

**Incorporated in England and Wales under company number  
13467546**

**AJAX RESOURCES PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**28 FEBRUARY 2023**

# AJAX RESOURCES PLC

## COMPANY INFORMATION

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**Directors**  
Ippolito Ingo Cattaneo – CEO & Director  
Luca Benedetto – CFO & Director  
Michael Hutchinson – Chairman & Director

**Secretary**  
Nicole Hopson  
D & A Secretarial Services Limited

**Company number** 13467546

**Registered office**  
Salisbury House, London Wall  
London, EC2M 5PS

**Auditor**  
Shipleys LLP  
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**Registrar**  
Computershare Investor Services Plc  
The Pavilions Bridgwater Road  
Bristol, BS99 6ZZ  
United Kingdom

**Financial Adviser**  
Allenby Capital Limited  
5 St. Helen's Place  
London EC3A 6AB

**Solicitors**  
Druces LLP  
Salisbury House, London Wall  
London, EC2M 5PS

**Company Website** [www.ajaxresources.com](http://www.ajaxresources.com)

# AJAX RESOURCES PLC

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# **AJAX RESOURCES PLC**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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#### **Directors' strategic report**

The Directors present the strategic report for the year ended 28 February 2023.

#### **Chairman's Statement**

I am pleased to report the audited financial statements to shareholders for the year ended 28 February 2023.

During the period, Ajax listed on the Main Market of the London Stock Exchange on April 7, 2022, having raised a total of £1,342,000 (before expenses) following Ajax's successful initial public offering ("IPO"), and started the research of an opportunity to acquire an asset.

Since this time, the Company has been active in reviewing several opportunities in the natural resources sector focusing on production and development assets in low-risk jurisdictions, as outlined in the Company's IPO Prospectus.

The Directors, who founded the business, have a significant interest in the share capital of the Company and look forward to delivering on the commitment made by shareholders.

#### **Outlook**

As we look to our future progress, we are encouraged by the current energy pricing climate and the many opportunities we believe this has created for experienced and well-connected management teams. Our efforts are fully centered on identifying and completing an acquisition with transformational value creation potential for shareholders.

The demand for energy, specifically that to be provided through the use of battery metals including Lithium, Nickel, and Cobalt, is expected to increase exponentially in the years ahead. To this end, the Company is looking to position itself at the forefront of the ongoing energy transition away from fossil fuels to a low-carbon economy.

I would like to thank all shareholders for the support they have shown for the Company's IPO, and we look forward with enthusiasm to our progress in the near future.

#### **Responsibility statement**

This statement is being made by the Chairman Mr. Michael Hutchinson and to the best of his knowledge:

- a. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, and
- b. the management report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

## **RISKS RELATING TO THE COMPANY'S BUSINESS STRATEGY**

***The Company is a recently formed entity with no operating history and has not yet identified any potential target company or business or asset(s) for an Acquisition***

The Company is a recently formed entity with no operating results. The Company lacks an operating history, and therefore Investors have no basis on which to evaluate the Company's ability to achieve its objective of identifying, acquiring and operating a company or business or asset(s). Currently, there are no plans, arrangements or understandings with any prospective target company or business or asset(s) regarding an Acquisition and the Company may acquire a target company or business or asset(s) that does not meet its stated acquisition criteria. The Company will not generate any revenues from operations unless it completes an Acquisition.

# **AJAX RESOURCES PLC**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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Although the Company will seek to evaluate the risks inherent in a particular target company or business or asset(s) (including the industries and geographic regions in which it operates), it cannot offer any assurance that it will make a proper discovery or assessment of all of the significant risks. Furthermore, no assurance may be made that an investment in Ordinary Shares will ultimately prove to be more favorable to Investors than a direct investment, if such opportunity were available, in any target company or business or asset(s). Because the Company does not expect that Shareholder approval will be required in connection with an Acquisition, investors will be relying on the Company's and the Director's ability to identify potential targets, evaluate their merits, conduct or monitor diligence and conduct negotiations. If the Company does not make a proper discovery or assessment of all of the significant risks within a target business it may impact the Directors judgment in acquiring a potential target and could have a material adverse effect on the Company's results of operations and financial condition.

***Even if the Company completes an Acquisition, there is no assurance that any improvements to operations will be successful or effective in increasing the valuation of any business acquired***

Following an Acquisition, the Company intends to generate Shareholder value through capital investment, operational improvements, economies of scale and through an acquisition programme. However, there can be no assurance that the Company will be able to propose and implement effective operational improvements for any target company or business or asset(s) which it acquires. Even if the Company completes an Acquisition, general economic and market conditions or other factors outside the Company's control could make its operating strategies difficult or impossible to implement. Any failure to implement these operational improvements successfully and/or the failure of such improvements to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition.

***The Company may be unable to complete an Acquisition or to fund the operations of the target company or business or asset(s) if it does not obtain additional funding***

Although the Company has not identified a prospective target company or business or asset(s) and cannot currently predict the amount of additional capital that may be required, once an Acquisition has been made, if the target is not sufficiently cost generative, further funds may need to be raised.

If, following an Acquisition, the Company's cash reserves are insufficient, the Company will likely be required to seek additional equity or debt financing. The Company may not receive sufficient support from Shareholders to raise additional equity, and new equity investors may be unwilling to invest on terms that are favorable to the Company or at all. Lenders may be unwilling to extend debt financing to the Company on attractive terms or at all. To the extent that additional equity or debt financing is necessary to complete an Acquisition and remains unavailable or only available on terms that are unacceptable to the Company, the Company may be compelled either to restructure or abandon an Acquisition, or proceed with an Acquisition on less favorable terms, which may reduce the Company's return on the investment.

Even if additional financing is unnecessary to complete an Acquisition, the Company may subsequently require equity or debt financing to implement operational improvements in the acquired target company or business or asset(s). The failure to secure additional financing or to secure such financing on terms acceptable to the Company could have a material adverse effect on the continued development or growth of the acquired business.

# **AJAX RESOURCES PLC**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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#### **RISKS RELATING TO THE ENERGY AND NATURAL RESOURCES SECTORS**

##### ***Governmental instability including political, legal and commercial instability in the countries and territories in which the energy and natural resources sectors operate may affect the viability of the Company's operations after an Acquisition***

After an Acquisition, the Company may operate in regions with varying degrees of commercial, legal and political stability. These jurisdictions will not be limited to a particular geographic region. Regional changes in the political landscape by civil and social pressures could cause regime change, policy reforms or changes in legal or governmental regulations. Any changes may result in expropriation or nationalization of a target's assets. Nullification or renegotiation concerning pre-existing concessions, agreements, leases and permits held by a target business, changes to economic policies, including but not limited to taxes or royalty rates, or currency restrictions are all possibilities. Regional instability due to corruption, bribery and generally underdeveloped corporate governance polices have the potential to lead to similar consequences. These risks could have a materially adverse effect on the profitability, the ability to finance or, in extreme cases, the viability of an operation.

Moreover, political pressures and fiscal constraints could lead governments to impose higher taxes on operations in the energy or natural resources sectors. These taxes or other types of expropriation of assets could be imposed on the Company by any jurisdiction both before and after an Acquisition. The Company's earnings growth may be constrained by delays or shutdowns as a result of political, commercial or legal instability, and may be constrained if subjected to increased taxation or other expropriation. The ability of the Company to generate long term value of Shareholders could be impacted by these risks.

##### ***The energy and natural resources sectors are subject to fluctuations in commodity prices***

After an Acquisition, the Company may become a market participant as buyer or seller of any one or more commodities. The Company's revenues and earnings may rely on the prices of commodities that it produces, if any. The Company will be unable to control the prices it receives for any commodities it produces. Moreover, following an Acquisition, the range of commodities which the acquired activities may produce might not be sufficiently broad and the acquired activities may be concentrated in one commodity within the resources sector. Consequently, the Company may not be able to offset price changes in one commodity with counter-cyclical changes in another commodity within the Company's range of commodities to mitigate the effect of the price changes.

Fluctuations in commodity pricing can be affected by many reasons including, but not limited to: weather conditions and natural disasters; regional and economic conditions; global economic conditions; governmental regulations including repatriations, nationalizations, taxes and export restrictions; political, economic and military disruptions in producing regions; availability and pricing of novel technologies; availability, price, and government subsidies for alternate fuels; availability of transportation and processing equipment; geopolitical uncertainty; and global and regional supply and demand and expectations concerning future supply and demand.

It is not possible to accurately forecast future commodities price movements and prices may not remain at current levels. Declines in commodities prices could result in a reduction of the Company's net production revenue.

Moreover, the economics of production within some regions, or the production of certain assets within some regions, may change due to lower commodities prices, which could in turn result in a decrease in the Company's reserves. Additionally, the Company may not be able to meaningfully hedge against declines in commodity prices. Therefore, there can be no guarantee that any such hedging strategies will be implemented or successful. Consequently, the Company may experience volatility in its operations and the results of those operations in its periodic financial statements if commodity prices adversely change during the reported financial period. The aforementioned factors may result in the Company not being able to accurately forecast the exact timing of any improvements or recoveries in the global, regional, or national macroeconomic environments or in commodity prices. The aforementioned factors can make the Company's operational strategies for production planning more difficult to successfully institute. For example, the prevailing prices of certain commodities may fall to levels that are below the average marginal cost of production for the industry, which the Company will not be able to predict accurately. If the Company's estimates of future price levels results in the Company incurring fixed additional costs and the Company fails to change production levels in response to then-current price levels, the Company's results of operations and financial condition could be adversely affected.

