> | <p>We have obtained and reviewed management’s accounting of the transaction. Our work included the following:</p> |
| <p>The non-current investments are the most significant balance in the Group financial statements.</p> <p>Cloudbreak Discovery (Canada) hold equity investments in a portfolio of companies in the exploration sector. Given the continuing losses in the investment entities, there is a risk that the investments balance is overstated and an impairment is required.</p> <p>Under IFRS 9, these investments should be valued at the fair value through profit or loss and in accordance with IFRS 13’s fair value hierarchy. There is a risk that these investments are incorrectly valued as at the year end. In particular, the investments held under level 3 of the fair value hierarchy which involve management judgement and estimation.</p> <p>The Company’s investment in subsidiary is based on the value of shares issued in the acquisition. There is a risk that the carrying value of the investment in subsidiary is materially misstated as a result of the losses in the investment entities as noted above.</p> | <p>We have obtained and reviewed the Directors impairment review of the Group’s investments, including their assessment of the investment on its subsidiaries. We also obtained and reviewed the component auditors work on the Group’s investments as instructed by us as Group auditors. Our work included the following:</p> <ul style="list-style-type: none"> • Confirming ownership of each investment held; • For investments held within level 3 of the IFRS 13 fair value hierarchy, we obtained management’s assessment and valuation of the investments held at the year end, and challenged the key inputs and assumptions used. This review included management’s considerations of the Covid-19 pandemic and its impact on the investments; • Assessing whether management’s assumptions were reasonable in light of the measurement objectives under IFRS 13; • Reviewing the carrying value of the subsidiary in relation to the underlying assets and challenging management’s assessment of the carrying value; and • Testing the disclosures made within the financial statements to ensure in compliance with IFRS. <p>Based on the procedures performed, we consider the carrying value of the investments to be reasonable and the related disclosures appropriate.</p> |

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the Group and Parent Company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors’ remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to

report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the Group and Parent Company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Parent Company financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about and potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry of a similar size.
- We determined the principal laws and regulations relevant to the Group and Company in this regard to be those arising from:
 - Main Market Listing Rules;
 - The Companies Act 2006;
 - UK Employment law;
 - The Prospectus Directive;
 - Anti Bribery Legislation;
 - Market Abuse Directive;
 - Financial Services and Market Act;
 - Disclosure and Transparency Rules;
 - Canadian law and company reporting requirements; and
 - Local tax and employment law.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management;

- Review of Board minutes; and
- Review of accounting ledgers.
- The component auditors completed the same reviews for non-compliance of local laws and regulations.
- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: testing over all journals on a risk based approach to identify any unusual transactions that could be indicative of fraud; reviewing accounting estimates for evidence of bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing transactions through the bank statements to identify potentially large or unusual transactions that do not appear to be in line with our understanding of business operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the directors of the Company on 8 September 2021 to audit the financial statements for the period ending 30 June 2021 and subsequent financial periods. Our total uninterrupted period of engagement is 11 years, covering the periods ending 30 June 2010 to 30 June 2021. The Responsible Individual for the audit has been rotated in the year, so this is their first period of involvement with the Group.

As the Parent Company has become a Public Interest Entity during the period, we are now prohibited from providing tax services. As a result, our tax department have withdrawn from the engagement with the Company, which was done within the required period since the Company became a Public Interest Entity. The tax work that had previously been permitted and carried out had been done by a separate team to the audit team and their work was not be relied upon during the audit. As the Group are loss making, there is no tax figure in the accounts and as such, we consider the self-review threat to be sufficiently mitigated such that our independence has not been compromised.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
29 December 2021

15 Westferry Circus
 Canary Wharf

London E14 4HD



CLOUDBREAK DISCOVERY PLC (Formerly Imperial X Plc)
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
For the year ended 30 June 2021

| | Note | As at 30 June 2021 £ | As at 30 June 2020 £ |
|--|----------|----------------------------|----------------------------|
| Continuing operations | | | |
| Income | | | |
| Unrealised gain on financial investments | 11 | 1,412,787 | - |
| Realised gain on financial investments | | 12,996 | - |
| Profit on disposal of exploration & evaluation asset sales | 12 | 2,560,070 | 5,911 |
| | | 3,985,853 | 5,911 |
| Administrative expenses | 5 | (872,423) | (184,272) |
| Listing Fee | 4 | (2,365,634) | (557,992) |
| Bad debts | | - | (384,614) |
| | | 747,796 | (1,120,967) |
| Impairment of financial investments | 10,11,12 | (1,502,671) | - |
| Unrealised foreign exchange (loss) gain | | (193,772) | 5,631 |
| Finance income | | 46,586 | 41,798 |
| Profit/(Loss) before tax | | (902,060) | (1,073,538) |
| Taxation | 6 | - | - |
| Profit/(Loss) for the period attributable to equity shareholders of the Company | | (902,060) | (1,073,538) |
| Other comprehensive income / (expenditure) for the period net of tax | | - | - |
| Total comprehensive income/(expenditure) for the period | | (902,060) | (1,073,538) |
| Earnings per ordinary share | | | |
| Basic and diluted loss per share attributable to the equity shareholders of the parent (pence) | 7 | (0.85) | (0.83) |

The notes on pages 33 to 57 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC
GROUP STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

| | Note | As at June 30 2021 £ | As at June 30 2020 £ |
|---|------|----------------------------|----------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments | 11 | 4,353,318 | 28,306 |
| Royalty asset | 12 | 1 | 178,232 |
| Exploration and evaluation assets | 10 | 30,679 | 228,863 |
| Total non-current assets | | 4,383,998 | 435,401 |
| Current assets | | | |
| Trade and other receivables | 13 | 518,849 | 2,971 |
| Tax receivable | | 3,381 | 8,290 |
| Convertible loan note receivable | 9 | - | 459,964 |
| Cash and cash equivalents | | 1,277,617 | 6,478 |
| Total current assets | | 1,799,847 | 477,703 |
| TOTAL ASSETS | | 6,183,845 | 913,104 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 14 | 895,264 | 316,039 |
| Total current liabilities | | 895,264 | 316,039 |
| TOTAL LIABILITIES | | 895,264 | 316,039 |
| NET ASSETS | | 5,288,581 | 597,065 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Share capital | 15 | 560,520 | 50,120 |
| Share premium | 15 | 10,905,507 | 2,163,168 |
| Reverse asset acquisition reserve | 4 | (4,134,019) | - |
| Other reserve | 15 | 511,501 | 36,645 |
| Retained losses | | (2,554,928) | (1,652,868) |
| TOTAL EQUITY | | 5,288,581 | 597,065 |

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 December 2021 and were signed on its behalf by:



Kyler Hardy
Chairman and Chief Executive Officer
Cloudbreak Discovery plc

The notes on pages 33 to 57 form part of these Financial Statements.

CLouDBREAK DISCOVERY PLC
COMPANY STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

| <i>Company number 06275976</i> | Note | As at June 30 2021 £ | As at June 30 2020 £ |
|---|-------------|-------------------------------------|-------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment in subsidiaries | 11 | 6,485,487 | 10 |
| Investments | 11 | 107,679 | - |
| Total non-current assets | | 6,593,166 | 10 |
| Current assets | | | |
| Trade and other receivables | 13 | 514,849 | 40,018 |
| Convertible loan note receivable | 9 | - | - |
| Cash and cash equivalents | | 1,232,385 | 34,430 |
| Total current assets | | 1,747,234 | 74,448 |
| TOTAL ASSETS | | 8,340,400 | 74,458 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 14 | 449,885 | 111,374 |
| TOTAL LIABILITIES | | 449,885 | 111,374 |
| NET ASSETS | | 7,890,515 | (36,916) |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Share capital | 15 | 560,520 | 227,586 |
| Share premium | 15 | 10,905,507 | 1,328,494 |
| Equity to be issued | 15 | - | 15,200 |
| Other reserve | 15 | 407,656 | 112,406 |
| Retained losses | | (3,983,168) | (1,720,602) |
| TOTAL EQUITY | | 7,890,515 | (36,916) |

Cloudbreak Discovery Plc has used the exemption granted under s408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company. The after-tax loss attributable to Cloudbreak Discovery plc for the period ended 30 June 2021 was £2,025,931 (2020: £369,920).

