

Cloudbreak Discovery Plc
("Cloudbreak", or the "Company")

Interim Results for the Period Ended 31 December 2021

Cloudbreak Discovery Plc (LSE: CDL), a leading natural resource project generator, announces its interim results for the period ended 31 December 2021 ("H2 2021" or the "Period").

Period Highlights

- In June 2021, Cloudbreak and Alianza Minerals Ltd formed a strategic alliance to explore for copper deposits in the United States (the "Alliance")
 - During H2 2021 the Alliance made its first acquisition, the Klondike Property ("Klondike"), in Colorado
 - A subsequent sampling programme expanded the known copper mineralisation and delineated a new copper target with results including 1.56% copper from a 4.6 metre chip sample
 - The Alliance optioned Klondike to Allied Copper Corp. ("Allied Copper" or "Allied") under an agreement which includes Allied Copper committing to exploration expenditure and the Alliance retaining a net smelter royalty
 - During the Period, the Alliance also made its second acquisition with the Stateline Property ("Stateline") in Utah which has 22 unpatented mining claims. Mineralisation and host rocks at Stateline bear strong resemblance to those at the Lisbon Valley Mining Complex
- Cloudbreak staked and initiated an exploration programme on the Northwest Portfolio which targets polymetallic projects in Northwestern British Columbia ("BC")
- Optioned the Yak Project, which targets gold mineralisation and is part of the Northwest Portfolio, to Moonbound Mining Ltd
- Identified an exploration partner, 1315956 BC Ltd, for its South Timmins gold project
- Optioned Atlin West, which is part of the Northwest Portfolio, to 1315843 BC Ltd

Post Period Highlights

- Successful fundraise of £1.5 million by way of a placing of ordinary shares
- Optioned the Stateline project to Allied Copper under an agreement which will see Allied committing to exploration expenditure and the Alliance retaining a net smelter royalty
- Engagement with OIG Overseas Investment Group Ltd for corporate development services
- The Rizz and Icefall projects, which are part of the Northwest Portfolio, were optioned to 1311516 BC Ltd

Kyler Hardy, CEO and President of Cloudbreak Discovery, commented, *"I am pleased to report an active six months for Cloudbreak, having optioned a number of projects within our diverse portfolio to partners. Other key achievements include the initiation of an exploration programme on the Northwest Portfolio in British Columbia, a region where the Cloudbreak team has extensive experience.*

"Alongside our core projects, we continue to evaluate a variety of base and precious metal prospects in West Africa, as well as lithium deposits in North America. All of these have the potential to create significant value for Cloudbreak and its shareholders.

"The demand for battery and base metals remains strong, and coupled with our pipeline of high impact acquisitions, the outlook for Cloudbreak in 2022 is positive."

Financials

- The loss of the Group for the period ended 31 December 2021 amounts to £2,804,575 (H2 2020: £4,562,601 profit)
 - The result for the period consisted mainly of a loss on the market value of its stock holdings and administrative expenses
- £735,810 in cash and cash equivalents held at the period end (H2 2020: £39,299)
- £2,631,507 carrying value of investments held at the period ended 31 December 2021 (H2 2020: £5,061,849)
- Consolidated loss per share or the period ended 31 December 2021 was £0.72

For additional information please contact:

| | | |
|--|--------------------------------|--|
| Cloudbreak Discovery PLC | Tel: +1 604 428 9480 | |
| | Kyler Hardy, CEO | khardy@cloudbreakdiscovery.com |
| Novum Securities (Financial Adviser) | Tel: +44 7399 9400 | |
| | David Coffman / Lucy Bowden | |
| Shard Capital Partners (Broker) | Tel: +44 207 186 9900 | |
| | Damon Heath / Isabella Pierre | |
| BlytheRay (Financial PR/IR-London) | Tel: +44 207 138 3204 | Cloudbreak@blytheray.com |
| | Tim Blythe Megan Ray | |
| Stellium Services (Investor Relations) www.StelliumServices.com | Tel: +44(0)207 129 1205 | Cloudbreak@StelliumServices.com |
| | Andrew Wilson Claire Bowden | |

HALF-YEAR REPORT

The Directors are pleased to present an update on the Company’s activities over the six-month period ended 31 December 2021.