**AJAX RESOURCES PLC**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

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**Analysis of directors, key employees and employees by sex**

|               | No. | Male | Female |
|---------------|-----|------|--------|
| Directors     | 3   | 3    | 0      |
| Key employees | 0   | 0    | 0      |
| Employees     | 0   | 0    | 0      |

**Key performance indicators**

Bank and cash controls:

Bank reconciliations are prepared at least monthly and reviewed by the CFO. All major items of expenditure are agreed by the Directors in advance.

There are no other key performance indicators for this period as the Company has not completed its investment activity.

The Company operates in an uncertain environment and is subject to a number of risk factors. The Directors have carried out a robust assessment of the risks and consider the risk factors outlined above and below in this Strategic Report are of relevance to the Company's activities, although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

These risks are covered from page 10 and 23 of our IPO Prospectus.

# **AJAX RESOURCES PLC**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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## **THE COMPANY'S STRATEGY**

### **1 Introduction**

The Company was incorporated on 21 June 2021 in accordance with the laws of England and Wales with company number 13467546 under the name Ajax Resources PLC.

The Founders of the Company, being Ippolito Ingo Cattaneo and Luca Benedetto were appointed to the Board as Directors on incorporation. Michael Hutchinson was appointed to the Board as a Director on 10 February 2022.

### **2 Company objective**

The Company was formed to undertake an acquisition of a target company or business or asset(s). The Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business or asset(s) until after Admission. There is no specific expected target value for the Acquisition and the Company expects that any funds not used for an Acquisition will be used for future acquisitions, internal or external growth and expansion, and working capital in relation to the acquired company or business or asset(s).

Following completion of an Acquisition, the objective of the Company will be to operate the acquired target company, business or asset(s) and implement an operating strategy with a view to generating value for its Shareholders through capital investment, operational improvements as well as potentially through additional complementary acquisitions following an Acquisition. Following an Acquisition, the Company intends to seek re-admission of its securities to listing on the Official List and trading on the London Stock Exchange or admission to another stock exchange.

The Company's efforts in identifying a prospective target company or business or asset(s) will not be limited to a particular industry or geographic region, although the Company will look to utilize the experience and expertise of the Directors in the energy and natural resources sector which will be the primary target sector of the Company. In assessing any potential Acquisition, the Board will pay particular attention to the following overriding factors:

- the existence of production providing cash flow for the business;
- strong exploration potential in known energy or natural resources producing areas;
- the quality of the management; and
- an established track record of developing energy or natural resources assets.

The Directors are responsible for procuring investment and acquisition opportunities to be considered by the Company. The Company has constituted a Board it believes is well suited for the purposes of implementing its business strategy mixing a strong track record of growing diversified business groups in the energy and natural resources sectors and the financial sector (including, *inter alia*, the mining, oil & gas, energy and corporate finance sectors), considerable public company experience and a wide network of global contacts. Based on the collective experience of the Directors in growing such businesses in the energy and natural resources sectors, the Directors consider there are opportunities to create value for Shareholders in these sectors. The Company will utilize outside consultants and advisers as the situation demands, at the Board's discretion.

Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to an Acquisition. An Acquisition will be subject to Board approval.

### **3 Business strategy and execution**

The Company has identified the following criteria that it believes are important in evaluating a prospective target company or business or asset(s). It will generally use these criteria in evaluating acquisition opportunities. However, it may also decide to enter into an Acquisition with a target company or business or asset(s) that does not meet the below criteria.

The Directors intend to take an active approach to completing an Acquisition and to adhere to the following criteria, insofar as reasonably practicable:



# AJAX RESOURCES PLC

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2023

- **Geographic focus:** The Company intends, but is not required to, seek to acquire an exploration or production company or business or asset(s) with operations in energy or natural resources in any part of the world with: (i) strong underlying fundamentals and clear broad-based growth drivers; (ii) a meaningful population and an identifiable market; (iii) established financial regulatory systems; (iv) stable political structures; and (v) strong or improving governance and anti-corruption ratings.
- **Sector focus:** The Company intends to search initially for acquisition opportunities in the energy and natural resources sectors, but the Company shall not be limited to such sectors. The Directors believe that opportunities exist to create value for Shareholders through a properly executed, acquisition-led strategy in the energy or natural resources industry, however the Directors will consider other industries and sectors where they believe value may be created for Shareholders.
- **Identifiable routes to value creation:** The Company intends, but is not required to, seek to acquire a company or business or asset(s) in respect of which the Company can: (i) play an active role in the optimization of strategy and execution; (ii) enhance existing management capabilities through the Directors' proven management skills and depth of experience; (iii) effect operational changes to enhance efficiency and profitability; and (iv) provide capital to support significant, credible, growth initiatives.
- **Management of an Acquisition:** An Acquisition may be made by direct purchase of an interest in a company, partnership or joint venture, or a direct interest in a project, and can be at any stage of development. Following the completion of an Acquisition, the Directors will work in conjunction with incumbent management teams to develop and deliver a strategy for performance improvement and/or strategic and operational enhancements.

The Directors believe that their broad, collective experience, together with their extensive network of contacts, will assist them in identifying, evaluating and funding suitable acquisition opportunities. External advisers and professionals may be engaged as necessary to assist with sourcing and due diligence of prospective acquisition opportunities. The Directors may consider appointing additional directors with relevant experience if the need arises.

Any evaluation relating to the merits of a particular Acquisition will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant to the Company's business objective by the Directors. In evaluating a prospective target company or business or asset(s), the Company expects to conduct a due diligence review which will encompass, among other things, meetings with incumbent management and employees, document reviews, inspection of facilities, as well as a detailed review of financial and other information which will be made available. The time required to select and evaluate a target company or business or asset(s) and to structure and complete an Acquisition, and the costs associated with this process, are not currently ascertainable with any degree of certainty.

The Company expects that an Acquisition will be to acquire a controlling interest in a target company or business or asset(s). The Company (or its successor) may consider acquiring a controlling interest constituting less than the whole voting control or less than the entire equity interest in a target company or business or asset(s) if such opportunity is attractive; provided, the Company (or its successor) would acquire a sufficient portion of the target entity such that it could consolidate the operations of such entity for applicable financial reporting purposes. Future complementary acquisitions may be non-controlling.

The determination of the Company's post-Acquisition strategy and whether any Directors will remain with the combined entity and, if so, on what terms, will be made following the identification of the target company or business or asset(s) but at or prior to the time of the Acquisition.

#### 4 Capital and returns management

The Company raised gross proceed of £1,342,000 from the Placing and the Subscription. The Directors believe that, following the Acquisition, further equity capital raisings may be required by the Company for working capital purposes as the Company pursues its objectives going forward. Given that the anticipated operating costs of the Company will be minimal, the Company does not envisage that further funding will be required in the first six months or prior to an Acquisition.

The Company has limited financial resources the Directors have undertaken not to receive any remuneration for their services until an Acquisition has been completed.

# **AJAX RESOURCES PLC**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

It is intended that an Acquisition will be undertaken by way of share consideration (in whole or part) which will leave cash available for working capital purposes. However, whether a further equity raising will be required, and the amount of such raising, will depend on the nature of the acquisition opportunity that arises and the form of consideration the Company uses to make an Acquisition (which cannot be determined at this time).

Any Acquisition made by the Company will represent a Reverse Takeover pursuant to the Listing Rules, requiring an application for the Company to have its Ordinary Shares re-admitted to the Official List and to trade on the Main Market for listed securities of the London Stock Exchange or, in the event this is not carried out, the Board currently intends to apply for the Ordinary Shares to be admitted to another stock exchange. Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to an Acquisition. An Acquisition will be subject to Board approval.

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy.

If the Acquisition has not been announced within 18 months of Admission, the Board will recommend to Shareholders either that the Company continue to pursue an Acquisition for a further 12 months from such date or that the Company be wound up (in order to return capital to Shareholders, to the extent assets are available).

The Board's recommendation will then be put to a Shareholder vote (from which the Directors holding Ordinary Shares will abstain). In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. An ordinary resolution of Shareholders is required to voluntarily wind-up the Company unless the Directors resolve to petition the High Court in England and Wales to wind-up the Company.

#### **5 Dividend policy**

The Company is primarily seeking to achieve capital growth for its Shareholders.

It is the Board's intention during the current phase of the Company's development to retain future distributable profits from the business to the extent any are generated.

The Board does not anticipate declaring any dividends in the foreseeable future but may recommend dividends at some future date after the completion of the Acquisition and depending upon the generation of sustainable profits and the Company's financial position.

The Board can give no assurance that it will pay any dividends in the future, nor, if a dividend is paid, what the amount of such dividend will be.