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 December 2021 and were signed on its behalf by:



Kyler Hardy
Chairman and Chief Executive Officer
Cloudbreak Discovery plc

The notes on pages 33 to 57 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC
GROUP STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

| | Share capital | Share premium | Reverse asset acquisition reserve | Other reserves | Retained losses | Total Equity |
|--|----------------|-------------------|--------------------------------------|----------------|--------------------|------------------|
| At July 01, 2019 | 43,566 | 1,471,495 | - | 21,109 | (579,330) | 956,840 |
| Issuance of warrants | | - | - | 15,536 | - | 15,536 |
| Share based payments - Professional fees | 1,355 | 79,146 | - | - | - | 80,501 |
| Issuance of shares - reverse take-over | 5,199 | 612,527 | - | - | - | 617,726 |
| Total comprehensive income for the year | - | - | - | - | (1,073,538) | (1,073,538) |
| Balance at June 30, 2020 | 50,120 | 2,163,168 | - | 36,645 | (1,652,868) | 597,065 |
| Issue of shares | 30,475 | 55,373 | - | - | - | 85,848 |
| Transfer to reverse acquisition reserve | (80,595) | (2,218,542) | 2,259,668 | 39,469 | - | - |
| Recognition of Cloudbreak Discovery Plc equity at reverse acquisition | 460,423 | 7,969,714 | (6,393,687) | - | - | 2,036,450 |
| Warrants assumed - Reverse take-over | - | - | - | 37,971 | - | 37,971 |
| Options assumed - Reverse take-over | - | - | - | 211,978 | - | 211,978 |
| Issue of shares | 100,097 | 2,935,793 | - | 157,695 | - | 3,193,585 |
| Exchange differences on translation | - | - | - | 27,744 | - | 27,744 |
| Total comprehensive income for the year | - | - | - | - | (902,060) | (902,060) |
| Balance at June 30, 2021 | 560,520 | 10,905,507 | (4,134,019) | 511,501 | (2,554,928) | 5,288,581 |

The notes on pages 33 to 57 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2020

| | Share capital | Share premium | Equity to be issued | Other reserves | Retained losses | Total Equity |
|---|----------------|-------------------|------------------------|----------------|--------------------|------------------|
| At July 01, 2019 | 202,786 | 876,297 | 31,215 | 161,753 | (1,400,029) | (127,978) |
| Issue of shares | 24,800 | 452,197 | - | - | - | 476,997 |
| Equity to be issued - movement | - | - | (16,015) | - | - | (16,015) |
| Exercise of warrants | - | - | - | (49,347) | 49,347 | - |
| Total comprehensive loss for the year | - | - | - | - | (369,920) | (369,920) |
| Balance at June 30, 2020 | 227,586 | 1,328,494 | 15,200 | 112,406 | (1,720,602) | (36,916) |
| Issue of shares - Acquisition of Cloudbreak Canada Subsidiary | 216,183 | 6,269,294 | - | - | - | 6,485,477 |
| Issue of shares | 116,751 | 3,307,719 | (15,200) | 195,678 | - | 3,604,948 |
| Options granted | - | - | - | 99,572 | - | 99,572 |
| Total comprehensive loss for the year | - | - | - | - | (2,262,566) | (2,262,566) |
| Balance at June 30, 2021 | 560,520 | 10,905,507 | - | 407,656 | (3,983,168) | 7,890,515 |

The notes on pages 33 to 57 form part of these Financial Statements.

CLOUDBREAK DISCOVERY PLC
GROUP AND COMPANY STATEMENT OF CASHFLOWS
For the year ended 30 June 2021

| | Notes | Group | | Company | |
|---|----------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | Year ended June 30 2021 | Year ended June 30 2020 | Year ended June 30 2021 | Year ended June 30 2020 |
| | | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Income from operations | | (902,060) | (1,073,538) | (2,262,566) | (369,920) |
| Add items not affecting cash | | | | | |
| Exploration and evaluation asset sales | 10 | (2,186,891) | (28,279) | - | - |
| Change in fair value of investments | 11 | (1,412,787) | - | (4,173) | - |
| Gain on sale of investments | 11 | (12,996) | - | - | - |
| Impairment loss | 10,11,12 | 1,502,671 | - | 1,035,990 | - |
| Interest income | | (36,021) | (42,012) | - | - |
| Unrealized foreign exchange gain (loss) | | (155,069) | 217 | 4,617 | - |
| Finance charge | 16 | 200,000 | 15,536 | 200,000 | - |
| Listing fee | 4 | 2,365,634 | 557,992 | - | - |
| Bad debts | | - | 384,614 | - | - |
| Stock based compensation | 15 | - | 80,501 | 137,553 | 97,905 |
| Changes in non-cash working capital | | | | | |
| (Increase)/Decrease in trade and other receivables | | (406,449) | (5,357) | (474,831) | (33,683) |
| Increase/(Decrease) in trade and other payables | | (542,836) | 104,279 | 338,511 | 21,903 |
| Net cash used in operating activities | | (1,586,804) | (6,047) | (1,024,899) | (283,795) |
| Cash flows from investing activities | | | | | |
| Funds received on sale of investments | 11 | 195,510 | - | - | - |
| Funds spent on investments | 11 | (173,786) | (27) | (103,506) | - |
| Cash received in reverse take-over | 4 | 860,389 | 8,599 | - | - |
| Exploration and evaluation expenses | 10 | (29,675) | - | - | - |
| Cash flows generated from investing activities | | 852,438 | 8,572 | (103,506) | - |
| Cash flows from financing activities | | | | | |
| Issue of shares | 15 | 2,008,773 | - | 2,326,358 | 316,480 |
| Shares cancelled | 15 | (3,268) | - | - | - |
| Repayment of loans | | - | - | - | 446 |
| Cash flows generated from financing activities | | 2,005,505 | - | 2,326,358 | 316,926 |
| Increase (decrease) in cash and cash equivalents | | 1,271,139 | 2,524 | 1,197,955 | 33,131 |
| Cash and cash equivalents at beginning of the period | | 6,478 | 3,954 | 34,430 | 1,299 |
| Cash and cash equivalents at end of the period | | 1,277,617 | 6,478 | 1,232,385 | 34,430 |

The notes on pages 33 to 57 form part of these Financial Statements.

NOTE 1: ACCOUNTING POLICIES

General Information

The Company is a public limited company incorporated and domiciled in England (registered number: 06275976), which is listed on the London Stock Exchange. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

Summary of significant accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with international accounting standards in conformity with the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No.1606/2002 as it applies in the European Union. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Cloudbreak Discovery plc and its subsidiaries as at 30 June 2021. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Cloudbreak Discovery plc owns the majority of the shareholdings and has operational control over all its subsidiaries. Please refer to Note 4 for information on the consolidation of Cloudbreak Discovery plc.

Cloudbreak Discovery plc has used the exemption granted under s408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company. The after-tax loss attributable to Cloudbreak Discovery plc for the year ended 30 June 2021 was £2,262,566 (2019: £369,920).

Going Concern

The Group Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that, the Group has funds to meet its planned expenses over the next 12 months from the date of these Financial Statements.

In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group, including current level of resources and the required level of spending on exploration and corporate activities. As part of the assessment, the Directors have also taken into account the potential for continuing warrant exercises and the ability to raise new funding and utilizing the Crescita facility whilst maintaining an acceptable level of cash for the Group to meet all commitments.

The Directors are confident that the measures they have available will result in sufficient working capital and cash flows to continue in operational existence. Taking these matters in consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The spread of COVID-19 will continue to have a material impact on many economies globally both through the

CLOUDBREAK DISCOVERY PLC
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 30 June 2021

effects of the virus itself and the measures taken by government to restrict its spread. The situation and guidance being given in respect of COVID-19 is an evolving one, which the Board will continue to actively monitor. The Directors acknowledge that the market volatility may impact the ability of the Group to raise funds in the near future. The auditors have included a ‘material uncertainty’ paragraph in their audit report as a result of the uncertainty. The Directors, in light of all of the above circumstances, have a reasonable expectation that the Group will have access to adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Changes in accounting policy and disclosures

During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

| Standard | Effective date, annual period beginning on or after |
|--|---|
| Amendments to IFRS 3 <i>Business Combinations</i> | 1 January 2020 |
| Amendments to IAS 1 and IAS 8: <i>Definition of Material</i> | 1 January 2020 |
| Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform | 1 January 2020 |

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective.

| Standard | Effective date, annual period beginning on or after |
|--|---|
| Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent | Not yet confirmed* |
| Amendments to IFRS 3 <i>Business Combinations</i> | 1 January 2022* |
| Amendments to IAS 16: Property, Plant and Equipment | 1 January 2022* |
| Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets | 1 January 2022* |
| Annual Improvements to IFRS Standards 2018-2020 Cycle | 1 January 2022* |
| Amendments to IAS 8: Accounting Policies, Changes to Accounting Estimates and Errors | Not yet confirmed* |
| Amendments to IAS 12: Income Taxes – Deferred Tax arising from a Single Transaction | Not yet confirmed* |

*Subject to UK endorsement

The adoption of these standards is not expected to have any material impact on the financial statements of the Group

Foreign currency translation

a) Functional and presentation currency

Items included in the Financial Information are measured using the currency of the primary economic environment in which the entity operates (the ‘functional currency’). The functional currency of the parent company is Pounds Sterling as is the functional currency of the subsidiary Imperial Minerals UK. The functional currency of the other subsidiary, Cloudbreak Discovery (Canada) is Canadian Dollars. The Financial Information in Cloudbreak Discovery (Canada) Ltd is translated in accordance with IAS 21 – The Effect of Changes in Foreign Exchange Rates.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement in other comprehensive income. The financial statements are presented in Pounds Sterling (£), the functional currency of Cloudbreak Discovery Plc is Pounds Sterling, and the functional currency of its subsidiary Cloudbreak Discovery (Canada) Ltd is Canadian Dollars.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

Trade and other receivables and prepaids

Trade and other receivables and prepaids are amounts due from third parties in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Convertible loan notes receivable

Convertible loan notes receivable are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Royalty assets

Royalty financial assets are recognised or derecognised on completion date where a purchase or sale of the royalty is under a contract, and are initially measured at fair value, including transaction costs. All of the Group's royalty financial assets have been designated as at fair value through profit and loss ("FVTPL"). The royalty financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the 'revaluation of royalty financial assets' line item of the income statement.

