

Company Registration No. 13158079 (England and Wales)

**MEDCAW INVESTMENTS PLC**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE HALF YEAR PERIOD ENDED 30 JUNE 2023**

## **CHAIRMAN'S STATEMENT**

### **Operational Review**

Following its successful listing on the Standard Main Market of the London Stock Exchange, having raised £637,000 in December 2022, the company commenced its search for a suitable acquisition target with the potential to return real value to shareholders.

The directors reviewed several opportunities before, subsequent to the period end, agreeing on 7<sup>th</sup> July 2023 to enter into a conditional implementation agreement with Abyssinian Metals Limited ("AML"), a company incorporated in Australia and developing the Kenticha lithium project located in Oromia State, Southern Ethiopia. Subject to the Company being satisfied with technical, legal, accounting, tax, financial, commercial and environmental due diligence on AML the Company will consider making an offer to acquire up to 100% of the entire issued share capital of AML.

The Proposed Acquisition constitutes a reverse takeover under the Listing Rules. The Company is currently unable to provide full disclosure under Listing Rule 5.6.15 in relation to AML and subsequently requested a suspension of trading in its shares with effect from 7<sup>th</sup> July. The trading of the Company's shares will remain suspended until such time as a prospectus is published in relation to the Proposed Acquisition.

Medcaw Investments will make an offer to AML shareholders to acquire up to 100% of the issued share capital of AML. Consideration will be made through the issue of new shares in Medcaw to accepting shareholders of AML. The Proposed Acquisition is conditional on approval by shareholders of Medcaw Investments making a code-compliant offer for shares in Australia, which requires a minimum of 51% acceptance followed by a reverse transaction on the London Stock Exchange, which will be completed in due course.

The Proposed Acquisition remains subject, amongst other things, to completion of customary due diligence, negotiation of transaction details, and admission of the enlarged company on the London Stock Exchange and therefore, there is no certainty that the Proposed Acquisition will complete.

Kenticha is a highly evolved, rare element, Lithium Caesium Tantalum (LCT) pegmatite project comparable to other major rare-element pegmatites such as Greenbushes, Tanco, Wodgina, Volta Grande and Altai No.3. Kenticha is a late stage development asset which AML intends to develop with the production of spodumene concentrate planned in stages, with near-term production through a Dense Medium Separation (DMS) modular plant.

Recent progress of the Kenticha site includes initial camp construction to accommodate the operating team and security personnel, provisions of services to the local community, and civil works including roads, water, and power. There have been discussions and provisional agreements with port authorities for port access and freight forwarding arrangements, as well as mobilisation of contractors and equipment for the start-up of operations including drilling programmes which recently commenced. The construction and fabrication of the DMS modular plant for the Stage 1 Near Term Production has been custom-built in Johannesburg and is in the process of being packed up and shipped to Ethiopia. It is anticipated that the Stage 1 (a) DMS will be in-situ at the Kenticha site in August 2023 and commissioning will start thereafter with the first SC5.5 being produced by the end of 2023.

Additionally, the Company raised gross proceeds of £400,000 via the issue of a total of 5,000,000 new Ordinary Shares in the Company. These shares rank pari passu with the existing Ordinary Shares in the Company. Alongside the equity raise, 300,000 broker warrants at the placing price of 8p per share and 1,600,000 warrants at 4p were also issued to a third-party consultant for transactional services.

### **Board Changes**

Marcus Yeoman and Charles Wood were appointed directors of the Company with effect from 3 March 2023. At the same time, Fungai Ngoro and Daniel Maling resigned as directors of the Company. With effect from 17 April 2023, Marcus assumed the role of Non-Executive Chairman, Charles Wood as Executive Director and Sarah Cope as Non-Executive Director.

## **Financial Review**

The Company incurred administrative expenses of £135,975 during the six months to 30 June 2023. At the end of the period the Company had cash and trade and other receivables of £533,730.

## **Outlook**

The directors are working with the Company's advisers on the acquisition of AML and the re-admission of the Company's shares to trading on the London Stock Exchange with the aim of completing this transformational and value enhancing transaction in as short a time frame as possible.

## **Principal Risks and Uncertainties**

The principal risks and uncertainties for the remaining six months of the financial year remain the same as those contained within the annual report and accounts as at 31 December 2022.