Cloudbreak Discovery Plc (formerly Imperial X Plc) (LSE:CDL) is a Standard Listed 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. The principal activity of Cloudbreak Discovery Plc and its subsidiaries (together “the Group”) during the period was mineral resource project generation.

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. As of 31 December 2021 there are 390,065,060 ordinary shares outstanding.

During the six-month period ended 31 December 2021 the Group reviewed several mineral property exploration opportunities and staked multiple properties in northern British Columbia, Canada and Colorado, USA. Four of its

properties were optioned off during the period to various parties.

Financial Results & Review

The loss for the 6 months period ending 31 December 2021 was £2,804,575 (2020: £4,562,601 profit). The result for the period consisted mainly of a £1,825,446 loss (2020: £3,835,212 gain) on the market value of its stock holdings and £1,202,181 (2020: £453,908) in administrative expenses. This was partially offset by the £217,410 (2020: £1,188,890) profit realized on optioning some of its exploration properties. At the end of the period, there was £735,810 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.

During the period, the Group continued to review and acquire mineral properties and generate revenue through optioning out mineral properties to exploration partners. The buying, selling or optioning of its mineral properties continued the establishment of the Company as a new, growth-focused diversified project generator and natural resource royalty business. During the period, the company staked the Atlin West, Yak, Rizz, Ice Fall and Northern Treasure properties in northern British Columbia, Canada. The Company also staked the Klondike and Stateline properties in Colorado, USA with its 50% partner Alianza Minerals. The Atlin West, South Timmins, Yak and Klondike properties were optioned to various parties shortly after their acquisition. Subsequent to the period end December 31, 2021, the Company also optioned its' Stateline, Rizz and Ice Fall properties to various parties.

During the period, the Group issued 500,000 ordinary shares at a deemed price of 3.0p for marketing services and issued 11,250,000 options to directors, management and consultants. On January 31, 2022, subsequent to the period end, the Company issued 58,000,000 ordinary shares at a deemed price of 3.0p per share for corporate development services. On March 2, 2022 the Company completed a private placement with the issuance of 19,596,931 ordinary shares at a price of 7.5p per share for gross proceeds of £1,469,770. On March 28, 2022, the Company completed a Crescita equity drawdown and issued 12,000,000 ordinary shares at a price of 6.25p per share for gross proceeds of £750,000.

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 31 December 2021. The main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

| <i>Key Performance Indicators</i> | 6 months to 31 Dec 2021 (unaudited) | 6 months to 31 Dec 2020 (unaudited) | Year ended 30 June 2021 (audited) |
|---|--|--|--|
| Cash and cash equivalents | £735,810 | £39,299 | £1,277,617 |
| Administrative expenses as a percentage of total assets | 32.44% | 7.70% | 14.1% |
| Exploration and evaluation cash expenditures | £197,449 | £0 | £29,675 |
| Carrying value of investment | £2,631,507 | £5,061,849 | £4,353,318 |

Financial Position

The Group's Statement of Financial Position as at 31 December 2021 and comparatives at 31 December 2020 and 30 June 2021 are summarised below:

| | 31 December 2021 | 31 December 2020 | 30 June 2021 |
|--|-------------------------|-------------------------|---------------------|
| | £ | £ | £ |

| | | | |
|---------------------------------|------------------|------------------|------------------|
| Current assets | 980,189 | 502,824 | 1,799,847 |
| Non-current assets | 2,725,479 | 5,391,939 | 4,383,998 |
| Total assets | 3,705,669 | 5,894,763 | 6,183,845 |
| Current liabilities | 1,043,575 | 364,782 | 895,264 |
| Total liabilities | 1,043,575 | 364,782 | 895,264 |
| Net (liabilities)/assets | 2,662,094 | 5,529,981 | 5,288,581 |

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.

This report was approved by the Board on 1 April 2022 and signed on its behalf.