The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

#### **6 Corporate governance**

In order to implement its business strategy, the Company has adopted a corporate governance structure. The key features of its structure are:

- consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process, Shareholder approval is not required in order for the Company to complete the Acquisition. The Company will, however, be required to obtain the approval of the Board before it may complete the Acquisition;
- the Board intends to comply, in all material respects, with certain Main Principles of the UK Corporate Governance Code and has adopted a share dealing code that complies with the requirements of the Market Abuse Regulation. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) shall comply with the share dealing code from the date of Admission; and

# AJAX RESOURCES PLC

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2023

- following an Acquisition, the Directors may seek to transfer the Company from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the company or business or asset(s) it acquires, subject to fulfilling the relevant eligibility criteria at the time. If the Company is successful in obtaining a Premium Listing, further rules will apply to the Company under the Listing Rules and Disclosure and Transparency Rules and the Company will be obliged to comply with or explain any derogation from the UK Corporate Governance Code. In addition to, or in lieu of, a Premium Listing, the Company may determine to seek a listing on another stock exchange or seek re-admission to a Standard Listing.

## 7 Conflicts of interest

### 7.1 *General*

Potential areas for conflicts of interest in relation to the Company include:

- None of the Directors are required to commit any specified amount of time to the Company's affairs and, accordingly, they may have conflicts of interest in allocating management time among various business activities.
- In the course of their other business activities, the Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented.
- The Directors may in the future become affiliated with new special purpose acquisition companies or entities engaged in similar business activities to the Company prior to its identifying and acquiring a target company or business or asset(s).
- The Directors may have a conflict of interest with respect to evaluating a particular acquisition opportunity if the retention or resignation of any of the Directors were included by a target company or business or asset(s) as a condition to any agreement with respect to an Acquisition.
- The Board has decided that if the Company decides to proceed with an acquisition opportunity, the acquisition opportunity will only be handled by the Director/s whom a potential conflict of interest does not arise in relation to any other entities such Director/s may be affiliated with. Only the non-conflicted Director/s will be involved in the due diligence process and be able to decide if the acquisition opportunity is fit and proper for the Company.

Accordingly, because of these business affiliations, each of the Directors may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity, however the possibility of a potential conflict of interest will be dependent on the geographical area and sector of such business opportunity.

The Directors have, or may come to have, other fiduciary obligations, including to other companies on whose board of directors they presently sit or to other companies whose board of directors they may join in the future. To the extent that the Directors identify acquisition opportunities that may be suitable for the Company or other companies on whose board of directors they may sit, the Company will be offered acquisition opportunities first. The Directors do not, however, have any pre-existing fiduciary obligations to other companies whose board of directors they presently sit on, that prevent them from offering acquisition opportunities to the Company first.

### 7.2 *Other conflict of interest limitations*

To further minimize potential conflicts of interest, the Company will not acquire an entity that is an affiliate of any of the Directors.

The Directors are free to become affiliated with new special purpose acquisition companies or entities engaged in similar business activities prior to its identifying and acquiring a target company or business or asset(s). Each of the Directors has agreed that if such person or entity becomes involved prior to the completion of the Acquisition with any new special purpose acquisition companies with similar acquisition criteria as the Company's, any potential opportunities that fit such criteria would first be presented to the Company.

# **AJAX RESOURCES PLC**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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#### **Section 172 Statement**

The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters noted above) to:

- the likely consequences of any decision in the long term: The Company's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown on above.
- the interests of the Company's employees: Our employees are fundamental to us achieving our long-term strategic objectives.
- the need to foster the Company's business relationships with suppliers, customer, and others. A consideration of our relationship with wider stakeholders and their impact on our long-term strategic objectives is also disclosed above.
- the impact of the Company's operations on the community and the environment The Company operates honestly and transparently. We consider the impact on the environment on our day-to-day operations and how we can minimize this.
- the desirability of the Company maintaining a reputation for high standards of business conduct. Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance.
- the need to act fairly as between members of the Company: Our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so that they too may benefit from the successful delivery of our strategic objectives.

The Strategic Report forms part of the Company's annual accounts and reports. The full set of accounts can be found at the registered office as stated in the Company information or in the London Stock Exchange website.

The Auditor's Report on the annual accounts is unqualified and states that the Strategic Report and Director's Report are consistent with the financial statements. This report can be found in pages 22 – 26.

# AJAX RESOURCES PLC

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2023

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#### Climate-related Reporting

##### 1. Governance and Engagement

The Board of Directors of Ajax is responsible for overseeing the Company's climate-related risk management and disclosure processes. The Board has established a climate change committee, on which Mr Cattaneo and Mr Benedetto are currently members, which is responsible for reviewing the Company's climate-related risks and opportunities and making recommendations to the board on how to manage these risks.

Whilst Ajax currently has no investee companies with which to engage on climate-related matters, it is the Company's intention to do so once it has any such investments. The Company will encourage any such investee companies to disclose their climate-related risks and opportunities and to implement climate-related best practices.

##### 2. Risk Management

The Company has identified the following climate-related risks:

- Physical risks, such as the risk of damage to the Company's assets from extreme weather events.
- Transition risks, such as the risk of changes in regulation or market conditions that could make the Company's investments less valuable.

Due to the Company's current assets materially consisting of cash and short-dated securities, these risks are not currently regarded as significant, however they form an integral element in assessing any acquisition target. The Company has developed a risk management framework to mitigate these risks. The framework includes the following elements:

- Identification of climate-related risks.
- Assessment of the likelihood and impact of these risks.
- Development of mitigation strategies.
- Monitoring and review of the framework.

##### 3. Disclosure and Target Setting

The Company discloses its climate-related risks and risk management processes in its annual report. The company also discloses its climate-related investments on its website.

Ajax has not yet set any specific targets for reducing its greenhouse gas emissions or transitioning to a low-carbon economy due to its current position as a Special Purpose Acquisition Company with no operating activities. However, the Company is committed to managing climate-related risks and opportunities in a responsible manner.

##### 4. Strategy and Opportunities

The Company also sees opportunities in the transition to a low-carbon economy and is actively seeking acquisition opportunities involving the exploration for and production of metals and minerals essential to a move to a low-carbon economy. The Company believes that such acquisitions, if completed and successfully developed, will provide long-term returns for shareholders.

#### Conclusion

Ajax is committed to managing its climate-related risks and opportunities. The Company believes that climate change is a material issue for future of the Company and its investors. The Company will continue to monitor and review its climate-related risk management framework to ensure that it is effective.



Mr Ippolito Cattaneo  
CEO & Director

Date 29<sup>th</sup> June 2023

# **AJAX RESOURCES PLC**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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The Directors present their annual report and financial statements for the year ended 28 February 2023.

The corporate governance statement set out on page 18 forms part of this report.

#### **Principal activities**

Ajax Resources PLC is a Special Purpose Acquisition Company ("**SPAC**") formed to raise capital in an initial public offering ("**IPO**") with the purpose of using the proceeds to acquire one or more unspecified businesses or assets to be identified after the IPO.

After the IPO, the SPAC will pursue an acquisition opportunity and negotiate a merger or purchase agreement to acquire a business or assets. While no companies at this stage have been formally identified the Company's efforts in identifying a prospective target company or business or asset(s) will not be limited to a particular industry or geographic region, although the Company will look to utilize the experience and expertise of the Directors in the energy and natural resources sector which will be the primary target sector of the Company.

The Company did not have a qualifying indemnity insurance for Directors.

#### **Results and Dividends**

The trading results for the period and the Company's financial position at the end of the period are shown in the attached financial statements.

The Directors have not recommended a dividend.

#### **Strategic Report**

In accordance with section 414C (11) of the Companies Act 2006 the Company has included the review of the business, the future outlook and the risks and uncertainties faced by the Company in the Strategic Report.

#### **Directors**

The Directors who held office during the period and up to the date of signature of the financial statements were as follows:

Ippolito Ingo Cattaneo – CEO & Director

Luca Benedetto – CFO & Director

Michael Hutchinson – Non-Executive Chairman

#### **Directors' remuneration**

The Directors had no remuneration during the period.

#### **Financial risk and management of capital**

During the year to 28 February 2023, the major balances and financial risks to which the Company is exposed to and the controls in place to minimize those risks are disclosed in "risks relating to the company's business strategy" section of this document. The Board considers and reviews these risks on a strategic and day-to-day basis in order to minimize any potential exposure.

During the month of February 2023, the Company granted promissory notes to a financial counterparty, with a duration of 3 months and for a flat interest of 10%. As of 28 February 2023, the amount granted was £496,013.00, for a financial income of £16,305 recognised as a revenue in the Profit and Loss Statement. The outstanding balance of these negotiable instruments at the year-end was £337,508, the borrower having reimbursed £158,505.00 during the period.

# AJAX RESOURCES PLC

## DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2023

### Financial instruments

The Company has not entered into any financial instruments to hedge against interest rate or exchange rate risk.