Exploration and evaluation assets

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets are recorded and held at cost

Exploration and evaluation assets are not subject to amortisation, as such at the year-end all intangibles held have an indefinite life but are assessed annually for impairment. The assessment is carried out by allocating exploration and evaluation assets to cash generating units ('CGU's'), which are based on specific projects or geographical areas. The CGU's are then assessed for impairment using a variety of methods including those specified in IFRS 6.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement.

Exploration assets which are acquired as part of a business combination are recognised at fair value in accordance with IFRS 3. When a business combination results in the acquisition of an entity whose only significant assets are its exploration asset and/or rights to explore, the Directors consider that the fair value of the exploration assets is equal to the consideration. Any excess of the consideration over the capitalised exploration asset is attributed to the fair value of the exploration asset.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Group. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Financial instruments

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair Value through Profit or Loss (FVTPL)

This category comprises in-the-money derivatives and out-of-the-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments, which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets comprise the types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses.

During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For the receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, based on analysis of internal or external information. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that

CLOUDBREAK DISCOVERY PLC
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial investments

Non-derivative financial assets comprising the Group's strategic financial investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

Listed investments are valued at closing bid price on 30 June 2021. Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at fair value through profit and loss less impairment.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves

Other reserves consist of:

The share option reserve consists of the fair value of warrants and options in issue.

Reverse asset acquisition reserve

Reverse asset acquisition reserve was recorded in connection with the reverse take-over (Note 4).

Share based payments

The Group operates an equity-settled, share-based scheme under which the Group receives services from employees or contractors as consideration for equity instruments (options and warrants) of the Group. The fair value of the third-party suppliers' services received in exchange for the grant of the options is recognised as an expense in the Income Statement or charged to equity depending on the nature of the service provided. The value of the employee services received is expensed in the Income Statement and its value is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value of the share options and warrants are determined using the Black Scholes valuation model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

Taxation

Current tax is the tax currently payable or receivable based on the taxable loss for the year.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined using tax rates and laws that have been substantially enacted by the Statement of Financial Position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

NOTE 2: FINANCIAL RISK MANAGEMENT

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Treasury policy and financial instruments

During the years under review, the only financial instruments were cash and cash equivalents and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Group has raised funds to finance future activities through the placing of shares, together with share options and warrants. There are no differences between the book value and fair value of the above financial assets. The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

Market risk and foreign exchange risk

The Group is exposed to market risk, primarily relating to interest rate and foreign exchange movements. The Group does not hedge against market or foreign exchange risks as the exposure is not deemed sufficient to enter into forwards or similar contracts.

Liquidity and interest rate risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Group in the day-to-day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

Credit Risk

Credit risk arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The long-term Moody's credit rating of HSBC Bank Plc is Aa3.

NOTE 3: CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The preparation of the Financial Information in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Information and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce this Financial Information.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

Share based payment transactions

The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and to suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility,

future dividend yields, expected life of the options and forfeiture rates.

Classification of royalty arrangements: initial recognition and subsequent measurement

The Directors must decide whether the Group's royalty arrangements should be classified as:

- Intangible assets in accordance with IAS 38 Intangible Assets; or
- Financial assets in accordance with IFRS 9 Financial Instruments

The Directors use the following selection criteria to identify the characteristics which determine which accounting standard to apply to each royalty arrangement:

Type 1 – Intangible assets: Royalties, are classified as intangible assets by the Group. The Group considers the substance of a simple royalty to be economically similar to holding a direct interest in the underlying mineral asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator) and price risk (returns vary depending on the future commodity price, driven by future supply and demand) are all risks which the Group participates in on a similar basis to an owner of the underlying mineral licence. Furthermore, in a royalty intangible, there is only a right to receive cash to the extent there is production and there are no interest payments, minimum payment obligations or means to enforce production or guarantee repayment. These are accounted for as intangible assets under IAS 38.

Type 2 – Financial royalty assets (royalties with additional financial protection): In certain circumstances where the risk is considered too high, the Group will look to introduce additional protective measures. This has taken the form of minimum payment terms. Once an operation is in production, these mechanisms generally fall away such that the royalty will display identical characteristics and risk profile to the intangible royalties; however, it is the contractual right to enforce the receipt of cash which results in these royalties being accounted for as financial assets under IFRS 9. There are currently no royalties classified as financial royalty assets.

Estimated impairment of convertible loan notes receivable

The Group has assessed whether the convertible loan notes receivable continues to be fully impaired based upon all available information, which includes assumptions and judgments regarding circumstances in the future, which could have an impact upon recoverability.

Unlisted investments

The Group is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required. It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment.

Valuation of exploration and evaluation assets

Exploration and evaluation costs have a carrying value of 30 June 2021 of £30,679 (2020: 228,863). Such assets have an indefinite useful life as the Group has the right to renew exploration licenses or options and the asset is only amortised once extraction of the resource commences. The value of the Group's exploration and evaluation expenditure will be dependent upon the success of the Group in discovering economic and recoverable mineral resources, especially in the countries of operation where political, economic, legal, regulatory and social uncertainties are potential risk factors. The future revenue flows relating to these assets is uncertain and will also be affected by competition, relative exchange rates and potential new legislation and related environmental requirements. The Group's ability to continue its exploration programs and develop its projects is dependent on future fundraisings the outcome of which is uncertain. The ability of the Group to continue operating within Botswana is dependent on a stable political environment which is uncertain based on the history of the country. This may also impact the Group's legal title to assets held which would affect the valuation of such assets. There have been no changes made to any past assumptions.

The Directors have undertaken a review to assess whether circumstances exist which could indicate the existence of impairment as follows:

- The Group no longer has title to mineral leases.

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 For the year ended 30 June 2021

- A decision has been taken by the Board to discontinue exploration due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the costs incurred will not be fully recovered from future development and participation.

Following their assessment, the Directors concluded that no impairment charge is necessary (2019: Nil).

NOTE 4: REVERSE ACQUISITION AND LSE LISTING

On June 2, 2021, the Company acquired the entire issued share capital of Cloudbreak Discovery Corp, Howson Ventures Inc, Cabox Gold Corp. and 1278953 B.C. Ltd. (together “Cloudbreak Canada”), which are private companies incorporated in British Columbia, by way of share exchange. These entities amalgamated on June 29, 2021, and were renamed Cloudbreak Discovery (Canada) Ltd. These financial statements are presented as if Cloudbreak Discovery Corp, Howson Ventures Inc, Cabox Gold Corp. and 1278953 B.C. Ltd. were amalgamated as of July 1, 2019.

Although the transaction resulted in Cloudbreak Canada becoming a wholly owned subsidiary of the parent company, the transaction constitutes a reverse acquisition in as much as the shareholders of Cloudbreak Canada own a majority of the outstanding ordinary shares of the Group. In substance, the shareholders of Cloudbreak Canada acquired a controlling interest in the Group and the transaction has therefore been accounted for as a reverse acquisition.

As the parent company was engaged in acquiring Cloudbreak Canada and raising equity financing to provide the required funding for the operations of the acquisition and listing on the main market of the LSE, it did not meet the definition of a business according to the definition in IFRS 3. Accordingly, this reverse acquisition does not constitute a business combination and was accounted for in accordance with IFRS 2 Share-based payment and IFRIC guidance, with the difference between the equity value given up by the Cloudbreak Canada shareholders and the share of the fair value of net assets gained by the Cloudbreak Canada shareholders charged to the statement of comprehensive income as the cost of acquiring an LSE quoted listing.

In accordance with reverse acquisition accounting principles, these consolidated financial statements represent a continuation of the consolidated financial statements of Cloudbreak Canada and include:

- The assets and liabilities of Cloudbreak Canada at their pre-acquisition carrying amounts and the results for both periods; and
- The assets and liabilities of the parent company as at 30 June 2021 and its results from 2 June to 30 June 2021.

On 2 June 2021, the parent company issued 216,182,566 shares for the issued and outstanding capital of Cloudbreak Canada.

On June 2, 2021, the quoted share price of Cloudbreak Discovery Plc was £0.03 and therefore this valued the investment in Cloudbreak Canada at £6,485,477.