On Behalf of the Board:



Kyler Hardy

*Chairman and Chief Executive Officer
Cloudbreak Discovery Plc*

RESPONSIBILITY STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

Responsibility Statement

We confirm that to the best of our knowledge:

- the Half Year Report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'; and
- gives a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Half Year Report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the Half Year Report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

The Half Year Report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:



Kyler Hardy

*Chairman and Chief Executive Officer
Cloudbreak Discovery Plc*

Enquiries:

Cloudbreak Discovery plc

www.cloudbreakdiscovery.com

Kyler Hardy, *Chairman and Chief Executive Officer*

khardy@cloudbreakdiscovery.com

Independent Auditor

PKF Littlejohn LLP

Statutory auditor

15 Westferry Circus

London

E14 4HD

Financial Adviser

Novum Securities Limited

Lansdowne House

57 Berkeley Square

London

W1J 6ER

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ENDED 31 DECEMBER 2021 AND 2020

| | Note | 6 months to 31 Dec 2021 (unaudited) £ | 6 months to 31 Dec 2020 (unaudited) £ |
|---|------|--|--|
| Continuing operations | | | |
| Income | | | |
| Unrealised gain (loss) on financial investments | 10 | (1,825,446) | 3,835,212 |
| Profit on disposal of exploration & evaluation asset sales | 9 | 217,410 | 1,188,890 |
| | | (1,608,036) | 5,024,102 |
| Administrative expenses | 5 | (1,202,181) | (453,908) |
| | | (1,202,181) | (453,908) |
| Impairment of financial investments | 8 | (73,359) | - |
| Unrealised foreign exchange (loss) gain | | 5,643 | (26,442) |
| Finance income | 8 | 73,359 | 18,848 |
| Profit/(Loss) before tax | | (2,804,575) | 4,562,601 |
| Taxation | | | |
| Profit/(Loss) for the period attributable to equity shareholders of the Company | | (2,804,575) | 4,562,601 |
| Other comprehensive income / (expenditure) for the period net of tax | | - | - |
| Total comprehensive income/(expenditure) for the period | | (2,804,575) | 4,562,601 |
| Earnings per ordinary share | | | |
| Basic and diluted income (loss) per share attributable to the equity shareholders of the parent (pence) | 6 | (0.72) | 0.07 |

GROUP STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 DECEMBER 2021 AND 2020

6 months to Year ended 30

| | Note | 31 Dec 2021 (unaudited) £ | June 2021 (audited) £ |
|---|------|---------------------------------|-----------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments | 10 | 2,631,507 | 4,353,318 |
| Royalty asset | 11 | 1 | 1 |
| Exploration and evaluation assets | 9 | 93,971 | 30,679 |
| Total non-current assets | | 2,725,479 | 4,383,998 |
| Current assets | | | |
| Trade and other receivables | 12 | 239,885 | 518,849 |
| Tax receivable | | 4,495 | 3,381 |
| Convertible loan note receivable | 8 | - | - |
| Cash and cash equivalents | | 735,810 | 1,277,617 |
| Total current assets | | 980,190 | 1,799,847 |
| TOTAL ASSETS | | 3,705,669 | 6,183,845 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 13 | 1,043,575 | 895,264 |
| Total current liabilities | | 1,043,575 | 895,264 |
| TOTAL LIABILITIES | | 1,043,575 | 895,264 |
| NET ASSETS | | 2,662,094 | 5,288,581 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | |
| Share capital | 14 | 561,020 | 560,520 |
| Share premium | 14 | 10,920,007 | 10,905,507 |
| Reverse asset acquisition reserve | 4 | (4,134,019) | (4,134,019) |
| Other reserve | 14 | 674,588 | 511,501 |
| Retained losses | | (5,359,502) | (2,554,928) |
| TOTAL EQUITY | | 2,662,094 | 5,288,581 |

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021 AND 2020

| | Share capital | Share premium | Reverse asset acquisition reserve | Other reserves |
|---|----------------|-------------------|--------------------------------------|----------------|
| At July 01 2020 | 50,120 | 2,163,168 | - | 36,645 |
| Issue of shares | 30,475 | 52,662 | - | - |
| Exchange differences on translation | - | - | - | 36,909 |
| Total comprehensive income for the period | - | - | - | - |
| Balance at December 31 2020 | 80,595 | 2,215,830 | - | 73,554 |
| At July 01 2021 | 560,520 | 10,905,507 | (4,134,019) | 511,501 |

| | | | | |
|---|----------------|-------------------|--------------------|----------------|
| Issue of shares - consulting agreement | 500 | 14,500 | - | - |
| Options granted | - | - | - | 159,292 |
| Warrants issued | - | - | - | 32,560 |
| Exchange differences on translation | - | - | - | (28,765) |
| Total comprehensive income for the period | - | - | - | - |
| Balance at December 31 2021 | 561,020 | 10,920,007 | (4,134,019) | 674,588 |