## **Related Party Transactions**

No related party transactions have taken place in the first six months of the current financial year. There have been no changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

## **Statement of Directors' Responsibilities**

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

**Marcus Yeoman**  
**Non-Executive Chairman**  
29 September 2023

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR 6 MONTHS TO 30 JUNE 2023**

		Unaudited 6 months ended 30 June 2023 £	Unaudited 6 months ended 30 June 2022 £	Audited 12 months ended 31 Dec 2022 £
Revenue		-	-	
Administrative expenses		(135,975)	-	(194,006)
<b>Operating result</b>		<b>(135,975)</b>	<b>-</b>	<b>(194,006)</b>
Finance income/(expense)		-	-	-
<b>Loss before taxation</b>		<b>(135,975)</b>	<b>-</b>	<b>(194,006)</b>
Income tax		-	-	-
<b>Loss for the period and total comprehensive income for the period</b>		<b>(135,975)</b>	<b>-</b>	<b>(194,006)</b>
Basic and diluted loss per ordinary share (pence)	3	(0.77)	(-)	(1.90)

**CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

		Unaudited	Unaudited	Audited
		As at	As at	As at 31
	Note	30 June 2023	30 June 2022	December 2022
		£	£	£
<b>ASSETS</b>				
<b>Current assets</b>				
Other current assets	4	171,475	-	187,160
Cash and cash equivalents		362,255	220,499	643,872
<b>Total assets</b>		<b>533,730</b>	<b>220,499</b>	<b>831,032</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade & other payables	5	79,382	32,000	240,709
<b>Total liabilities</b>		<b>79,382</b>	<b>32,000</b>	<b>240,709</b>
<b>Net assets</b>		<b>454,348</b>	<b>188,499</b>	<b>590,323</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners</b>				
Ordinary share capital	6	171,320	102,500	171,320
Share premium	6	679,110	152,100	679,110
Accumulated losses		(396,082)	(66,101)	(260,107)
<b>Total equity</b>		<b>454,348</b>	<b>188,499</b>	<b>590,323</b>

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
AS AT 30 JUNE 2023**

	Ordinary share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Profit for the period	-	-	(2,685)	(2,685)
<b>Total comprehensive income for the period</b>	-	-	<b>(2,685)</b>	<b>(2,685)</b>
<b>As at 31 December 2021</b>	<b>97,500</b>	<b>137,100</b>	<b>(66,101)</b>	<b>168,499</b>
Profit for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-
<b>Transactions with owners</b>				
Ordinary shares issued during period	5,000	15,000	-	20,000
Total transactions with owners	5,000	15,000	-	20,000
<b>As at 30 June 2022</b>	<b>102,500</b>	<b>152,100</b>	<b>(66,101)</b>	<b>188,499</b>
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(194,006)	(194,006)
<b>Total comprehensive loss for the year</b>	-	-	<b>(194,006)</b>	<b>(194,006)</b>
<b>Transactions with owners</b>				
Ordinary shares issued during year	68,820	588,712	-	657,532
Share issue costs	-	(61,702)	-	(61,702)
Total transactions with owners	68,820	527,010	-	595,830
<b>As at 31 December 2022</b>	<b>171,320</b>	<b>679,110</b>	<b>(260,107)</b>	<b>590,323</b>
<b>Comprehensive loss for the period</b>				
Loss for the period	-	-	(135,975)	(135,975)
<b>Total comprehensive loss for the period</b>	-	-	<b>(135,975)</b>	<b>(135,975)</b>
<b>Transactions with owners</b>				
Ordinary shares issued during the period	-	-	-	-
Share issue costs	-	-	-	-
Total transactions with owners	-	-	-	-
<b>As at 30 June 2023</b>	<b>171,320</b>	<b>679,110</b>	<b>(396,082)</b>	<b>454,348</b>