Because the legal subsidiary, Cloudbreak Canada, was treated as the accounting acquirer and the legal parent company, Cloudbreak Discovery Plc, was treated as the accounting subsidiary, the fair value of the shares and warrants and options deemed to have been issued by Cloudbreak Canada was calculated at £2,764,950 based on an assessment of the purchase consideration for a 100% holding in Cloudbreak Discovery Plc.

The fair value of net assets of Cloudbreak Discovery plc at the date of acquisition was as follows:

| | |
|---------------------------|------------------|
| Cash and cash equivalents | £860,389 |
| Receivables | £215,267 |
| Liabilities | £ (1,122,063) |
| Net assets | £(46,407) |

The fair value of shares issued for Cloudbreak’s net assets and the warrants and options assumed upon acquisition was as follows:

| | |
|--------------------------|-------------------|
| Warrants | £21,092 |
| Options | £99,572 |
| Common shares issued | £2,198,563 |
| Total deemed cost | £2,319,227 |

CLOUDBREAK DISCOVERY PLC
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The difference between the deemed cost and the fair value of the net assets acquired of £2,365,634 has been expensed in accordance with IFRS 2, Share based payments, reflecting the economic cost to the Cloudbreak Canada shareholders of acquiring a quoted entity.

A reverse asset acquisition reserve has also been recorded of £4,134,019 which represents the retained losses of the Company before acquisition and the Company equity at reverse acquisition.

NOTE 5: EXPENSES BY NATURE

| | Group | |
|--------------------------------------|--|--|
| | For the year ended 30 June 2021 £ | For the year ended 30 June 2020 £ |
| Professional fees | 279,568 | 145,790 |
| Consulting fees | 302,485 | 2,955 |
| Finance charge (Note 16) | 200,000 | - |
| Transfer agent and filing fees | 65,178 | 695 |
| Other expenses | 25,192 | 34,832 |
| Total administrative expenses | 872,423 | 184,272 |

NOTE 6: TAXATION ON LOSS FROM ORDINARY ACTIVITIES

| | Group | |
|--|--|--|
| | For the year ended 30 June 2021 £ | For the year ended 30 June 2020 £ |
| Gain/(Loss) before tax | (902,060) | (1,073,538) |
| Tax on gain (loss) for the year multiplied by the weighted average corporation tax rate of 22.5% (2019: 27%) | (202,964) | (289,855) |
| Tax losses carried forward on which no deferred tax asset has been recognised | 186,271 | 29,313 |
| Expenses not deducted for tax purposes | 16,693 | 260,542 |
| Tax charge for the year | - | - |

The Group has not recognised a deferred tax asset in the financial statements as there is no certainty that taxable profits will be available against which these assets could be utilised.

NOTE 7: EARNINGS PER SHARE

The calculation of the basic loss per share of £0.85 is based on the loss attributable to ordinary shareholders of £902,060 and on the weighted average number of ordinary and deferred shares of 105,829,101 in issue during the year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 15.

NOTE 8: DIRECTORS AND EMPLOYEES

The total number of Directors who served in the year was 4 (2020: 4). There are no employees of the Group.

The following amounts were paid during the year to Directors:

| | Group | |
|------------------------------------|---------------|----------|
| | 2021 | 2020 |
| | £ | £ |
| Directors Fees and Consulting Fees | 23,760 | - |
| | 23,760 | - |

Amounts included in Directors fees and salaries include £Nil (2020: £Nil) in relation to share option charges. 3,000,000 options were issued to directors on 2 June 2021 for their services. The options have an exercise price of £0.03 and expire on 30 June 2024. Details of the Share Option charges can be found in Note 15.

NOTE 9: CONVERTIBLE LOAN

| | Principal | Group | | Company | |
|-----------------------|--------------------------|---------------|-----------------|------------|------------|
| | | Total 2021 | Total 2020 | Total 2021 | Total 2020 |
| | | (£) | (£) | (£) | (£) |
| Convertible loan note | \$500,000 USD (£361,847) | £450,591 | £459,964 | £ - | £ - |
| Convertible loan note | \$420,000 USD (£303,744) | £350,718 | - | £ - | £ - |
| Convertible loan note | \$49,790 USD (£35,949) | £44,000 | - | £ - | £ - |
| Convertible loan note | \$250,000 USD (£180,500) | £220,281 | - | £ - | £ - |
| Impairment provision | | £ (1,065,590) | | | |
| | | £ - | £459,964 | £ - | £ - |

On March 20, 2019, the Group issued a \$500,000 USD (£361,847) unsecured convertible loan note to Anglo-African Minerals plc (“AAM”). The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had an original maturity date of September 20, 2019. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. The maturity date of the convertible loan note was subsequently extended to March 20, 2020, and the Group was issued 21,029,978 AAM warrants per the terms of the extension. These warrants have a strike price of \$0.025 USD per share, with an expiry date of September 19, 2021. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful.

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM from Cronin Services Ltd., a company controlled by the Chairman and CEO of the Group, that had a principal value of \$420,000 USD (£303,744) and accrued interest of \$61,261 (£44,304) for total value of \$481,261 USD (£348,048). The Group issued 14,166,790 ordinary shares and 7,083,395 share purchase warrants to acquire this note. Each share purchase warrant may be converted into one ordinary share of the Group at £0.05 per ordinary share and expires June 2, 2025. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had a maturity date of May 31, 2021. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful.

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM from Cronin Capital Corp., a company controlled by the Chairman and CEO of the Group, that had a principal value of \$49,790 USD (£35,949) and accrued interest of \$9,826 USD (£7,094) for total value of \$59,617 USD (£43,043). The Group issued 1,630,832 ordinary shares and 1,630,832 share purchase warrants to acquire this note. Each share purchase warrant may be converted into one ordinary share of the Group at £0.05 per ordinary share and expires 2025 June 2. The convertible loan note bears interest at 15% per annum and compounds monthly, is unsecured, and had a maturity date of 2020 September 30. The

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convertible loan note is convertible into common shares of AAM at \$0.005 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability was considered doubtful.

On June 2, 2021, the Group acquired an unsecured convertible loan note that was issued to AAM by Reykers Nominees Limited that had a principal value of \$250,000 USD (£180,500) and accrued interest of \$52,776 (£38,104) for total value of \$302,776 USD (£218,604). The Group also acquired 12,500,000 AAM share purchase warrants that had a conversion price of \$0.03 USD and expiry date of July 1, 2021 and acquired 11,000,000 AAM ordinary shares. The Group issued 8,912,756 ordinary shares to acquire this convertible note, 1,200,000 ordinary shares to acquire the 12,500,000 AAM share purchase warrants and 3,520,000 ordinary shares to acquire the 11,000,000 AAM ordinary shares. The convertible loan note bears interest at 10% per annum and compounds monthly, is unsecured, and had a maturity date of 30 June 2020. The convertible loan note is convertible into common shares of AAM at \$0.01 USD per share. As at June 30, 2021, the Group impaired the balance down to \$Nil as collectability of the convertible loan was considered doubtful and the shares and warrants impaired.

NOTE 10: EXPLORATION AND EVALUATION ASSETS

As at June 30, 2021, the Group's exploration and evaluation assets are as follows:

| | Group | | Company | |
|--|---------------|----------------|----------|----------|
| | 2021 (£) | 2020 (£) | 2021 (£) | 2020 (£) |
| E & E Assets | | | | |
| Caribou Property, British Columbia | 1 | 1 | - | - |
| South Timmins, British Columbia | 16,080 | - | - | - |
| Gold Vista Property, British Columbia | 1 | 5,941 | - | - |
| La Blanche Property, British Columbia | - | 29,704 | - | - |
| Spectrum Property, British Columbia | - | 75,880 | - | - |
| Silver Vista Property, British Columbia | 1 | 53,470 | - | - |
| Silver Switchback Property, British Columbia | 1 | 4,456 | - | - |
| Rupert Property, British Columbia | 14,595 | 59,411 | - | - |
| Balance, June 30, 2021 | 30,679 | 228,863 | - | - |

As at June 30, 2021, the Group's reconciliation of exploration and evaluation assets are as follows:

| | Group | | Company | |
|-------------------------|---------------|----------------|----------|----------|
| | 2021 (£) | 2020 (£) | 2021 (£) | 2020 (£) |
| E & E Assets | | | | |
| Cost | | | | |
| As at July 1 | 228,863 | 28,574 | - | - |
| Additions | 97,058 | 200,287 | - | - |
| Net proceeds from sale | (2,855,312) | - | - | - |
| Gain on sale | 2,560,070 | - | - | - |
| Balance, June 30 | 30,679 | 228,863 | - | - |

Caribou Property, Canada

On November 20, 2017, the Group acquired the Caribou mineral property for £1 from a company controlled by the CEO of the Group. As at June 30, 2021, included in Exploration and Evaluation Assets is £1 (June 30, 2020 - £1) attributed to the Caribou property.