GROUP STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021 AND 2020

| | Notes | 6 months to 31 Dec 2021 (unaudited) £ | 6 months to 31 Dec 2020 (unaudited) £ |
|---|-------|--|--|
| Cash flows from operating activities | | | |
| Income from operations | | (2,804,574) | 4,562,601 |
| Add items not affecting cash | | | |
| Exploration and evaluation asset sales | 9 | 17,039 | (1,111,885) |
| Change in fair value of investments | 10 | 1,825,446 | (3,835,212) |
| Impairment loss | 8 | 73,359 | - |
| Interest income from convertible loan | 8 | (73,359) | (18,848) |
| Administrative expense | 14 | 15,000 | - |
| Unrealised foreign exchange | | (14,969) | 30,640 |
| Consulting fees | 14 | 32,560 | - |
| Stock based compensation | 14 | 159,292 | - |
| Changes in non-cash working capital | | | |
| (Increase)/Decrease in trade and other receivables | | 277,850 | (14,691) |
| Increase/(Decrease) in trade and other payables | | 148,311 | 337,079 |
| Net cash used in operating activities | | (344,044) | (50,316) |
| Cash flows from investing activities | | | |
| Funds spent on investments | 10 | (312) | - |
| Exploration and evaluation expenses | 9 | (197,450) | - |
| Cash flows generated from investing activities | | (197,762) | - |
| Cash flows from financing activities | | | |
| Issue of shares | 14 | - | 83,137 |
| Cash flows generated from financing activities | | - | 83,137 |
| Increase (decrease) in cash and cash equivalents | | (541,807) | 32,821 |
| Cash and cash equivalents at beginning of the period | | 1,277,617 | 6,478 |
| Cash and cash equivalents at end of the period | | 735,810 | 39,299 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

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.

Accounting policies

The accounting policies, presentation and methods of computation applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial information in its 2021 Annual Report and Accounts. The new standards, described below, will be adopted by the Group when effective, and have had no impact on these half yearly results.

Basis of Preparation of Financial Statements

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The accounting policies adopted in this report are consistent with those of the annual financial statements for the year to 30 June 2021 as described in those financial statements. A number of new or amended standards became applicable for the current reporting period, but they did not have any impact on the group's accounting policies and did not require retrospective adjustments.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Cloudbreak Discovery plc and its subsidiaries as at 31 December 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.

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

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.

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

NOTE 2: INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial statements are for the six-month period ended 31 December 2021. The condensed consolidated interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2021, which were prepared under International Financial Reporting Standards (IFRS).

The condensed consolidated interim financial statements have not been audited nor have they been reviewed by the Group’s auditors under ISRE 2410 of the Auditing Practices Board. These condensed consolidated interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group’s statutory financial statements for the year ended 30 June 2021 prepared under IFRS have been filed with the Registrar of Companies. The auditor’s report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006.

NOTE 3: CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENTS

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 30 June 2021.

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:

- a. The assets and liabilities of Cloudbreak Canada at their pre-acquisition carrying amounts and the results for both periods; and
- b. 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 |

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 period ended 31 December 2021 £ | For the period ended 31 December 2020 £ |
|--------------------------------------|---|---|
| Professional fees | 87,858 | 196,369 |
| Consulting fees | 781,812 | 77,764 |
| Share-based payments | 159,292 | 78,562 |
| Transfer agent and filing fees | 21,826 | 5,518 |
| Other expenses | 151,393 | 95,695 |
| Total administrative expenses | 1,202,181 | 453,908 |

NOTE 6: EARNINGS PER SHARE

The calculation of the basic loss per share of £0.72 is based on the loss attributable to ordinary shareholders of £2,804,575 and on the weighted average number of ordinary and deferred shares of 390,461,235 in issue during the period.

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 14.

NOTE 7: DIRECTORS AND EMPLOYEES

The total number of Directors who served in the period was 4 (June 2021: 4). There are no employees of the Group.