### Directors' interests

The Directors' interests in the shares of the Company were as stated below:

| Name               | 28/02/2022                |                                      | 28/02/2023                |                                      |
|--------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|
|                    | Number of Ordinary Shares | Percentage of issued Ordinary Shares | Number of Ordinary Shares | Percentage of issued Ordinary Shares |
| Michael Hutchinson | 2,100,000                 | 17.50%                               | 2,850,000                 | 6.08%                                |
| Ippolito Cattaneo  | 6,800,000                 | 56.67%                               | 10,515,000                | 22.44%                               |
| Luca Benedetto     | 900,000                   | 7.50%                                | 1,525,000                 | 3.25%                                |

- On 7 April 2022, Upon the admission of the ordinary shares to the standard segment of the official list maintained by the FCA ("Official List") and to trading on the Main Market for listed securities of the London Stock Exchange, the Directors subscribed ordinary shares of 1 pence each in the capital of the Company, as follows:

|                    |           |
|--------------------|-----------|
| Michael Hutchinson | 750,000   |
| Ippolito Cattaneo  | 1,875,000 |
| Luca Benedetto     | 625,000   |

- On 4 November 2022, the Chief Executive Officer, Ippolito Cattaneo, has informed the Company that he has acquired a further 250,000 ordinary shares of 1 pence each in the capital of the Company.
- On 7 January 2023, the Chief Executive Officer, Ippolito Cattaneo, has purchased an additional 40,000 ordinary shares of 1 pence each in the capital of the Company.
- On 16 January 2023, the Chief Executive Officer, Ippolito Cattaneo, has purchased a further 125,000 ordinary shares of 1 pence each in the capital of the Company.
- On 23 February 2023, the Chief Executive Officer, Ippolito Cattaneo, has purchased an additional 1,425,000 ordinary shares of 1 pence each in the capital of the Company. Following these purchases, Mr. Cattaneo holds a total of 10,515,000 Ordinary Shares, equivalent to 22.44% of the issued Ordinary Shares.

The Company's capital consists of ordinary shares which rank pari-passu in all respects which are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the Company or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors amend the Company's Articles of Association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after or terminate upon, a change of control of the Company following a takeover bid or the like.

# AJAX RESOURCES PLC

## DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2023

### Substantial shareholdings

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report.

| Name                            | Number of Ordinary Shares | Percentage of Share Capital |
|---------------------------------|---------------------------|-----------------------------|
| Ippolito Cattaneo               | 10,515,000                | 22.44%                      |
| Orca Capital GmbH               | 6,250,000                 | 13.34%                      |
| Aidan O'Hara                    | 3,041,376                 | 6.49%                       |
| Michael Hutchinson              | 2,850,000                 | 6.08%                       |
| First Corporate Consultants Ltd | 2,500,000                 | 5.33%                       |
| James&Olga Simmons              | 2,343,125                 | 5.00%                       |
| Consuelo Giuliana Brenner       | 2,200,000                 | 4.69%                       |
| Luca Benedetto                  | 1,525,000                 | 3.25%                       |

### Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8

### Auditors

Shipleys LLP were appointed auditors to the Company and in accordance with section 485 of the Companies Act 2006.

### Events after the reporting period

Further information on events after the reporting period are set out in Note 20.

### Statement of directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company 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 UK-adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **AJAX RESOURCES PLC**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 28 FEBRUARY 2023***

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### **Statement of disclosure to auditor**

Each Director in office at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### **Annual General Meeting**

Notice of the forthcoming Annual General Meeting of the Company together with resolutions relating to the Company's ordinary business will be given the members separately.

On behalf of the board



Mr Ippolito Cattaneo  
CEO & Director

Date 29<sup>th</sup> June 2023

# **AJAX RESOURCES PLC**

## **CORPORATE GOVERNANCE STATEMENT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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#### **Corporate governance policy**

In order to implement its business strategy, the Company has adopted a corporate governance structure. The key features of its structure are:

- consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process, Shareholder approval is not required in order for the Company to complete the Acquisition. The Company will, however, be required to obtain the approval of the Board before it may complete the Acquisition;
- the Board intends to comply, in all material respects, with certain Main Principles of the UK Corporate Governance Code (and has adopted a share dealing code that complies with the requirements of the Market Abuse Regulation. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) shall comply with the share dealing code from the date of Admission; and
- following an Acquisition, the Directors may seek to transfer the Company from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the company or business or asset(s) it acquires, subject to fulfilling the relevant eligibility criteria at the time. If the Company is successful in obtaining a Premium Listing, further rules will apply to the Company under the Listing Rules and Disclosure and Transparency Rules and the Company will be obliged to comply with or explain any derogation from the UK Corporate Governance Code. In addition to, or in lieu of, a Premium Listing, the Company may determine to seek a listing on another stock exchange or seek re-admission to a Standard Listing.

#### **Application of principles of good governance by the board of directors**

The Board currently comprises the three Directors. There are board meetings several times a year (held remotely due to Covid Restrictions) and other meetings are held as required to direct the overall Company strategy and operations with the aim of delivering long term shareholder value. The value to shareholders is to be derived from the completion of a reverse takeover and subsequent profitability. Board meetings cover key areas of the Company's affairs including overall strategy, acquisition policy, approval of budgets, major capital expenditure and significant transactions and financing issues. The Board is also responsible for the effectiveness of the Company's risk management and internal control systems. The Board believes these are working effectively, but recognizes the ongoing need for identification, evaluation and management of significant risks.

Outside of the scheduled meetings, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations.

The Company does not have a Nomination Committee at present. The appointment of new Directors is made by the Board as a whole. This is considered reasonable for a Company of this size. The requirement for a Nomination Committee will be considered on an ongoing basis.

#### **Audit**

Having assessed the performance objectivity and independence of the auditors, the Board will be recommending the reappointment of Shipleys LLP as auditors to the Company at the forthcoming Annual General Meeting.

There is currently no internal audit function within the Company. The Directors consider that this is appropriate for a Company of this size.

The Company has an audit committee comprised of Mike Hutchinson and Luca Benedetto. The appointment of the auditor is made by the Board as a whole. This is considered reasonable for a Company of this size.

# **AJAX RESOURCES PLC**

## **CORPORATE GOVERNANCE STATEMENT**

### ***FOR THE YEAR ENDED 28 FEBRUARY 2023***

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#### **Diversity**

The Company has not adopted a formal policy on diversity; however, it is committed to a culture of equal opportunities for all, regardless of age, race or gender. The Board is currently made up of three male Directors, and there are no other employees in the Company.

#### **Shareholder relations**

The Board acts on behalf of its shareholders to deliver long term value. To accomplish this, the Board keeps several channels of communication open to communicate with shareholders. Regular updates to record news in relation to the Company and the status of its activities released on the London Stock Exchange website.

At AGMs individual shareholders will be given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of an AGM will be circulated to shareholders at least 21 calendar days before the meeting.

#### **Board meetings**

There were five Board of Directors meetings in the period, all of which were attended fully by the Directors.

# **AJAX RESOURCES PLC**

## **REMUNERATION REPORT**

**FOR THE YEAR ENDED 28 FEBRUARY 2023**

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### **Introduction**

The information included in this report is not subject to audit other than where specifically indicated.

### **Directors' fees**

Given that, with effect from Admission, the Company will be dealing with limited financial resources the Directors have undertaken not to receive any remuneration for their services until an Acquisition has been completed. On completion of an Acquisition, the Directors will receive annual director fees as detailed in the Note 15 of this Financial Statements.

All the Directors are entitled to be reimbursed by the Company for travel, hotel and other expenses incurred by them in the course of their duties relating to the Company, including those expenses incurred prior to Admission. All the Directors are required to serve on the audit/remuneration committee and, where possible, attend all committee meetings, general meetings, board meetings, and provide guidance and direction in the planning, developing and enhancing the future strategic direction of the Company.

Any fees payable to the Directors after an Acquisition will be determined as part of the negotiations for such Acquisition and will be dependent on whether the Directors remain on the Board in any event.

### **Directors' interests**

The Directors' interests in the share capital of the Company are set out in the Directors' report.

### **Directors' emoluments (audited)**

No Remuneration were paid to the Directors' during the period.

No pension contributions were made by the Company on behalf of its directors, and no excess retirement benefits have been paid out to current or past Directors.

### **Payment for loss of Office**

If a contract is to be terminated, the Company will determine such mitigation as it considers fair and reasonable in each case. The Company reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

### **Percentage change tables (audited)**

The Directors have considered the requirement for the percentage change tables comparing the Chairman's percentage change of remuneration to that of the average employee to not provide any meaningful information to the shareholders. This is due to the Company not having any employees in this or the prior period with the exception of the Directors. The Directors will review the inclusion of this table for future reports.

### **Other matters**

There are no other reportable matters to disclose.

# **AJAX RESOURCES PLC**

## **REMUNERATION REPORT**

***FOR THE YEAR ENDED 28 FEBRUARY 2023***

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### **Approval by shareholders**

At the next annual general meeting of the Company a resolution accepting these accounts is to be proposed as an ordinary resolution. The Board is committed to engaging with shareholder feedback and guidance from shareholder bodies. This feedback, as well as any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

This report was approved by the board on 29 June 2023.