On June 2, 2020, the Group entered into an option agreement with Norseman Silver Inc. ("Norseman"), a company with a common director, under which Norseman may acquire up to a 100% interest in the Group's Caribou Property subject to a 2% net smelter return ("NSR") to the Group. In order for Norseman to fully exercise the option on the Caribou Property, they must pay the Group an aggregate of \$80,000 CAD, issue 2,750,000 common shares of Norseman and incur

exploration expenses of \$225,000 CAD over three years. Norseman will have the right to repurchase one-half (1%) of the 2% NSR for \$1,000,000 CAD.

During the year ended June 30, 2021, the Group received cash payments of \$30,000 CAD (£17,517) and 1,750,000 Norseman shares in relation to the option payments due under the agreement valued at \$290,000 CAD (£171,100).

South Timmins Property, Canada

During the year ended June 30, 2021, the Group paid \$27,540 CAD (£16,080) in asset staking costs to acquire twelve mineral titles in Ontario, Canada known as the South Timmins property.

Subsequent to June 30, 2021, the Group optioned the South Timmins property. See Note 17.

Gold Vista Property, Canada

On May 8, 2020, the Group entered into an option agreement to purchase 100% of the rights to the Gold Vista Property located in British Columbia, Canada. To earn a 100% interest, the Group must make aggregate cash payments of \$65,000 CAD (\$30,000 CAD paid - £17,700), issue 1,375,000 shares in the Group and incur work commitments on the property of \$225,000 CAD, over three years. The property is subject to a 2% NSR which the Group may acquire one-half (1%) for \$1,000,000 CAD.

On October 6, 2020, the Group entered into an option agreement with Deep Blue Trading (“Deep Blue”) in which Deep Blue may acquire up to a 100% interest in the Gold Vista Property subject to a 1% NSR to the Group. Deep Blue will have the right to repurchase one-half (0.5%) of the NSR for \$500,000 at any time prior to commercial production. In order for Deep Blue to fully exercise the option on the Gold Vista Property, they must pay the Group a \$10,000 CAD (£5,839)(received) and assume certain obligations payable to the original vendor.

La Blache Property, Canada

On May 20, 2019, the Group purchased 100% of the La Blache mineral claims in Cote-Nord, Quebec for \$50,000 CAD (£29,195).

On June 18, 2020, the Group and Cronin Services Ltd., a company controlled by the CEO and President of the Group (collectively known as “Vendors”), entered into a definitive agreement with Temas Resources Corp. (“Temas”) for the sale of 100% interest in the property for 10,000,000 Temas shares, \$30,000 CAD in cash payments and a 2% NSR to the Group. Temas has the right to repurchase one-half(1%) of the NSR for \$2,500,000 CAD. On September 23, 2020, the transaction closed with the Group receiving 10,000,000 Temas shares valued at \$2,000,000 CAD

(£1,167,815) and \$30,000 CAD (£17,517). The 10,000,000 shares the Group received are subject to pooling restrictions as follows: 25% of the Temas shares were released from the pool March 23, 2021, and the balance will be released September 23, 2021. Upon its sale, total value of \$50,000 CAD (£29,195) in exploration and evaluation assets attributed to La Blache property was expensed.

Spectrum Property, Canada

On January 10, 2019, the Group entered into an option agreement to acquire 100% interests in the Southern Spectrum Mineral Property located in the Lillooet Mining Division of British Columbia. In order to exercise the option, the Group must pay an aggregate of \$70,000 CAD in cash (\$50,000 CAD, £29,500 paid), issue 1,200,000 common shares (675,000 issued), and incur work commitments of \$1,250,000 (\$50,000 CAD, £29,500 incurred) over three years. The property is subject to a 3% NSR which the Group may acquire 1% for \$1,000,000 CAD.

During the year ended June 30, 2021, the Group sold, transferred and assigned all of the Group’s right, title interest and obligations under its original Spectrum property option agreement to 1162832 BC Ltd. (the “Vendor”) for \$10,000 CAD (£5,839) cash. Upon the Vendor receiving at least 500,000 shares from the transfer, option, or other disposition of some or all of the Vendor’s interest in the Spectrum property (“Consideration Shares”), the Vendor will transfer to the Group

at least 500,000 of those Consideration Shares. As a result of the sale, total value in exploration and evaluation assets of \$117,722 CAD (£49,456) attributed to the property was expensed in the current year.

Silver Switchback Property, Canada

On May 8, 2020, the Group entered into an option agreement to purchase 100% of the rights to the Silver Switchback Property located in British Columbia, Canada. To earn a 100% interest, the Group must make aggregate cash payments of \$75,000 CAD (\$15,000 CAD paid - £8,850), issue 1,850,000 shares (250,000 shares issued at a value of \$40,000 CAD - £23,356) in the Group and incur work commitments on the property of \$475,000 CAD over three years. The property is subject to a 2% NSR which the Group may re-purchase 1.5% for \$1,250,000 CAD.

On August 27, 2020, the Group entered into an option agreement with Norseman, under which Norseman may acquire up to a 100% interest in the Group's Silver Switchback Property subject to a 1% NSR to the Group. In order for Norseman to fully exercise the option on the Silver Switchback Property, they must pay the Group \$30,000 CAD (received), issue 750,000 common shares (370,000 received valued at \$83,250 CAD - £46,610), and assume certain obligations due to the original vendor over three years. Norseman will have the right to repurchase one-half (0.5%) of the NSR from the Group for \$500,000 CAD.

Silver Vista, Canada

On May 8, 2020, the Group entered into an option agreement to purchase 100% of the rights to the Silver Vista Property located in British Columbia, Canada. To earn a 100% interest, the Group will need to make aggregate cash payments of \$65,000 CAD (\$20,000 CAD paid - £11,678), issue 1,375,000 shares (370,000 shares issued at a value of \$75,000 CAD - £43,793) in the Group and incur work commitments on the property of \$275,000 CAD, over three years. The property is subject to a 2% NSR which the Group may acquire one-half (1%) for \$1,000,000 CAD.

During the year ended June 30, 2021 the Group made a payment of \$80,000 CAD (£46,713) to a prior optionor to fulfil prior option agreement obligation.

On September 21, 2020, the Group entered into an option agreement with Norseman, under which Norseman may acquire up to a 100% interest in the Group's Silver Vista Property subject to a 1% NSR payable to the Group. In order for Norseman to fully exercise the option on the Silver Switchback Property, they must pay the Group \$50,000 CAD (received - £29,500), and issue 2,000,000 common shares (received and valued at \$40,000 CAD - £23,600). Norseman will have the right to repurchase one-half (0.5%) of the NSR for \$500,000 CAD.

Rupert, Canada

On September 11, 2018, the Group entered into an asset purchase agreement with a company controlled by a director of the Group and two unrelated persons to purchase the Rupert Property, located in British Columbia, Canada. As consideration for the property, the Group issued 2,000,000 common shares valued at \$100,000 CAD (£59,000) and granted a 2% NSR. At any time, 1% of the NSR can be purchased by the Group for \$1,500,000 CAD. Of the common shares issued to acquire the property, 1,000,000 were issued to a company that was controlled by a director of the Group. The Group also agreed to incur aggregate expenditures on the property of \$800,000 (\$100,000 CAD - £59,000 incurred).

On December 11, 2020, the Group sold the Rupert Property to Buscando Resources Corp. ("Buscando"), a company with a director in common. Payments to be received by the Group are as follows:

- \$150,000 CAD in total cash payments with \$25,000 CAD (£14,750) on closing (received), \$50,000 CAD on or before 12 months after Buscando is listed on a public exchange, \$75,000 CAD on or before 24 months after Buscando is listed on a public exchange;
- 3,750,000 shares in total issued to the Group with 1,000,000 shares issued on closing (received and valued at \$50,000 CAD - £29,500), 1,250,000 on or before 12 months after Buscando is listed on a public exchange, 1,500,000 on or before 24 months after Buscando is listed on a public exchange; and
- \$200,000 expenditures incurred on the property with \$100,000 CAD on or before 12 months after Buscando is listed on a public exchange, \$100,000 CAD on or before 24 months after Buscando is listed on a public exchange.

As a result of the sale to Buscando, the original vendors waived the exploration commitments required by the Group

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under the September 11, 2018 agreement.

New Moon, Canada

On August 20, 2020 the Group acquired the New Moon property in British Columbia, Canada for acquisition costs of \$6,188 CAD (£3,651). On December 9, 2020 the Group sold the New Moon property to Norseman, in exchange for \$10,000 CAD (£5,800)(received) and 2,500,000 Norseman shares (received and valued at \$50,000 CAD - £29,500). The Group retained a 2% net smelter return on the property. Norseman will have the right to repurchase one-half (1.0%) of the NSR for \$1,000,000 CAD any time prior to commercial production.