The following amounts were paid during the year to Directors or companies controlled by Directors:

| | Group | |
|-----------------|-----------------------|-----------------------|
| | December 2021 £ | December 2021 £ |
| Consulting Fees | 512,485 | 23,760 |
| | 512,485 | 23,760 |

Amounts included in Directors fees and salaries include £Nil (2020: £Nil) in relation to share option charges. 11,250,000 options were issued to directors on 25 August 2021 for their services. The options have an exercise price of £0.03 and expire on 25 August 2025. Details of the Share Option charges can be found in Note 14.

NOTE 8: CONVERTIBLE LOAN

| | Principal | Group | |
|-----------------------|--------------------------|-------------------------------|---------------------------|
| | | Total December 2021 (£) | Total June 2021 (£) |
| Convertible loan note | \$500,000 USD (£361,847) | £488,338 | £450,591 |

| | | | |
|-----------------------|--------------------------|---------------|---------------|
| Convertible loan note | \$420,000 USD (£303,744) | £376,718 | £350,718 |
| Convertible loan note | \$49,790 USD (£35,949) | £54,213 | £44,000 |
| Convertible loan note | \$250,000 USD (£180,500) | £237,005 | £220,281 |
| Impairment provision | | £ (1,156,274) | £ (1,065,590) |
| | | £ - | £ - |

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 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.

The Group continues to accrue interest on the convertible loan notes and impair the interest receivable down to \$Nil as collectability continues to be considered doubtful. During the period ended December 31, 2021, £73,359 of interest receivable was impaired and recorded as a loss.

NOTE 9: EXPLORATION AND EVALUATION ASSETS

As at December 31, 2021 and June 30, 2021, the Group’s exploration and evaluation assets are as follows:

Group

| | Dec 31 | June 30 |
|--|-----------------|-----------------|
| E & E Assets | 2021 (£) | 2021 (£) |
| Caribou Property, British Columbia | 1 | 1 |
| La Blache Property, Quebec | - | - |
| Silver Vista Property, British Columbia | 1 | 1 |
| Silver Switchback Property, British Columbia | 1 | 1 |
| New Moon Property, British Columbia | 1 | - |
| Rupert Property, British Columbia | 14,595 | 14,595 |
| Atlin West Property, British Columbia | 1 | - |
| South Timmins, Ontario | 1 | 16,080 |
| Yak Property, British Columbia | 1 | - |
| Klondike Property, Colorado | 22,701 | - |
| Stateline Property, Colorado | 13,416 | - |
| Icefall Property, British Columbia | 8,226 | - |
| Rizz Property, British Columbia | 5,250 | - |
| Northern Treasure Property, British Columbia | 29,503 | 1 |
| Gold Vista Property, British Columbia | 1 | 1 |
| Spectrum Property, British Columbia | - | - |
| Balance, June 30, 2021 | 93,971 | 30,679 |

As at December 31, 2021 and June 30, 2021, the Group's reconciliation of exploration and evaluation assets are as follows:

| | Group | |
|-------------------------|---------------|---------------|
| E & E Assets | Dec 31 | June 30 2021 |
| | 2021 (£) | (£) |
| Cost | | |
| As at July 1 | 30,679 | 228,863 |
| Additions | 197,449 | 97,058 |
| Net proceeds from sale | (351,567) | (2,855,312) |
| Gain on sale | 217,410 | 2,560,070 |
| Balance, June 30 | 93,971 | 30,679 |

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 December 31, 2021, included in Exploration and Evaluation Assets is £1 (June 30, 2021 - £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.

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 were 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.

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 (750,000 received valued at \$212,450 CAD - £124,008) 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 Property, 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 (375,000 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.

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.

New Moon Property, 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.

Rupert Property, 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 March 15, 2023, \$75,000 CAD on or before March 15, 2024;
- 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 March 15, 2023, 1,500,000 on or before March 15, 2024; and
- \$200,000 expenditures incurred on the property with \$100,000 CAD on or before March 15, 2023, \$100,000 CAD on or before March 15, 2024.

As a result of the sale to Buscando, the original vendors waived the exploration commitments required by the Group under the September 11, 2018 agreement.

Atlin West Project, Canada

On July 4, 2021, the Group staked the Atlin West Project in British Columbia, Canada for £40,425.