On Behalf of the Board

Mr. Ippolito Cattaneo

Director

# **AJAX RESOURCES PLC**

## **INDEPENDENT AUDITOR'S REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2023**

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#### **Opinion**

We have audited the financial statements of Ajax Resources Plc (the 'Company') for the year ended 28 February 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2023 and of the loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 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 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 related to going concern**

In auditing the financial statements, we have concluded that the Directors' 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 entity's ability to continue to adopt the going concern basis of accounting included, as part of our risk assessment, review of the nature of the business of the Company, its business model and related risks and the requirements of the applicable financial reporting framework and the system of internal control.

We evaluated the Directors' assessment of the Company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the Directors' plans for future actions in relation to their going concern assessment.

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 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.

#### **An overview of the scope of our audit**

The audit was scoped by obtaining an understanding of the company and its environment, including the company's system of internal control, and assessing the risk of misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments which involved making assumptions and considering future events that are inherently uncertain, such as their going concern assessment. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement.

# AJAX RESOURCES PLC

## INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2023

### 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. In addition to the matter identified in relation to going concern detailed in the going concern section above we determined that the following were key audit matters.

| Key audit matter   | How the scope of our audit addressed the key audit matter  |
|--|--|
| <p><b>Management override of controls</b><br/>There is a presumed risk that management is able to override controls.</p> <p><b>Related party transactions</b><br/>There is a risk that related party transactions disclosures would be incomplete or inaccurate in the financial statements and that the identification of related parties and transactions thereon is incomplete.</p> | <p>We have reviewed journal adjustments and the rationale behind them and have considered whether these have been subject to potential management bias.</p> <p><b>Key observations:</b><br/>From our procedures carried out no adverse issues were identified with regards to management override of controls.</p> <p>We have reviewed the known list of related parties with the directors to ensure its completeness and have reviewed transactions during the audit to determine if there have been any transactions with previously unknown related parties. We have also reviewed the adequacy of the disclosures within the financial statements.</p> <p><b>Key observations</b><br/>From our procedures carried out no previously unknown related party transactions were identified, and no adverse issues arose with regards to the completeness or related parties and transactions thereon.</p> |

### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole

# AJAX RESOURCES PLC

## INDEPENDENT AUDITOR'S REPORT

### FOR THE YEAR ENDED 28 FEBRUARY 2023

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

|                                 |   |
|---------------------------------|---|
|                                 | Financial statements  |
| Overall materiality             | £23,587   |
| How we determined it            | 2% of total assets  |
| Rationale for benchmark applied | We believe that total assets is the primary measure used by shareholders in assessing the position and performance of the Company at the year end. Total assets is generally accepted auditing benchmarks.  |
| Performance materiality         | £17,690   |
| How we determined it            | We use a different level of materiality (performance materiality) to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of specific risk of each audit areas having regard to the internal control environment. Performance materiality was set at 75% of the above materiality level. |

We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £1,179 as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.



# AJAX RESOURCES PLC

## INDEPENDENT AUDITOR'S REPORT

### FOR THE YEAR ENDED 28 FEBRUARY 2023

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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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and 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 directors' responsibilities statement set out on page 16, the Directors are responsible for the preparation of the 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 financial statements, the Directors are responsible for assessing the 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 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

#### **The extent to which our procedures are capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the Company through discussions with the Directors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

# AJAX RESOURCES PLC

## INDEPENDENT AUDITOR'S REPORT

**FOR THE YEAR ENDED 28 FEBRUARY 2023**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed the laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Other matters we are required to address**

We were appointed by the Board of Directors on 13 December 2022 to audit the financial statements for the year ended 28 February 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit. Our audit opinion is consistent with the additional report to the Board of Directors.

### **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.



Joseph Kinton (Senior Statutory Auditor)

For and on behalf of

**Shipleys LLP**

Statutory Auditor

London

29<sup>th</sup> June 2023

# AJAX RESOURCES PLC

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2023

|  | Notes    | Year to 28<br>February 2023<br>£ | From 21 June 2021<br>to 28 February 2022<br>£ |
|--|----------|----------------------------------|---|
| Revenues   |          | -                                | -   |
| Cost of sales  |          | -                                | -   |
| <b>Gross profit</b>  |          | -                                | -   |
| Other interest receivable  |          | 16,305                           | -   |
| Administrative expenses  |          | (876,022)                        | (79,625)                                      |
| <b>Operating loss and loss before<br/>income tax</b>                 | <b>4</b> | <b>(859,717)</b>                 | <b>(79,625)</b>                               |
| Taxation   | <b>5</b> | -                                | -   |
| <b>Loss and total comprehensive loss<br/>for the period</b>          |          | <b>(859,717)</b>                 | <b>(79,625)</b>                               |
| <b>Loss per share attributable to the<br/>equity holders (pence)</b> |          |                                  |   |
| <b>Basic</b>   | <b>6</b> | <b>(1.84)</b>                    | <b>(0.96)</b>                                 |
| <b>Diluted</b>   |          | <b>(1.84)</b>                    | <b>(0.96)</b>                                 |

The notes to the financial statements form an integral part of these financial statements.

**AJAX RESOURCES PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

|                                     | Notes | Year to 28 February 2023<br>£ | From 21 June 2021 to<br>28 February 2022<br>RESTATED<br>£ |
|-------------------------------------|-------|-------------------------------|---|
| <b>Current assets</b>               |       |                               |   |
| Receivable from shareholders        | 8     | -                             | 38,585  |
| Other receivables                   | 8     | 16,305                        | -   |
| Promissory Notes granted            | 8     | 337,508                       | -   |
| VAT Credit                          | 8     | -                             | 11,952  |
| Cash and cash equivalents           | 9     | 757,160                       | 625,000   |
|                                     |       | 1,110,973                     | 675,537   |
| <b>Total assets</b>                 |       | 1,110,973                     | 675,537   |
| <b>Equity</b>                       |       |                               |   |
| Ordinary shares                     | 10    | 468,125                       | 120,000   |
| Share Premium Reserve               | 10    | 1,019,035                     |   |
| Options & Warrants                  | 10    | 518,200                       |   |
| Retained earnings/(loss)            |       | (939,342)                     | (79,625)  |
| <b>Total equity</b>                 |       | 1,066,018                     | 40,375  |
| <b>Current Liability</b>            |       |                               |   |
| Other payables                      | 11    | 44,955                        | 635,162   |
| <b>Total equity and liabilities</b> |       | 1,110,973                     | 675,537   |

The notes to the financial statements form an integral part of these financial statements.

These financial statements were approved by the board of directors and recognized for issue on 29<sup>th</sup> June 2023, and are signed on its behalf by:



**Ippolito Cattaneo**  
Chief Executive Officer & Director

Company Registration No. 13467546  
Date 29<sup>th</sup> June 2023

**AJAX RESOURCES PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

|  | Ordinary<br>share<br>capital | Share<br>Premium<br>Reserve | Warrants<br>and share<br>options | Retained<br>losses | Total            |
|--|------------------------------|-----------------------------|----------------------------------|--------------------|------------------|
|  | £                            | £                           | £                                | £                  | £                |
| <b>Balance at at 21 June 2021</b>                  | <b>12,500</b>                | -                           | -                                | -                  | <b>12,500</b>    |
| Share issue  | 107,500                      | -                           | -                                | -                  | 107,500          |
| Loss and total comprehensive income for the period | -                            | -                           | -                                | (79,625)           | (79,625)         |
| <b>Balance at 28 February 2022</b>                 | <b>120,000</b>               | -                           | -                                | <b>(79,625)</b>    | <b>40,375</b>    |
| Share issue  | 348,125                      | -                           | -                                | -                  | 348,125          |
| Share Premium                                      | -                            | 1,044,375                   | -                                | -                  | 1,044,375        |
| Share issue costs                                  | -                            | (25,340)                    | -                                | -                  | (25,340)         |
| Warrants issued                                    |                              |                             | 96,000                           |                    | 96,000           |
| Options issued                                     |                              |                             | 422,200                          |                    | 422,200          |
| Loss and total comprehensive income for the period | -                            | -                           | -                                | (859,717)          | (859,717)        |
| <b>Balance at 28 February 2023</b>                 | <b>468,125</b>               | <b>1,019,035</b>            | <b>518,200</b>                   | <b>(939,342)</b>   | <b>1,066,018</b> |

Share Capital is the amount subscribed for shares at nominal value.

The retained earnings represent the cumulative results of the company attributable to equity shareholders.