NOTE 11: INVESTMENTS & INVESTMENTS IN SUBSIDIARIES

Investments in Subsidiaries

| | Company | |
|--|------------------|-----------|
| | 2021 | 2020 |
| | £ | £ |
| July 1 | 10 | 10 |
| Investment in Cloudbreak Discovery (Canada) Ltd. | 6,485,477 | - |
| Cost at the end of the year | 6,485,487 | 10 |

Investments in group undertakings are stated at cost. Cloudbreak Discovery (Canada) Ltd. was acquired during the year and is considered a reverse take-over (Note 4). The 216,182,566 Cloudbreak Discovery (Canada) Ltd. shares were valued at £0.03 for a value of £6,485,477.

Details of subsidiary undertaking

Details of the subsidiary undertaking at 30 June 2021 are as follows:

| Name | Registered Office | Proportion of ownership interest and voting rights |
|---|---|--|
| Imperial Minerals (UK) Limited – nature of business is to make investments in the Group’s chosen business sector. | 6th Floor, 60 Gracechurch Street, London, EC3V 0HR | 100% |
| Cloudbreak Discovery (Canada) Limited – a mineral property project generator | Suite 520/999 West Hastings Street, Vancouver BC V6C2W2 | 100% |

Investments Held

Financial assets at fair value through profit or loss are as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|-----------|----------|---------------|---------------|
| | £ | £ | £ | £ |
| 30 June 2019 | - | - | - | - |
| Additions | - | - | 28,306 | 28,306 |
| 30 June 2020 | - | - | 28,279 | 28,306 |
| Additions | 3,008,047 | - | 434,090 | 3,178,842 |
| Disposal proceeds | (195,510) | - | - | (195,510) |
| Realized gain on sale of investments | 12,996 | - | - | 12,996 |

CLOUDBREAK DISCOVERY PLC
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For the year ended 30 June 2021

| | | | | |
|--------------------------|------------------|----------|---------------|------------------|
| Fair value changes | 1,412,787 | - | - | 1,412,787 |
| Foreign exchange changes | 85,743 | - | - | 85,743 |
| Impairment | - | - | (433,141) | (433,141) |
| 30 June 2021 | 4,324,063 | - | 29,255 | 4,353,318 |

As at June 30, 2021, investments were classified as held for trading and recorded at their fair values based on quoted market prices (if available). Investments that do not have quoted market prices are measured at cost less impairment.

Imperial Helium Corp.

On April 20, 2020, the Group purchased 450,000 preferred shares in Imperial Helium Corp. for \$45 CAD (£26). On December 15, 2020, 45,000 of these preferred shares were converted into common shares for no additional consideration. On December 11, 2020, the Group purchased \$110,000 CAD (£66,138) in Imperial Helium Corp. convertible debenture notes that yielded 10%. On May 18, 2021, the convertible debenture converted into 575,767 ordinary shares of Imperial Helium Corp. At June 30, 2021 the fair value of the Imperial Helium Corp. shares is £107,679.

Temas Resources Corp.

On September 23, 2020, the Group sold its La Blache property to Temas Resources Corp. ("Temas") for a cash payment of \$30,000 CAD (£17,517) and 10,000,000 Temas shares which had a value at the time of \$2,000,000 CAD (£1,167,815). The Group retained a 2% net smelter return ("NSR") on the La Blache property. The Temas shares are subject to pooling restrictions with 2,500,000 Temas shares released March 23, 2021, and 7,500,000 Temas shares to be released September 23, 2021.

Norseman Silver Inc.

On August 19, 2020, the Group received 1,000,000 shares from Norseman Silver Inc. in relation to the option agreement with Norseman for the Caribou property. The Norseman shares had a value of \$50,000 CAD (£29,195) when received.

On August 27, 2020, the Group received 370,000 shares in Norseman Silver Inc. in relation to the option agreement with Norseman for the Silver Switchback property. The Norseman shares had a value of \$83,250 CAD (£48,610) when received.

On December 9, 2020, the Group sold the New Moon property to Norseman Silver Inc., in exchange for \$10,000 CAD (£5,839) and 2,500,000 Norseman common shares. The Group retained a 2.0% net smelter return royalty on the property.

On January 6, 2021, the Group sold and transferred 1,350,000 Norseman common shares for gross proceeds of \$337,500 CAD (£197,068).

On March 1, 2021, the Group participated in a private placement whereby they purchased 1,200,000 shares in Norseman Silver Inc at \$0.25 per share for a cost of \$300,000 CAD (£175,172).

On April 30, 2021, the Group received 2,000,000 shares from Norseman Silver Inc. in relation to the option agreement with Norseman for the Silver Vista property. The Norseman shares had a value of \$760,000 CAD (£443,770) when received.

Buscando Resources Corp.

On December 31, 2020, the Group sold the Rupert property to Buscando Resources Corp., in exchange for 1,000,000 shares in Buscando Resources Corp at a value of \$50,000 CAD (£29,195).

Linceo Resources Corp.

On August 17, 2019, the Group sold the Granny Smith and Fuji mineral claims to Linceo Media Group ("Linceo"), a company with a director in common, for 4,000 shares in Linceo at a value of \$47,600 CAD (£27,793) and retained a 2.5% NSR on each property. During the year ended June 30, 2021, the Group impaired the shares in Linceo to \$1.

AAM shares

On June 2, 2021, the Group acquired 12,500,000 AAM share purchase warrants that had a conversion price of \$0.03 USD and expiry date of July 1, 2021 and acquired 11,000,000 AAM ordinary shares. The Group issued 1,200,000 ordinary shares to acquire the 12,500,000 AAM share purchase warrants (£36,000 value) and 3,520,000 ordinary shares (£105,600 value) to acquire the 11,000,000 AAM ordinary shares. The warrants expired on July 1, 2021, with the £36,000 impaired to \$1. During the year ended June 30, 2021, the Group impaired the shares in AAM to \$1.

NOTE 12: ROYALTY ASSET

Apple Bay Property, Canada

On April 5, 2017, the Group purchased a 1.50% production royalty on the Apple Bay property located in British Columbia, Canada. The production royalty was purchased for 3,000,000 shares of the Group at a deemed value of \$0.10 CAD (£0.058) per share from a company controlled by the CEO of the Group. As at June 30, 2021, included in Royalty Assets is £1 (June 30, 2020 – £178,232) attributed to the Apple Bay property. During the year ended June 30, 2021, the Group determined that the royalty was impaired and reduced the balance to £1.

NOTE 13: TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

| | Group | | Company | |
|---|----------------|--------------|----------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Non-current | | | | |
| Amounts due from subsidiary undertaking | - | - | 97,818 | 97,818 |
| Provision for impairment | - | - | (97,818) | (97,818) |
| | - | - | - | - |
| Current | | | | |
| Loan receivable | 119,468 | 119,468 | 119,468 | 119,468 |
| Provision for impairment to loan | (119,468) | (119,468) | (119,468) | (119,468) |
| Sundry Debtors | 227,019 | 2,971 | 213,844 | 27,700 |
| Prepayments | 291,830 | - | 291,830 | 12,318 |
| | 518,849 | 2,971 | 514,849 | 40,018 |

The fair value of all current receivables is as stated above.

On 20 December 2014 the Group entered into a loan agreement with Symerton Holdings S.A (“Symerton”) in which the Group lent Symerton US\$150,000 (equivalent to £119,468). The loan is unsecured and bears an interest rate of 12% per annum. The Directors have fully impaired the loan.

The maximum exposure to credit risk at the year-end date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Except for the above-mentioned loan, trade and other receivables are all denominated in £ sterling.

NOTE 14: TRADE AND OTHER PAYABLES

| | Group | | Company | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £ | £ | £ | £ |
| Current | | | | |
| Trade payables | 823,465 | 156,205 | 407,282 | 69,721 |
| Accruals and other payables | 71,799 | 159,834 | 42,603 | 41,653 |
| | 895,264 | 316,039 | 449,885 | 111,374 |

NOTE 15: SHARE CAPITAL

Share capital and share premium

| Issued | Number of shares | Share Capital £ | Share Premium £ |
|---|--------------------|--------------------|--------------------|
| At 31 July 2019 | 43,566,071 | 43,566 | 1,471,495 |
| Share based payments (i) | 1,355,000 | 1,355 | 79,146 |
| Issuance of shares – RTO (ii) | 5,198,778 | 5,199 | 612,527 |
| At 30 June 2020 | 50,119,849 | 50,120 | 2,163,169 |
| Issue of shares (iii, iv, vi, vii, iv) | 30,475,001 | 30,475 | 55,373 |
| Transfer to reserve acquisition reserve | (80,594,850) | (80,595) | (2,218,542) |
| Recognition of Cloudbreak Discovery Plc equity at reverse acquisition | 289,468,015 | 460,423 | 7,969,714 |
| Issued – private placement (net of issuance costs) (viii) | 66,666,667 | 66,667 | 1,886,312 |
| Issue of shares – AAM acquisitions (x) | 29,430,378 | 29,430 | 853,481 |
| Issue of shares – equity drawdown facility fee (net of issuance costs) (ix) | 4,000,000 | 4,000 | 196,000 |
| At 30 June 2021 | 389,565,060 | 560,520 | 10,905,507 |

As Cloudbreak Discovery Corp, Howson Ventures Inc. and Cabox Gold amalgamated on June 29, 2021, as Cloudbreak Discovery (Canada) Ltd., the below events are grouped by entity prior to the amalgamation:

Cloudbreak Discovery Corp.