On August 9, 2021, optioned the Atlin West Project to 1315843 BC Ltd. 1315843 BC Ltd will need to spend \$700,000 CAD in exploration expenditures on the property, issue a total of 8,000,000 ordinary shares (3,000,000 issued at a value of £174) to the Group and make aggregate payments of \$325,000 CAD (\$100,000 CAD paid - £57,980) 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.

South Timmins Property, Canada

On October 20, 2020, 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.

On September 20, 2021, the Group optioned the South Timmins property in Ontario, Canada 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 (1,000,000 issued at a value of £570) shares and make aggregate payments of \$495,000 CAD (\$270,000 CAD paid - £156,545) 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.

Yak Project, Canada

On August 16, 2021, the Group staked the Yak Project in British Columbia, Canada for £10,066.

On October 13, 2021, the Group optioned the Yak Project to Moonbound Mining Ltd. who will need to spend \$700,000 CAD in exploration expenditures on the property, issue a total of 2,700,000 ordinary shares (700,000 issued with a deemed value of \$35,000 CAD - £20,430) to the Group and make aggregate payments of \$145,000 CAD (\$10,000 CAD paid - £5,798) 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.

Stateline Property, Canada

On August 1, 2021, the Group, along with its partner Alianza Minerals Ltd. (“Alianza”), staked the Stateline Property in Colorado, USA (50% each) for a cost £13,416.

Subsequent to period end, on February 3, 2022, the Group optioned the Stateline Property to Allied Copper Corp (“Allied”). Allied will be required to incur \$3,750,000 CAD in exploration expenditures on the property, issue a total of 4,250,000 ordinary shares, and make aggregate payments of \$315,000 CAD over four years 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. This transaction is subject to regulatory approval.

Klondike Project, Canada

On July 14, 2021, the Group, along with its partner Alianza Minerals Ltd. (“Alianza”), staked the Klondike Project in Colorado, USA (50% each) for a cost £37,299.

On December 3, 2021, the Group 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 3,500,000 ordinary shares (1,000,000 received February 3, 2022), issue 1,500,000 share purchase warrants and make aggregate payments of \$200,000 CAD (\$25,000 CAD paid - £14,593) over four years to the Group. 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 1,500,000 warrants, in aggregate, to the Group. Upon completion of the option agreement obligations, the Group will transfer 100% interest in the property to Allied and will retain a 1% NSR, of which one-half (0.5%) can be re-purchased from the Group and Alianza for \$750,000 CAD.

Ice Fall Property, Canada

On July 4, 2021, the Group staked the Ice Fall Property in British Columbia, Canada for a cost of £8,226.

Subsequent to period end, on March 4, 2022, the Group optioned a 75% interest in the Icefall Property to 1311516 BC Ltd (“1516 BC”). 1516 BC will be required to incur \$1,150,000 CAD in exploration expenditures on the property, issue a total of 2,000,000 ordinary shares (received), and make aggregate payments of \$120,000 CAD over three years to the Group (\$25,000 CAD received). Upon completion of the option agreement obligations, the Group will transfer 100% interest in the property to 1516 BC. The Group will not retain an NSR.

Rizz Property, Canada

On July 4, 2021, the Group staked the Rizz Property in British Columbia, Canada for a cost of £5,521.

Subsequent to period end, on February 25, 2022, the Group optioned a 75% interest in the Rizz Property to 1311516 BC Ltd (“1516 BC”). 1516 BC will be required to incur \$750,000 CAD in exploration expenditures on the property, issue a total of 3,000,000 ordinary shares (received), and make aggregate payments of \$120,000 CAD over three years to the Group (\$25,000 CAD received). Upon completion of the option agreement obligations, the Group will transfer 100% interest in the property to 1516 BC. The Group will not retain an NSR.

Northern Treasure Property, Canada

On July 4, 2021, the Group staked the Northern Treasure Property in British Columbia, Canada for a cost of £29,503.

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.

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.

On November 17, 2020, 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 prior year.

NOTE 10: INVESTMENTS

Investments Held

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

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|------------------|---------|---------------|--------------------|
| | £ | £ | £ | £ |
| 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 |
| 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 |
| Additions | 117,431 | - | 42,017 | 159,448 |
| Fair value changes | (1,825,446) | - | - | (1,825,446) |
| Foreign exchange changes | (55,813) | - | - | (55,813) |
| 31 December 2021 | 2,560,235 | - | 71,272 | 2,631,507 |

As at December 31, 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 December 31, 2021, the fair value of the Imperial Helium Corp. shares is £109,396.