**CONDENSED STATEMENT OF CASH FLOWS  
FOR 6 MONTHS TO 30 JUNE 2023**

	Unaudited 6 months ended 30 June 2023 £	Unaudited 6 months ended 30 June 2022 £	Audited 12 months ended 31 Dec 2022 £
<b>Cash flows from operating activities</b>			
Loss before income tax	(135,975)	-	(194,006)
<i>Adjustments for:</i>			
Share based payments	-	-	9,422
Increase in other receivables	(21,565)	-	-
Decrease in other payables	(161,327)	-	-
<b>Net cash from operating activities</b>	<b>(318,867)</b>	<b>-</b>	<b>152,675</b>
<b>Cash flows from financing activities</b>			
Cash received from issue of ordinary Shares	187,250	20,000	475,282
Issue of loan	(150,000)	-	-
<b>Net cash inflow from financing activities</b>	<b>37,250</b>	<b>20,000</b>	<b>475,282</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(281,617)</b>	<b>20,000</b>	<b>443,373</b>
Cash and cash equivalents at beginning of period	643,872	200,499	200,499
<b>Cash and cash equivalents at end of period</b>	<b>362,255</b>	<b>220,499</b>	<b>643,872</b>

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR 6 MONTHS TO 30 JUNE 2023**

**1 General information**

The Company was incorporated on 11 December 2020 as a public company in England and Wales with company number 13078596 under the Companies Act, 2006.

The address of its registered office is Central Working Victoria Ecclestone Yards, 25 Ecclestone Place London SW1W 9NF United Kingdom.

The principal activity of the Company is to pursue one or more acquisitions in the natural resources field.

**2 Accounting policies**

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

**2.1 Basis of preparation**

The Interim Financial Statements of the Company are unaudited condensed financial statements for the six month period ended 30 June 2023.

The accounting policies applied by the Company in these Interim Financial Statements, are the same as those applied by the Company in its financial statements and have been prepared on the basis of the accounting policies applied for the financial year to 31 December 2022 which have been prepared in accordance with IFRS as adopted by UK for. The Company Financial Statements have been prepared using the measurement bases specified by IFRS each type of asset, liability, income and expense.

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. The functional and presentational currency of the Company is Pounds Sterling (£).

The business is not considered to be seasonal in nature.

The comparative figures have been presented as the Company Financial Statements cover the 6 month period ended 30 June 2022 and the 12 month period ended 31 December 2022.

**New standards, amendments and interpretations adopted**

During the current period the Company adopted all the new and revised standards, amendments and interpretations that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Company.

**New standards, amendments and interpretations not yet adopted by the Company.**

The standards and interpretations that are relevant to the Company, issued, but not yet effective, up to the date of these interim Financial information have been evaluated by the Directors and they do not consider that there will be a material impact of transition on the financial information.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company has based the going concern assumption on a base case, where any proposed transaction does not take place meaning the entity has the ability to meet its working capital requirements from existing cash. The existing cash, including the amounts raised post year end, are sufficient to meet the working capital requirements of the Company going forward when outgoings are reduced to only committed costs. This includes applying mitigation measures to reduce the cost base of the Company. As a result of this the directors believe that the going concern assumption is appropriate.

Under the scenario that any proposed acquisition does take place the Company would secure additional funding at IPO to ensure that all future capital commitments would be able to be satisfied.

Taking these matters into consideration, the Directors consider that the continued adoption of the going concern basis is appropriate having reviewed the forecasts for the coming 12 months from the date of signing and the financial



**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR 6 MONTHS TO 30 JUNE 2023**

statements do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

**2.4 Cash and cash equivalents**

The Directors consider any cash on short-term deposits and other short-term investments to be cash equivalents.

**2.5 Financial assets and liabilities**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

**2.6 Earnings per Ordinary Share**

The Company presents basic and diluted earnings per share data for its Ordinary Shares. Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

**2.7 Equity**

Share capital is determined using the nominal value of shares that have been issued.

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Retained losses includes all current and prior period results as disclosed in the income statement.