(i) On May 11, 2020, Cloudbreak Discovery Corp issued 1,355,000 common shares at \$0.10 CAD (£0.058) per share to a consultant of the Group for professional services. These were recorded as share-based payments of \$135,500 CAD (£80,501).

(ii) On May 19, 2020, Cloudbreak Discovery Corp merged with Ridge Royalty Corp. (“Ridge”) pursuant to which Ridge amalgamated with Cloudbreak Discovery Corp’s wholly owned subsidiary 1237611 B.C. Ltd. and became a 100% owned subsidiary of Cloudbreak Discovery Corp. Under the transaction, Cloudbreak Discovery Corp issued an aggregate of 26,485,071 post consolidated common shares pro rata to Ridge shareholders. After the merger, Cloudbreak Discovery Corp had 31,683,849 common shares issued and outstanding. Upon closing, former Ridge shareholders will hold approximately 84% of the outstanding shares of Cloudbreak Discovery Corp. After merger, three properties of Ridge: La Blache Property, Caribou Property and Apple Bay Property were included in the Exploration and Evaluation assets of Cloudbreak Discovery Corp. A listing expense of \$944,011 (£557,992) was recorded.

The merger was considered a reverse takeover in which Ridge shareholders obtained control of Cloudbreak Discovery Corp. The transaction is therefore accounted for in accordance with IFRS 2 Share-based Payment whereby Ridge is deemed to have issued shares in exchange for the net assets of Cloudbreak Discovery Corp together with its Reporting Issuer status at the fair value of consideration received by Ridge. The accounting for this transaction was as follows:

- i. The consolidated financial statements of the merged entity are issued under the legal parent, the former Cloudbreak, but are considered a continuation of the financial statements of the legal subsidiary and accounting acquirer, Ridge.
- ii. Since Ridge is deemed to be the acquirer for accounting purposes, its assets and liabilities will be included in the consolidated financial statement at their historical carrying values.
- iii. The identifiable assets and liabilities of the former Cloudbreak will be recognized at their fair value at the acquisition date of May 19, 2020, with the excess of the fair value of the equity interest consideration paid over the fair value of the net assets acquired being charged to the consolidated statements of loss and comprehensive loss as a listing expense; and
- iv. The fair value of the equity interest consideration paid is determined based on the percentage ownership former Cloudbreak Discovery Corp's shareholders have in the consolidated entity after the transaction. This represents the fair value of the shares that Ridge would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Ridge acquiring 100% of the common shares of Cloudbreak Discovery Corp. The consideration paid in the reverse-acquisition is therefore equivalent to the fair value of the 5,198,778 of Cloudbreak Discovery Corp shares deemed to have been issued by Ridge and controlled by former Cloudbreak Discovery Corp's shareholders, estimated to be \$1,039,756 CAD (£617,726) based on the fair market value of \$0.20 CAD (£0.11) per post consolidation share, being the price of a recent financing of Cloudbreak Discovery Corp.

(iii) On October 23, 2020, the Group issued 575,000 common shares in relation to the Silver Vista and Switchback option agreements (Note 10).

Cabox Gold Corp

(iv) On July 22, 2020, 5,000,001 shares in Cabox Gold Corp. were cancelled.

(v) On August 15, 2020, 5,000,000 shares in Cabox Gold Corp were issued at \$0.001 CAD (£0.0005) per share for a gross proceeds of \$5,000 CAD (£2,920).

(vi) On December 15, 2020, 30,000,000 shares in Cabox Gold Corp were issued at \$0.001 (£0.0005) per share for a gross proceeds of \$30,000 CAD (£17,517).

Howson Ventures Inc.

(vii) On December 23, 2020, there was a share buyback whereby 100,000 shares were purchase by Howson Ventures Inc. at a price of \$0.05 per share for gross proceeds of \$5,000 CAD (£2,920).

Cloudbreak Discovery Plc

(viii) On June 2, 2021, the Group issued 66,666,667 shares at a price of £0.03 per share for gross proceeds of £2,000,000.

(ix) On June 2, 2021, the Group issued 4,000,000 shares at a price of £0.05 per share valued at £200,000 which was a 2% commission fee related to the equity investment facility (Note 16).

(x) On June 2, 2021, the Group issued 29,430,378 shares at a price of £0.03 per share in relation to the acquisition of the AAM convertible notes (Note 9).

(xi) On June 2, 2021, the Group entered into a reverse takeover transaction (Note 4). 73,285,449 ordinary shares were

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issued, and an additional 135,587,716 ordinary shares were issued through a reverse split.

Other reserves

Other reserves consist of:

Share option and warrant reserve

During the year ended 30 June 2021, the outstanding options and warrants were cancelled and the residual value from 30 June 2020 being £36,644 was allocated to contributed surplus.

Options and warrants in issue

The outstanding share options and warrants as at 30 June 2021 are shown below:

| | Options | Warrants | Weighted average exercise price (£) |
|--|------------------|-------------------|-------------------------------------|
| Exercisable at 30 June 2019 | 950,000 | 4,303,000 | 0.04 |
| Grant of Warrants – Howson Ventures | | 500,000 | 0.06 |
| At 30 June 2020 | 950,000 | 4,803,000 | 0.05 |
| Cancelled – Howson Ventures Options | (950,000) | | 0.03 |
| Cancelled – Howson Ventures Warrants | | (500,000) | 0.06 |
| Cancelled – Cloudbreak Discovery Corp warrants | | (4,303,000) | |
| Warrants Assumed with reverse take-over | | 8,326,698 | 0.10 |
| Warrants Assumed with reverse take-over | | 636,625 | 0.01 |
| Warrants Assumed with reverse take-over | | 4,530,497 | 0.03 |
| Warrants Assumed with reverse take-over | | 19,978,776 | 0.0125 |
| Issued - AAM Acquisition | | 8,714,227 | 0.05 |
| Issued - Options | 5,050,000 | | 0.025 |
| At 30 June 2021 | 5,050,000 | 42,186,823 | 0.015 |

| 30 June 2021 | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) |
| 0.01 | 0.01 | 636,625 | 0.55 | 0.55 |
| 0.0125 | 0.0125 | 17,643,353 | 0.55 | 0.54 |
| 0.0125 | 0.0125 | 928,598 | 0.63 | 0.63 |
| 0.0125 | 0.0125 | 1,406,825 | 0.02 | 0.02 |
| 0.025 | 0.025 | 5,050,000 | 3.08 | 3.08 |
| 0.05 | 0.05 | 8,714,227 | 4.00 | 4.00 |
| 0.10 | 0.10 | 4,530,497 | 2.71 | 2.71 |
| 0.05 | 0.05 | 8,326,698 | 1.50 | 1.49 |

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| 30 June 2020 | | | | | |
|------------------------------|-------------------------------------|----------------------------|--|--|--|
| Range of exercise prices (£) | Weighted average exercise price (£) | Number of options/warrants | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) | |
| 0.03 | 0.03 | 950,000 (options) | 3.75 | 3.75 | |
| 0.06 | 0.06 | 3,800,000 (warrants) | 1.55 | 1.55 | |
| 0.06 | 0.06 | 200,000 (warrants) | 1.63 | 1.63 | |
| 0.23 | 0.23 | 303,000 (warrants) | 1.02 | 1.02 | |

The valuation of the options and warrants issued during 2021 were carried out using the Black Scholes model. Key assumptions used in the valuation are detailed in the table below.

Warrants

| | Jun 2, 2021 | Jun 2, 2021 | Jun 2, 2021 |
|--|----------------|----------------|----------------|
| Number of warrants | 636,625 | 4,530,497 | 8,714,227 |
| - weighted average risk-free interest rate | 0.07% | 0.55% | 0.81% |
| - dividend yield of | 0.00% | 0.00% | 0.00% |
| - volatility rate | 74% | 100% | 100% |
| - expected life (years) | 0.55 | 2.71 | 4 |
| - fair value | £12,971 | £46,092 | £157,695 |

These 636,625 and 4,530,497 warrants were assumed at the reverse-take over and were charged to the deemed cost of the transaction (Note 4). The 8,714,227 warrants were charged as part of the AAM asset acquisition (Note 9).

Options

| | Jun 2, 2020 |
|--|----------------|
| Number of options | 5,050,000 |
| - weighted average risk-free interest rate | 0.64% |
| - dividend yield of | 0.00% |
| - volatility rate | 100% |
| - expected life (years) | 3.08 |
| - fair value | £99,572 |

These 5,050,000 options were assumed at the reverse-take over and were charged to the deemed cost of the transaction (Note 4).