**AJAX RESOURCES PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2023**

|   | Year to 28<br>February 2023 | From 21 June 2021<br>to 28 February 2022 |
|---|-----------------------------|--|
|   | £                           | RESTATED<br>£                            |
| <b>Cash flows from operating activities</b>                     |                             |  |
| <b>Loss before tax</b>  | (859,717)                   | (79,625)                                 |
| Increase in receivables   | (4,353)                     | (11,952)                                 |
| Increase in payables  | 34,457                      | 10,498                                   |
| Share Based Payments  | 518,200                     | -  |
| <b>Net cash used in operating activities</b>                    | <b>(311,413)</b>            | <b>(81,079)</b>                          |
| Promissory Notes  | (337,508)                   | -  |
| <b>Cash flows from investing activities</b>                     | <b>(337,508)</b>            | <b>-</b>                                 |
| <b>Net cash used in investing activities</b>                    | <b>(337,508)</b>            | <b>-</b>                                 |
| <b>Cash flows from financing activities</b>                     |                             |  |
| Shares Prepayment   |                             | 646,000                                  |
| Proceeds from the issue of ordinary shares (net of issue costs) | 781,081                     | 60,079                                   |
| <b>Net cash from financing activities</b>                       | <b>781,081</b>              | <b>706,079</b>                           |
| Net increase / (decrease) in cash and cash equivalents          | 132,160                     | 625,000                                  |
| <b>Cash and cash equivalents at the start of the period</b>     | <b>625,000</b>              | <b>-</b>                                 |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>757,160</b>              | <b>625,000</b>                           |

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 28 FEBRUARY 2023

#### 1. General Information

Ajax Resources Plc (the 'Company') is a public company limited by shares incorporated in England and Wales. The registered office is Salisbury House, London Wall, London, EC2M 5PS, UK. The Company's principal activities and nature of its operations are disclosed in the Directors' report.

The Company is listed on the main market of London Stock Exchange since 7<sup>th</sup> April 2022.

#### 2. New Standards and Interpretations

No new standards, amendments or interpretations, effective for the first time for the period beginning on or after 21 June 2021 have had a material impact on the Company.

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

| Standard | Impact on initial application  | Effective date                  |
|----------|--|---------------------------------|
| IAS 1    | Classification of Liabilities as Current or Non-Current                          | Not earlier than 1 January 2024 |
| IAS 1    | Disclosure of accounting policies  | 1 January 2023                  |
| IAS 8    | Accounting estimates   | 1 January 2023                  |
| IAS 12   | Deferred tax related to assets and liabilities arising from a single transaction | 1 January 2023                  |
| IFRS 17  | Insurance contracts  | 1 January 2023                  |

The Directors are evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the financial statements of the Company.

#### 3. 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 period presented, unless otherwise stated.

##### 3.1 Basis of preparation

The financial statements cover the year to 28 February 2023. The comparative period presented was from 21 June 2021 to 28 February 2022.

These Company financial statements were prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional and presentation currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

##### 3.2 Going concern

Based on the forecasted expenditure for the period to 30 June 2024, the Directors are of the opinion that the Company will have sufficient cash for the foreseeable future. The Directors are therefore of the opinion that the Company has adequate financial resources to enable it to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

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### 3.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments, with original maturities of three months or less.

### 3.4 Financial instruments

#### i) *Financial assets*

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies financial assets as at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

Financial assets, including trade and other receivables and cash and bank balances, are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortized cost using the effective interest method. At the end of each reporting period financial assets measured at amortized cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognized the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognized. The impairment reversal is recognized in the income statement.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### ii) *Financial liabilities*

Basic financial liabilities, being trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires. The Company does not hold or issue derivative financial instruments.



# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 28 FEBRUARY 2023*

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### 3.5 Share capital

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

### 3.6 Taxation

Taxation represents the sum of the current tax and deferred tax.

Current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is recognized, or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

### 3.7 Employee benefits

The costs of short-term employee benefits are recognized as a liability and an expense unless those costs are required to be recognized as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognized in the period in which the employee's services are received.

Termination benefits are recognized immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 3.8 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors are of the opinion that there were no estimates and assumptions which had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities during the period ended.

### 3.9 Correction to prior year errors

The Company corrected material prior period adjustments/errors retrospectively in this first set of financial statements approved for issue, after their discovery. The Restatement of the 2021 was necessary to correct a "material" inaccuracy of the previous auditor, to show correctly the "Cash and cash equivalent" value. All the related notes were amended accordingly, and the restatement is clearly indicated.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

### 4. Loss before taxation

The expenses for the period increased in respect of the previous year, due to the expenses for the research of a producing asset.

| Administrative Expenses                     | Year to 28<br>February 2023<br>£ | From 21 June 2021<br>to 28 February<br>2022<br>£ |
|---|----------------------------------|--|
| <b>Total recurring expenses</b>             | 323,809                          | 11,689   |
| <b>Share based payment (non cash items)</b> | 518,200                          | -  |
| <b>Total non-recurring expenses</b>         | 34,013                           | 67,936   |
| <b>Total Administrative Expenses</b>        | <b>876,022</b>                   | <b>79,625</b>                                    |

### Audit fees

|                            | Year to 28 February<br>2023<br>£ | From 21 June<br>2021 to 28<br>February 2022<br>£ |
|----------------------------|----------------------------------|--|
| Directors' remuneration    | -                                | -  |
| Auditor's remuneration (i) | 15,250                           | 5,250  |

(i): The audit fee for the period was £18,000, of which £ 10,000 is in respect of the current Auditor, Shipleys LLP, and £ 8,000 relating to the former auditor. During the period, the Company also incurred non-audit fees of £1,000 from its former auditor for acting as the reporting accountant in connection with its listing on the London Stock Exchange.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

### 5. Taxation

| Taxation   | Year to 28<br>February 2023<br>£ | From 21 June<br>2021 to 28<br>February 2022<br>£ |
|--|----------------------------------|--|
| Loss before taxation   | (859,717)                        | (79.625)   |
| Tax calculated at the domestic rate<br>applicable of 19%     | -                                | -  |
| Tax losses for which no deferred tax<br>asset was recognized | -                                | -  |
| Total tax charge   | -                                | -  |

There was no tax arising in the Company.  
The Company has no tax losses to carry forward against future profits.

### 6. Loss per share

In the past exercise there was no difference between the basic and diluted loss per share as there were no potential ordinary shares outstanding during that period.

| Loss per share                                | Year to 28 February<br>2023<br>£ | From 21 June 2021<br>to 28 February 2022<br>£ |
|---|----------------------------------|---|
| Loss attributable to equity shareholders      | (859,717)                        | (79.625)                                      |
| Weighted average number of ordinary<br>shares | 46,812,500                       | 8.327.756                                     |
| Loss per share in <u>pence</u> :              |                                  |   |
| Basic   | (1.84)                           | (0.96)  |
| Diluted                                       | (1.84)                           | (0.96)  |

### 7. Directors' and Employees' Remuneration

There were no directors' remunerations paid during the year (2022: £nil)  
There were no employees and wages during the year (2022: £nil).

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 28 FEBRUARY 2023

#### 8. Other receivables

| Other receivables              | Year to 28 February<br>2023<br>£ | From 21 June 2021<br>to 28 February 2022<br>RESTATED<br>£ |
|--------------------------------|----------------------------------|---|
| Receivable from shareholders   | -                                | 35,585  |
| Account receivable             | 16,305                           | -   |
| Promissory Notes granted       | 337,508                          | -   |
| <b>Total other receivables</b> | <b>353,813</b>                   | <b>35,585</b>   |

Other receivables relate to the promissory notes granted to a financial counterparty, with a duration of 3 months and for a flat interest of 10%, and the related accrued interest. As of 28 February 2023, the amount granted was £496,013 for a financial income of £16,305 recognised as a revenue in the Profit and Loss Statement. The outstanding balance of these negotiable instruments at the year-end was £337,508, the borrower having reimbursed £158,505 during the period.

The fair value of other receivables approximates to the net book values stated above.

#### 9. Cash and cash equivalents

|                            | Year to 28<br>February 2023<br>£ | From 21 June<br>2021 to 28<br>February 2022<br>RESTATED<br>£ |
|----------------------------|----------------------------------|--|
| Cash on hand               | -                                | -  |
| Balances with banks        | 757,160                          | 625,000  |
| <b>At 28 February 2022</b> | <b>757,160</b>                   | <b>625,000</b>   |

#### 10. Share capital

|                                 | Shares issued and fully paid |                    |
|---------------------------------|------------------------------|--------------------|
|                                 | Number of<br>ordinary shares | Share capital<br>£ |
| Nominal value                   |                              | £0.01              |
| At 21 June 2021 – incorporation | 1,250,000                    | 12,500             |
| Issued                          | 10,750,000                   | 107,500            |
| <b>At 28 February 2022</b>      | <b>12,000,000</b>            | <b>120,000</b>     |
| At 07/04/2022 - Admission       | 1,312,500                    | 13,125             |
| At 07/04/2022 - Admission       | 33,500,000                   | 335,000            |
| <b>At 28 February 2023</b>      | <b>46,812,500</b>            | <b>468,125</b>     |

The following shares issues were made during the period ended 28 February 2023:

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 28 FEBRUARY 2023**

Upon and subsequent to the admission of the ordinary shares to the standard segment of the official list maintained by the FCA (“**Official List**”) and to trading on the Main Market for listed securities of the London Stock Exchange on 7 April 2022, the Company raised net proceeds of £1,314,660 by the issue of 33,500,000 ordinary shares which have been issued at 4p per ordinary share (the “Placing Price”) by the Company with investors through placing and subscription, together with Issue of 1,312,500 Fee Shares for payment to advisors including to CAPS under the commission agreement.