**2.8 Critical accounting estimates and judgments**

**3 Loss per Ordinary Share**

	<b>As at 30 June 2023</b>	<b>As at 30 June 2022</b>	<b>As at 31 Dec 2022</b>
<b>Basic loss per Ordinary Share</b>			
Earnings attributable to Shareholders	(135,975)	-	(66,101)
Weighted average number of Ordinary Shares	17,132,095	9,894,444	9,589,610
Basic and diluted loss per share (pence)	<b>(0.79)</b>	-	<b>(0.69)</b>

**NOTES TO THE INTERIM FINANCIAL INFORMATION  
FOR 6 MONTHS TO 30 JUNE 2023**

**4 Trade and other receivables**

	As at 30 June 2023 £	As at 30 June 2022 £	As at 31 December 2022 £
Prepayments	21,475	-	-
Other receivables <sup>1</sup>	150,000	-	-
IPO Funds	-	-	187,160
	<b>171,475</b>	<b>-</b>	<b>187,160</b>

1- On 23rd June 2023, Medcaw Investments (MCI) entered into an agreement whereby MCI would provide a £150,000 unsecured loan to Abyssinian Metals Limited (AML) to fund working capital requirements until such a time that MCI acquired the full share capital of AML per the RNS on 7th July 2023. The agreement is at arms length with interest accruing at 10% per annum. The loan is payable on demand and is fully convertible into ordinary shares of AML at the lenders discretion.

**5 Trade and other payables**

	As at 30 June 2023 £	As at 30 June 2022 £	As at 31 December 2022 £
Trade payables	40,928	-	203,256
Accruals	38,454	-	37,453
Convertible debt	-	32,000	-
	<b>79,382</b>	<b>32,000</b>	<b>240,709</b>

**6 Share Capital**

	Ordinary Shares	Share Capital £	Share Premium £	Total £
<b>At 31 December 2021</b>	<b>9,750,000</b>	<b>97,500</b>	<b>137,100</b>	<b>234,600</b>
<b>Issue of ordinary shares<sup>3</sup></b>	<b>500,000</b>	<b>5,000</b>	<b>15,000</b>	<b>20,000</b>
<b>At 30 June 2022</b>	<b>10,250,000</b>	<b>102,500</b>	<b>152,100</b>	<b>254,600</b>
Issue of ordinary shares	511,275	5,113	15,338	20,451
IPO shares	6,370,820	63,707	573,374	637,081
Share issue costs	-	-	(61,702)	(61,702)
<b>At 31 December 2022</b>	<b>17,132,095</b>	<b>171,320</b>	<b>679,110</b>	<b>850,430</b>
Movement in the period	-	-	-	-
<b>At 30 June 2023</b>	<b>17,132,095</b>	<b>171,320</b>	<b>679,110</b>	<b>850,430</b>

**7 Warrants**

	<b>As at 30 June 2023</b>	
	<b>Weighted average exercise price</b>	<b>Number of warrants</b>
Brought forward at 1 January 2023	4p	4,000,000
Granted in the period	-	-
Vested in the period	-	-
Outstanding at 30 June 2023	4p	4,000,000
Outstanding at 30 June 2023	4p	4,000,000

	<b>As at 31 December 2022</b>	
	<b>Weighted average exercise price</b>	<b>Number of warrants</b>
Brought forward at 1 January 2022	-	-
Granted in year	4p	4,000,000
Vested in year	4p	4,000,000
Outstanding at 31 December 2022	4p	4,000,000
Exercisable at 31 December 2022	4p	4,000,000

The weighted average time to expiry of the warrants as at 31 December 2022 is 1.48 years

**8 Related party transactions**

There have been no material related party transactions in the period that require disclosure.

**9 Events subsequent to the reporting date**

*Signing of conditional implementation agreement with Abyssinian Metals Limited and Equity Fundraise*

On 7<sup>th</sup> July 2023 Medcaw entered into a conditional implementation agreement with Abyssinian Metals Limited ("AML"), a company incorporated in Australia and developing the Kenticha lithium project located in Oromia State, Southern Ethiopia. Subject to the Company being satisfied with technical, legal, accounting, tax, financial, commercial and environmental due diligence on AML the Company will consider making an offer to acquire up to 100% of the entire issued share capital of AML.

Additionally the Company raised gross proceeds of £400,000 via the issue of a total of 5,000,000 new Ordinary Shares in the Company. These shares rank pari passu with the existing Ordinary Shares in the Company. Alongside the equity raise 300,000 broker warrants at the placing price of 8p per share and 1,600,000 warrants at 4p were also issued to a third-party consultant for transactional services.

**10 Financial commitments and contingent liabilities**

There were no financial commitments or contingent liabilities of the Company as at 30 June 2023.

**11 Ultimate controlling party**

As at 30 June 2023, there was no ultimate controlling party of the Company.