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 were subject to pooling restrictions with 2,500,000 Temas shares released March 23, 2021, and 7,500,000 Temas shares 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.

On June 17, 2021, the Group received 750,000 shares from Norseman Silver Inc. in relation to the option agreement with Norseman for the Caribou property. The Norseman shares had a value of \$288,750 CAD (£168,544) when received.

On August 23, 2021, the Group received 380,000 shares from Norseman Silver Inc. in relation to the option agreement with Norseman for the Silver Switchback property. The Norseman shares had a value of \$129,200 CAD (£75,414) 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.

Moonbound Mining Ltd.

On October 13, 2021, the Group received 700,000 shares from Moonbound Mining Ltd. in relation to the option agreement with Moonbound for the Yak property. The Moonbound shares had a value of \$35,000 CAD (£20,430) when received.

1315956 BC Ltd

On October 13, 2021, the Group received 500,000 shares from 1315956 BC Ltd. in relation to the option agreement with 1315956 BC Ltd for the South Timmins property. The 1315956 BC Ltd shares had a value of \$36,448 CAD (£21,275) when received.

Power Group Project Ltd.

On October 1, 2021, the Group took part in a private placement with 1315843 BC Ltd whereby there Company purchased 2,350,000 shares at a price of \$0.0001 per share which had a value of \$235 CAD (£137) when received.

On October 1, 2021, the Group received 3,000,000 shares from 1315843 BC Ltd. in relation to the option agreement with 1315843 BC Ltd for the West Atlin property. The 1315843 BC Ltd shares had a value of \$300 CAD (£175)

when received.

In December 2021, 1315843 BC Ltd. was acquired by Power Group Projects Ltd. (“PGP”) with the 5,350,000 held in 1315843 BC Ltd. exchanged for 5,350,000 PGP shares.

NOTE 11: 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. During the year ended June 30, 2021, the Group determined that the royalty was impaired and reduced the balance to £1.

As at December 31, 2021, included in Royalty Assets is £1 (June 30, 2021 – £1) attributed to the Apple Bay property.

NOTE 12: TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

| | Group | |
|----------------------------------|----------------|----------------|
| | December 2021 | June 2021 |
| | £ | £ |
| Current | | |
| Loan receivable | 119,468 | 119,468 |
| Provision for impairment to loan | (119,468) | (119,468) |
| Sundry Debtors | 218,993 | 227,019 |
| Prepayments | 20,892 | 291,830 |
| | 239,885 | 518,849 |

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 13: TRADE AND OTHER PAYABLES

| | Group | |
|-----------------------------|------------------|----------------|
| | December 2021 | June 2021 |
| | £ | £ |
| Current | | |
| Trade payables | 1,003,488 | 823,465 |
| Accruals and other payables | 40,085 | 71,799 |
| | 1,043,573 | 895,264 |

NOTE 14: SHARE CAPITAL

Share capital and share premium

| Issued | Number of shares | Share Capital £ | Share Premium £ |
|---|--------------------|--------------------|--------------------|
| 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 |
| Issue of shares – services agreement | 500,000 | 500 | 14,500 |
| At 31 December 2021 | 390,065,060 | 561,020 | 10,920,007 |

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 9).

Cabox Gold Corp

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

(ii) 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).

(iii) 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.

(i) 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

(i) 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.

(ii) 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 15).

(iii) 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 8).

(ix) On June 2, 2021, the Group entered into a reverse takeover transaction (Note 4). 73,285,449 ordinary shares were issued, and an additional 135,587,716 ordinary shares were issued through a reverse split.

(x) On July 21, 2020 the Group issued 500,000 shares at a price of £0.03 per share for a deemed value of £15,000 for marketing services.

Options and warrants in issue

The outstanding share options and warrants as at 31 December 2021 are shown below:

| | Options | Warrants | Weighted average exercise price (£) |
|--|----------------|------------------|--|
| 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 |

| | | 2021 | 2021 | 2021 |
|--|---------|-----------|-----------|-----------|
| Number of warrants | 636,625 | 4,530,497 | 8,714,227 | 2,750,002 |
| - weighted average risk-free interest rate | 0.07% | 0.55% | 0.81% | 0.58% |
| - dividend yield of | 0.00% | 0.00% | 0.00% | 0.00% |
| - volatility rate | 74% | 100% | 100% | 100% |
| - expected life (years) | 0.55 | 2.71 | 4 | 2 |
| - fair value | £12,971 | £46,092 | £157,695 | £32,560 |

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 8).