NOTE 16: BOUGHT DEAL FACILITY

On February 15, 2021, the Group entered into a £10,000,000 CAD bought deal facility with Crescita Capital. The Group can draw down funds from the £10,000,000 equity investment facility from time to time during the three-year term at the Group's discretion by providing a drawdown notice to Crescita Capital, and in return for each draw-down notice funded by Crescita Capital, the Group will allot, and issue fully paid common shares to Crescita Capital.

The shares issued in connection with any drawdown notice will be priced at the higher of (i) the floor price set by the Group and (ii) 90% of the average closing bid price resulting from the following ten days of trading after the drawdown notice ("Pricing Period"). The drawdown notice amount requested by the Group cannot exceed 700% of the average daily trading volume of the Pricing Period.

In connection with the bought deal facility, the Group paid a commitment fee. This fee consisted of a 2% commission to be paid in common shares, at a price of £0.05 per share (4,000,000 shares valued at £200,000) and warrants equal to 8% of the outstanding common shares of the Group (4,530,497 warrants valued at £46,092). The warrants have an exercise price of £0.10 per common share and expire three years from the grant date. The warrants were fair valued using the Black-Scholes Option Pricing Model upon acquisition of the Group using the following assumptions:

- average risk-free interest rate - 0.55%;
- expected life - 2.71 years;
- expected volatility - 100.00%;
- forfeiture rate - Nil and
- expected dividends - Nil.

The value of the commitment fee was recorded as a finance charge (Note 5).

NOTE 17: SUBSEQUENT EVENTS

Subsequent to June 30, 2021, the Group staked the Atlin West Project in British Columbia, Canada and on August 9, 2021 optioned the Altin West Project to 1315843 BC Ltd. who will need to spend \$700,000 CAD in exploration expenditures on the property, issue a total of 8,000,000 ordinary shares to the Group and make aggregate payments of \$325,000 CAD over three years to the Group. Upon completion of the option agreement obligations, the Group will transfer 75% interest in the property to 1315843 BC Ltd. and will retain a 2% NSR, of which one-half (1.0%) can be re-purchased from the Group for \$1,500,000 CAD.

On August 25, 2021, the Group issued 11,250,000 options to certain directors, officers and consultants of the Group. The options have an exercise price of £0.03 and expire on August 25, 2025.

On September 20, 2021, the Group optioned the South Timmins property in Ontario, Canada (Note 10) to 1315956 BC Ltd. who will need to spend \$1,515,000 CAD in exploration expenditures on the property, issue a total of 2,250,000 shares and make aggregate payments of \$495,000 CAD over three years to the Group. Upon completion of the option agreement obligations, the Group will transfer 100% interest in the property to 1315956 BC Ltd. and will retain a 1% NSR, of which one-half (0.5%) can be re-purchased from the Group for \$750,000 CAD..

Subsequent to June 30, 2021 the Group staked the Yak Project in British Columbia, Canada and on October 13, 2021 optioned the Yak Project to Moonbound Mining Ltd. who will need to spend \$700,000 CAD (£408,735) in exploration expenditures on the property, issue a total of 2,700,000 ordinary shares to the Group and make aggregate payments of \$145,000 CAD (£84,667) over three years to the Group. Upon completion of the option agreement obligations, the Group will transfer 100% interest in the property to Moonbound Mining Ltd. and will retain a 2% NSR, of which one-half (1.0%) can be re-purchased from the Group for \$1,500,000 CAD.

Subsequent to June 30, 2021 the Group, along with its partner Alianza Minerals Ltd. ("Alianza"), staked the Klondike Project in Colorado, USA (50% each) and on December 3, 2021 optioned the Klondike Project to Allied Copper Corp ("Allied"). Allied will be required to incur \$4,750,000 CAD in exploration expenditures on the property, issue a total of 7,000,000 ordinary shares, issue 3,000,000 share purchase warrants and make aggregate payments of \$400,000 CAD over

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four years to the Group and Alianza. Upon Allied filing an NI 43-101 technical report indicating an inferred resource of at least 50,000,000 tonnes of copper or copper equivalent, Allied will issue an additional 3,000,000 warrants, in aggregate, to the Group and Alianza. Upon completion of the option agreement obligations, the Group and Alianza will transfer 100% interest in the property to Allied and will retain a 2% NSR, of which one-half (1.0%) can be re-purchased from the Group and Alianza for \$1,500,000 CAD.

NOTE 18: RELATED PARTIES

Details of the directors' remuneration can be found in Note 8. Key Management Personnel are considered to be the directors.

During the year, the Group sold La Blache property to Temas Resources and Rupert Property to Buscando Resources. Kyler Hardy is a director of both Temas Resources and Rupert Property.

At June 30, 2021, the Group held investments of £4,353,317 in Imperial Helium, Temas Resources, Norseman Silver and Buscando Resources where Kyler Hardy is also a director (2020: £Nil)

During the year, the Group paid amounts totalling £32,212 (2020: £5,941) to Cronin Capital Corp. through Cronin Services Limited, companies controlled by the CEO Kyler Hardy. These were in relation to consultancy fees under a management service agreement dated 1 February 2020 and 1 June 2021. In addition, the Group paid Cronin Services £60,000 for the provision of accounting and back-office management services during the year (2020: £44,855). The amount outstanding owing to Cronin Capital and Cronin Services at the year-end was £523,021 (2020: £33,267).

During the year the Group acquired convertible debenture notes from Cronin Capital and Cronin Services (Note 9).

During the year, the Group paid £32,212 (2020: £5,941) interest on a line of credit to a company with a common director.

NOTE 19: FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

The Group reports in Sterling. Internal and external funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Group does not use derivative financial instruments such as forward currency contracts, interest rate and currency swaps or similar instruments. The Group does not issue or use financial instruments of a speculative nature.

Capital management

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

The capital structure of the Group consists of total shareholders' equity as set out in the 'Statement of changes in equity'. All working capital requirements are financed from existing cash resources.

Capital is managed on a day to day basis to ensure that all entities in the Group are able to operate as a going concern. Operating cash flow is primarily used to cover the overhead costs associated with operating as London Standard-listed company.

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Directors consider that there is no significant liquidity risk faced by the Group. The Group maintains sufficient balances in cash to pay accounts payable and accrued expenses.

The Board receives forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date the Group had cash balances of £1,277,617 and the financial forecasts indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft or other borrowing facilities.

Interest rate risk

As the Group has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Group's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Group might suffer through holding its financial investment portfolio in the face of market movements, which was a maximum of £4,353,319 (2020: £28,306).

The investments in equity of quoted companies that the Group holds are less frequently traded than shares in more widely traded securities. Consequently, the valuations of these investments can be more volatile.

Market price risk sensitivity

The table below shows the impact on the return and net assets of the Group if there were to be a 20% movement in overall share prices of the financial investments held at 30 June 2021.

| | 2021 | 2020 |
|--|--|--|
| | Other comprehensive income and Net assets | Other comprehensive income and Net assets |
| | £ | £ |
| Decrease if overall share price falls by 20%, with all other variables held constant | (870,664) | (5,661) |
| Decrease in other comprehensive earnings and net asset value per Ordinary share (in pence) | (0.009)p | (0.000)p |
| Increase if overall share price rises by 20%, with all other variables held constant | 870,664 | 5,661 |
| Increase in other comprehensive earnings and net asset value per Ordinary share (in pence) | 0.009p | 0.000p |

The impact of a change of 20% has been selected as this is considered reasonable given the current level of volatility observed and assumes a market value is attainable for the Group's unlisted investments.

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Currency risk

The Directors consider that there is minimal significant currency risk faced by the Group. The current foreign currency transactions the Group enters into are denominated in CAD\$ and US\$ in relation to transactions associated with exploration and evaluation option payments and property expenditures. The Group maintains minimal foreign currency holdings to minimize this risk.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Group. The Group's maximum exposure to credit risk is:

| | 2021 £ | 2020 £ |
|----------------------------------|------------------|----------------|
| Cash at bank | 1,277,617 | 6,478 |
| Other receivables | 518,849 | 2,971 |
| Convertible loan note receivable | - | 459,964 |
| | 1,796,466 | 469,413 |

The Group's cash balances are held in accounts with HSBC, and with its Investment Broker accounts.

Fair value of financial assets and liabilities

Financial assets and liabilities are carried in the Statement of Financial Position at either their fair value (financial investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash at bank).

The fair values are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade and other receivables

The following table sets out the fair values of financial assets within Trade and other receivables.

| Financial assets | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Trade and other receivables - Non interest earning | 518,849 | 2,971 |

There are no financial assets which are past due and for which no provision for bad or doubtful debts has been made.

Trade and other payables

The following table sets out financial liabilities within Trade and other payables. These financial liabilities are predominantly non-interest bearing. Other liabilities include tax and social security payables and provisions which do not constitute contractual obligations to deliver cash or other financial assets.

| Financial liabilities | 2021 £ | 2020 £ |
|------------------------------|-----------|-----------|
| Trade and other payables | 895,264 | 316,039 |

NOTE 20: ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.