The following is a summary of the changes in the issued Ordinary Shares of the Company since its incorporation:

- (a) On 21 June 2021, 4,750,000 Ordinary Shares were allotted and issued, credited as fully paid up, 1,200,000 to Consuelo Giuliana Brenner, 3,075,000 to Ippolito Cattaneo, 475,000 to Luca Benedetto.
- (b) On 17 September 2021, 2,000,000 Ordinary Shares were allotted and issued, credited as fully paid up, 1,700,000 to Ippolito Cattaneo, 300,000 to Luca Benedetto.
- (c) On 23 December 2021, 4,000,000 Ordinary Shares were allotted and issued, credited as fully paid up, 1,000,000 to Consuelo Giuliana Brenner, 2,100,000 to Michael Hutchinson, 900,000 to Ippolito Cattaneo.
- (d) On 7 April 2022, the Company issued of 34,812,500 ordinary shares in connection with the admission to trading on the Main Market for listed securities of the London Stock Exchange.

### WARRANTS AND OPTIONS

On Admission, the Company issued:

• Warrants as follows:

|                   |           |
|-------------------|-----------|
| • Broker Warrants | 362,000   |
| • CGB Warrants    | 3,514,688 |
| TOTAL             | 3,876,688 |

• Options as follows:

|                      |            |
|----------------------|------------|
| • Ippolito Cattaneo  | 5,857,813  |
| • Michael Hutchinson | 3,514,688  |
| • Luca Benedetto     | 2,343,125  |
| TOTAL                | 11,715,626 |

- a) Each Broker Warrant will entitle Clear Capital Markets Ltd (the “**Broker**”) to subscribe for one Ordinary Share at the Placing Price per each Ordinary Share. The Broker Warrants will not be admitted to trading on the Official List but shall be freely transferable. Broker must exercise any the Broker Warrants within a two-year period from Admission. The Broker Warrants may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Board.
- b) Each Consuelo Giuliana Brenner (“**CGB**”) Warrant will entitle Consuelo Giuliana Brenner to subscribe for one Ordinary Share at the Placing Price per each Ordinary Share. The CGB Warrants will not be admitted to trading on the Official List and are not transferable. Consuelo Giuliana Brenner must exercise any the CGB Warrants within a three-year period from Admission.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

- c) On Admission, the Company granted a total of 11,715,626 share options (the “**Options**”) to the Directors to subscribe for Ordinary Shares at the placing price, £0.04. The Options vested on November 14, 2022, when the share price of the Company’s Ordinary Shares reached 8p (8 pence). The Directors may exercise the Options within a five-year period from Admission, subject to the Options having vested.

|                                   | Number of options | Number of warrants | Weighted average exercise price | Amount £       |
|-----------------------------------|-------------------|--------------------|---------------------------------|----------------|
| <b>Balance – 21 June 2021</b>     | -                 | -                  | -                               | -              |
| Warrants issued                   | -                 | -                  | -                               | -              |
| Warrants exercised                | -                 | -                  | -                               | -              |
| Warrants expired                  | -                 | -                  | -                               | -              |
| Option Issued                     | -                 | -                  | -                               | -              |
| Options expired                   | -                 | -                  | -                               | -              |
| <b>Balance – 28 February 2022</b> | -                 | -                  | -                               | -              |
| Warrants issued                   | -                 | 3,876,668          | 0.04                            | 96,000         |
| Warrants exercised                | -                 | -                  | -                               | -              |
| Warrants expired                  | -                 | -                  | -                               | -              |
| Option Issued                     | 11,715,686        | -                  | 0.04                            | 422,200        |
| Options expired                   | -                 | -                  | -                               | -              |
| <b>Balance – 28 February 2023</b> | <b>11,715,626</b> | <b>3,876,668</b>   | <b>0.04</b>                     | <b>518,200</b> |

### WARRANTS

During the year ended 28 February 2023, the Company issued 3,876,668 warrants (28 February 2022 – nil), and its issue originated a fair value amount of £96,000 (28 February 2022 - £ nil) that was debited as share-based payment, non-cash item cost, in the P&L.

As of 28 February 2023, the Company had 3,876,668 (28 February 2022 – nil) warrants outstanding (relating to 3,878,668 shares) and exercisable at a weighted average exercise price of £ 0.04 per share with a weighted average life remaining of 1.61 years. The fair value of each warrants is £0.025.

All the warrants were in the money as of 28 February 2023, and they are all exercisable at the year end.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

### OPTIONS

| Grant Date       | 28 February 2023  |                           | 28 February 2022  |                           | Expiry Date      |
|------------------|-------------------|---------------------------|-------------------|---------------------------|------------------|
|                  | Number of options | Exercise price per unit £ | Number of options | Exercise price per unit £ |                  |
| 14 November 2022 | 11,715,626        | 0.04                      | -                 | -                         | 14 November 2022 |
| <b>TOTAL</b>     | <b>11,715,626</b> | <b>0.04</b>               | -                 | -                         |                  |

During the year ended 28 February 2023, the Company issued 11,715,626 stock options (28 February 2022 - Nil), the options exercised were Nil (2022 - Nil) and Nil (2022 - Nil) stock options expired. Its issue originated a fair value amount of £422,200 (28 February 2022 - £ nil) that was debited as share-based payment, non-cash item cost, in the P&L.

As of 28 February 2023, the Company had 11,715,626 (2022 - Nil) stock options outstanding (relating to 11,715,626 shares) and exercisable at a weighted average exercise price of £ 0.04 per share with a weighted average life remaining of 4.71 years. The fair value of each stock option is £0.036.

All the options were in the money as of 28 February 2023, and they are all exercisable at the year end.

The table below represent the movement of the options during the FY 2023, and the comparative period 2022.

|                                   | Number of options |
|-----------------------------------|-------------------|
| <b>Balance – 21 June 2021</b>     | -                 |
| Options issued                    | -                 |
| Options expired                   | -                 |
| <b>Balance – 28 February 2022</b> | -                 |
| Options issued                    | 11,715,626        |
| Options expired                   | -                 |
| <b>Balance – 28 February 2023</b> | <b>11,715,626</b> |

The fair value of the options is the actual worth of an option-buying or selling it at this price leaves little to no profit opportunity. This amount was calculated using the Black-Scholes pricing model calculations based on the following significant assumptions:

|                         |               |
|-------------------------|---------------|
| Risk-free interest rate | 0.50% - 0.70% |
| Expected volatility     | 100%          |
| Expected life           | 5 years       |
| Dividends               | Nil           |

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

### 11. Other payables

| Other payables              | Year to 28 February<br>2023<br>£ | From 21 June 2021<br>to 28 February 2022<br>£ |
|-----------------------------|----------------------------------|---|
| Payables to shareholders    | -                                | 625,000                                       |
| Other creditors             | 44,955                           | 10,162  |
| <b>Total other payables</b> | <b>44,955</b>                    | <b>635,162</b>                                |

The fair value of other payables approximates to the net book values stated above.

### 12. Reserves

The following reserves describe the nature and purpose of each reserve within equity:

**Share capital:** Represents the nominal value of the issued share capital.

**Share premium:** credited difference in price between the par value, or face value of shares, and the total value a company received for issued shares.

**Retained earnings:** Represents accumulated comprehensive income for the period.

### 13. Financial assets and liabilities

The tables below analyse the carrying value of financial assets and financial liabilities in the Company's statements of financial position. Further information on the classes that make up each category is provided in the notes indicated. The carrying value of each category is considered a reasonable approximation of its fair value. All amounts are due within one year.