On August 13, 2021 the Group issued 2,750,002 warrants to consultants with an exercise price of £0.03 that expire on August 13, 2023.

| <u>Options</u> | Jun 2, 2021 | Aug 25, 2021 |
|--|----------------|-----------------|
| Number of options | 5,050,000 | 11,250,000 |
| - weighted average risk-free interest rate | 0.64% | 0.62% |
| - dividend yield of | 0.00% | 0.00% |
| - volatility rate | 100% | 100% |
| - expected life (years) | 3.08 | 4 |
| - fair value | £99,572 | £159,292 |

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

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.

NOTE 15: BOUGHT DEAL FACILITY

On February 15, 2021, the Group entered into a £10,000,000 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 16: SUBSEQUENT EVENTS

On January 14, 2022 the Group issued 500,000 shares at a price of £0.03 per share for a deemed value of £15,000 for marketing services.

On January 4, 2022, the Group issued 58,000,000 ordinary shares to OIG Overseas Investment Group Ltd and certain associates for corporate development services including financing and financial consulting, market intelligence, marketing of assets and projects, strategic partnerships and project generation, as well as investor awareness.

On January 20, 2022 the Company purchased 5,000,000 shares in Kudu Resources Ltd. at a price of \$0.001. The shares had a value of \$5,000 CAD (£2,919) when received.

On January 28, 2022 the Company purchased 1,250,000 units in Alchemist Mining Corporation. at a price of \$0.075 per unit for a cost of \$93,750 CAD (£54,722). Each unit includes one common share and one share purchase warrant exercisable at a price of \$0.20 and with a 4 year term.

On February 4, 2022 the Company purchased 5,000,000 shares in 1311516 BC Ltd. at a price of \$0.00167 CAD per share for a value of \$8,350 CAD (£4,874).

On March 2, 2022, the Group completed a private placement with the issuance of 19,596,931 ordinary shares at a price of 7.5p per share for gross proceeds of £1,469,770.

On March 6, 2022 the Company purchased 1,500,000 shares in Prosper Africa Resources Limited at a price of \$0.0001 CAD per share for a value of \$150 CAD (£88).

On March 24, 2022 the Company purchased 250,000 units in Castlebar Capital Corp at a price of \$0.20 CAD per unit for a value of \$50,000 CAD (£29,185). Each unit includes one common share and one half share purchase warrant exercisable at a price of \$0.35 CAD and expiring within 18 months of issuance.

During March 2022, the Group issued a total of 2,412,209 ordinary shares for the exercise of warrants and options at a price per share of 3p for gross proceeds of £72,366.

On March 28, 2022 the Company drew down on its £10,000,000 bought deal facility with Crescita Capital and issued 12,000,000 ordinary shares to Crescita Capital at a price of 6.25p per share for gross proceeds of £750,000.

On March 31, 2022 the Company purchased 750,000 units in Norseman Silver Inc. at a price of \$0.20 CAD per unit for a value of \$150,000 CAD (£85,500). Each unit includes one common share and one half share purchase warrant exercisable at a price of \$0.30 CAD and expiring within 1 year of issuance.

NOTE 17: RELATED PARTIES

Details of the directors' remuneration can be found in Note 7. Key Management Personnel are considered to be the directors.

At December 31, 2021, the Group held investments of £2,480,503 in Imperial Helium, Temas Resources, Norseman Silver and Buscando Resources where Kyler Hardy is also a director (2020: £3,655,550)

During the period, the Group paid Cronin Services £488,484 for the provision of CEO, COO, accounting and back-office management services, corporate development and communications management during the period (2020: £60,000). The amount outstanding owing to Cronin Capital and Cronin Services at period-end, companies controlled by the CEO Kyler Hardy, was £750,184 (2021: £523,021). During the period, the Group paid a company controlled by a director £24,000 for consulting services (2020: £Nil).

NOTE 18: ULTIMATE CONTROLLING PARTY

The Directors believe there to be no ultimate controlling party.