#### FINANCIAL ASSETS – CARRYING VALUE

| 28 February, 2022                             | Carrying<br>amount<br>£ | Contractual<br>cash flows<br>£ | 6 months<br>or less<br>£ | 6 to 12<br>months<br>£ | 1 to 2<br>years<br>£ | 2 to 5<br>years<br>£ |
|---|-------------------------|--------------------------------|--------------------------|------------------------|----------------------|----------------------|
| <b>Financial assets at<br/>amortised cost</b> |                         |                                |                          |                        |                      |                      |
| Other receivables                             | 38,585                  | -                              | 38,585                   | -                      | -                    | -                    |
| Cash and cash equivalents                     | 625,000                 | -                              | 625,000                  | -                      | -                    | -                    |
|   | <b>663,585</b>          | <b>-</b>                       | <b>663,585</b>           | <b>-</b>               | <b>-</b>             | <b>-</b>             |
| 28 February, 2023                             | Carrying<br>amount<br>£ | Contractual<br>cash flows<br>£ | 6 months<br>or less<br>£ | 6 to 12<br>months<br>£ | 1 to 2<br>years<br>£ | 2 to 5<br>years<br>£ |
| <b>Financial assets at<br/>amortised cost</b> |                         |                                |                          |                        |                      |                      |
| Other receivables                             | 353,813                 | -                              | 353,813                  | -                      | -                    | -                    |
| Cash and cash equivalents                     | 757,160                 | -                              | 757,160                  | -                      | -                    | -                    |
|   | <b>1,110,973</b>        | <b>-</b>                       | <b>1,110,973</b>         | <b>-</b>               | <b>-</b>             | <b>-</b>             |



# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

### FINANCIAL LIABILITIES – CARRYING VALUE

|  | Carrying amount | Contractual cash flows | 6 months or less | 6 to 12 months | 1 to 2 years | 2 to 5 years |
|--|-----------------|------------------------|------------------|----------------|--------------|--------------|
| 28 February, 2022                              | £               | £                      | £                | £              | £            | £            |
| <b>Financial liabilities at amortised cost</b> |                 |                        |                  |                |              |              |
| Payables to shareholders                       | 625,000         | -                      | 625,000          | -              | -            | -            |
| Other creditors                                | 10,162          | -                      | 10,162           | -              | -            | -            |
|  | <b>635,162</b>  | <b>-</b>               | <b>635,162</b>   | <b>-</b>       | <b>-</b>     | <b>-</b>     |
| 28 February, 2023                              | £               | £                      | £                | £              | £            | £            |
| <b>Financial liabilities at amortised cost</b> |                 |                        |                  |                |              |              |
| Other creditors                                | 44,955          | -                      | 44,955           | -              | -            | -            |
|  | <b>44,955</b>   | <b>-</b>               | <b>44,955</b>    | <b>-</b>       | <b>-</b>     | <b>-</b>     |

#### 14. Commitments

The Company held no leases as at 28 February 2023. The Company holds no other commitments.

#### 15. Related party transactions

From 21 June 2021 (being the Company's date of incorporation) up to and including the date of these financial statements, the Company has not entered into any related party transactions other than:

- (a) The issue of the shares, and
- (b) the Directors' Letters of Appointment summarised below:

##### (i) Letter of Appointment – Michael Hutchinson

Pursuant to a letter of appointment dated 23 March 2022 between the Company and Michael Hutchinson, Michael Hutchinson is engaged as Non-Executive Chairman for an initial term of 12 months. Michael Hutchinson will not draw any fees until the completion of an Acquisition. If Michael Hutchinson is asked to remain as a Director following completion of an Acquisition, his further appointment will be subject to an agreement being reached between him and the Company of an annual fee commensurate with a director of his standing and which is comparable to what other companies similar to the Company pay directors in a similar role. Until the Company enters into negotiations on an Acquisition, details or the level of any annual fee cannot be provided, any annual fee will be dependent on the target company. The Company will upon entering into negotiations on an Acquisition, seek advice from appropriate advisors and review peers before entering into a new letter of appointment and agreeing an annual fee. No agreements setting out or agreeing a remuneration to Michael Hutchinson have been entered in to and any future agreements or arrangements in relation to remuneration due to Michael Hutchinson will require approval of the majority of the shareholders. The appointment can be terminated by either party on six months' written notice.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 28 FEBRUARY 2023

#### (ii) Letter of Appointment – Luca Benedetto

Pursuant to a letter of appointment dated 23 March 2022 between the Company and Luca Benedetto, Luca Benedetto is engaged as an Executive Director for an initial term of 12 months. Luca Benedetto will not draw any fees until the completion of an Acquisition. If Luca Benedetto is asked to remain as a Director following completion of an Acquisition, his further appointment will be subject to an agreement being reached between him and the Company of an annual fee commensurate with a director of his standing and which is comparable to what other companies similar to the Company pay directors in a similar role. Until the Company enters into negotiations on an Acquisition, details or the level of any annual fee cannot be provided, any annual fee will be dependent on the target company. The Company will upon entering into negotiations on an Acquisition, seek advice from appropriate advisors and review peers before entering into a new letter of appointment and agreeing an annual fee. No agreements setting out or agreeing a remuneration to Luca Benedetto have been entered in to and any future agreements or arrangements in relation to remuneration due to Luca Benedetto will require approval of the majority of the shareholders. The appointment can be terminated by either party on six months' written notice.

#### (iii) Letter of Appointment – Ippolito Cattaneo

Pursuant to a letter of appointment dated 23 March 2022 between the Company and Ippolito Cattaneo, Ippolito Cattaneo is engaged as an Executive Director for an initial term of 12 months. Ippolito Cattaneo will not draw any fees until the completion of an Acquisition. If Ippolito Cattaneo is asked to remain as a Director following completion of an Acquisition, his further appointment will be subject to an agreement being reached between him and the Company of an annual fee commensurate with a director of his standing and which is comparable to what other companies similar to the Company pay directors in a similar role. Until the Company enters into negotiations on an Acquisition, details or the level of any annual fee cannot be provided, any annual fee will be dependent on the target company. The Company will upon entering into negotiations on an Acquisition, seek advice from appropriate advisors and review peers before entering into a new letter of appointment and agreeing an annual fee. No agreements setting out or agreeing a remuneration to Ippolito Cattaneo have been entered in to and any future agreements or arrangements in relation to remuneration due to Ippolito Cattaneo will require approval of the majority of the shareholders. The appointment can be terminated by either party on six months' written notice.

(c) the Directors' investments in Company' shares, during the financial year ended 28 February 2023:

- On 7 April 2022, upon the admission of the ordinary shares to the standard segment of the official list maintained by the FCA ("**Official List**") and to trading on the Main Market for listed securities of the London Stock Exchange, the Directors subscribed ordinary shares of 1 pence each in the capital of the Company, as follows:

|                    |           |
|--------------------|-----------|
| Michael Hutchinson | 750,000   |
| Ippolito Cattaneo  | 1,875,000 |
| Luca Benedetto     | 625,000   |

- On 4 November 2022, the Chief Executive Officer, Ippolito Cattaneo, informed the Company that he acquired a further 250,000 ordinary shares of 1 pence each in the capital of the Company.
- On 7 January 2023, the Chief Executive Officer, Ippolito Cattaneo, purchased an additional 40,000 ordinary shares of 1 pence each in the capital of the Company.
- On 16 January 2023, the Chief Executive Officer, Ippolito Cattaneo, purchased a further 125,000 ordinary shares of 1 pence each in the capital of the Company.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 28 FEBRUARY 2023

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- On 23 February 2023, the Chief Executive Officer, Ippolito Cattaneo, purchased an additional 1,425,000 ordinary shares of 1 pence each in the capital of the Company. Following these purchases, Mr. Cattaneo holds a total of 10,515,000 Ordinary Shares, equivalent to 22.44% of the issued Ordinary Shares.

#### 16. Controlling Party

The Directors do not consider there to be a single ultimate controlling party as at the date of these financial statements.

#### 17. Financial instruments - Risk Management

The Company is exposed through its operations to the following financial risks:

- Liquidity risk.

##### **Liquidity risk**

The Company seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them during the period.

##### **Capital Disclosures**

The Company monitors "adjusted capital" which comprises all components of equity (i.e. share capital, share premium, retained losses and other reserves). Disclosure of all components of equity can be found in Note 10 (Share Capital) and Note 12 (Reserves).

#### 18. Capital risk management

The Company manages its capital resources to ensure that the business will have sufficient cash resources to acquire suitable investments and will be able to continue as a going concern, while maximizing shareholder return.

The Directors review the capital requirement of the business on a regular basis. The capital structure of the Company consists of equity attributable to shareholders, comprising issued share capital and reserves. The availability of new capital will depend on many factors including a positive operating environment, positive stock market conditions, the Company's track record, and the experience of management. There are no externally imposed capital requirements. The Directors are confident that adequate cash resources exist or will be made available to finance operations but controls over expenditure are carefully managed.

# AJAX RESOURCES PLC

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 28 FEBRUARY 2023*

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### **19. Other relevant events during the year ended 28 February 2023, not disclosed elsewhere in this document**

- On 16 January 2023, the Company announced the appointment of Shipleys LLP as auditors. The Company's former auditors, Jeffrey's Henry LLP, have ceased to act as auditors for "Public Interest Entities" (a definition that includes all companies on the UK Official List) and have confirmed that they have no matters which they consider should be brought to the attention of the company's members or creditors in accordance with Section 519 of the Companies Act 2006.
- On 25 January 2023, the Company announced the appointment of Eric Sondergaard to the position of consultant geologist to assist the Company in the identification of highly prospective natural resource production and development opportunities, specifically within the mining sector.

Mr. Sondergaard is a registered Professional Geoscientist (P.Ge) and a graduate of the University of Calgary in Canada with over fifteen years of operational experience in challenging and remote locations. Notably, he managed the exploration team that uncovered a super-giant rare earth deposit in Greenland. Eric has a broad spectrum of operational experience ranging from exploration, optimization, exploitation and project management, to leading contract and joint venture negotiations.

Most recently, he served as Executive Director and Chief Operating Officer at an AIM-quoted mining company, which has joint ventures with KoBold Metals and Rio Tinto Exploration, focused on developing a portfolio of critical metals projects in Greenland and Finland.

### **20. Events after the reporting date**

There are no significant events to be disclosed, after the reporting date.