

Company Registration Number: 02401127

KENDRICK RESOURCES PLC

ANNUAL REPORT
29 DECEMBER 2021



CONTENTS

	<i>Page</i>
Directors and advisers	2
Chairman's Statement	3
Strategic report	5
Board of Directors	9
Directors' Remuneration Report	11
Corporate Governance Statement	13
Directors' report	15
Statement of Directors' responsibilities	18
Independent Auditor's Report	19
Company Statement of Comprehensive Income	24
Company Statement of Financial Position	25
Company Statement of Cash Flow	26
Company Statement of Changes in Equity	27
Notes to the Financial Statements	28

DIRECTORS AND ADVISERS

DIRECTORS

C Bird Chairman

M A Borrelli Non-Executive Director (appointed 9 February 2022)

K Thygesen Non-Executive Director

E Kirby – Non-Executive Director (appointed 9 February 2022)

COMPANY SECRETARY

N A C Lott (appointed 9 February 2022)

M A Borrelli (resigned 9 February 2022)

REGISTERED AND HEAD OFFICE

7/8 Kendrick Mews

London SW7 3HG

Registered No. 02401127

AUDITORS

Crowe U.K. LLP

55 Ludgate Hill

London EC4M 7JW

FINANCIAL ADVISER AND JOINT BROKER

Novum Securities Limited

57 Berkely Square

London W1J 6ER

LEGAL ADVISERS

Edwin Coe LLP

2 Stone Buildings, Lincoln's Inn

London WC2A 3TH

JOINT BROKERS

Shard Capital LLP

23rd Floor, 20 Fenchurch Street

London EC3M 3BY

REGISTRARS

Neville Registrars Limited

Neville House

18 Laurel Lane

Halesowen

West Midlands B63 3DA

Kendrick Resources PLC

CHAIRMAN'S STATEMENT

WEBSITE www.kendrickresources.com

Dear Shareholder,

Kendrick Resources Plc ("Kendrick") was successfully admitted to the Standard List of the London Stock Exchange on 6th May 2022. Kendrick's Projects are located in top mining jurisdictions within Scandinavia and are focused on the new generation battery metals for both energy storage and the metals needed for power generation. In Sweden and Finland, the Company has significant tonnages of vanadium associated with magnetite capable of producing high-grade vanadium magnetite concentrates for sale to global markets. Previous metallurgical test work suggests that Kendrick's vanadium magnetite concentrates are superior to most other concentrates globally, in that the vanadium values in the concentrates are above 2% V₂O₅ and both the uranium and titanium values are lower than the norm.

The Company has some 160 million tonnes of Inferred Mineral Resources with 44 million tonnes in Sweden and the balance in Finland. The defined Mineral Resources at Airijoki (Sweden) and Koitelainen (Finland) are open-ended and drilling programmes will take place as seasonal influences allow, with the objective of increasing both Mineral Resources. In Finland the large intrusion which contains the vanadium bearing magnetite, also contains chrome and PGM's mineralization, which will be investigated. At Airijoki in Sweden extension of the strike will be investigated.

Vanadium Redox Flow Batteries are emerging as an important battery storage technology for the large-scale storage of energy generated from solar panels and wind farms. Whilst this application is rapidly emerging, the traditional uses of vanadium in steel manufacturing are also increasing (i.e. in the production of high-quality steel for applications where strength and lightness is important). Thus, lighter vehicles will require greater proportions of vanadium, and estimates suggest that the vanadium content in new electric vehicles may increase by up to 40%, putting upwards pressure on vanadium prices.

The Company has several projects in central Sweden which have similar geology and vanadium mineralisation to the Mineral Resources at the Airijoki Project in northern Sweden. These projects which will be investigated for quantum and quality, as seasonal influences allow.

The Company intends to carry out fast-track metallurgical test work on vanadium mineralisation from the Airijoki Project, in order to determine a suitable process to produce either vanadium pentoxide flakes or vanadium electrolyte to add significant value against the alternative of producing a vanadium magnetite concentrate. Previous metallurgical tests carried out by Pursuit Minerals have been conducted on three samples across four grind sizes. These have shown in that increasing grind size increases mass pull to magnetic concentrate with only a slight loss of vanadium grade. As a result of this we are confident that we will be able to increase the mass pull of vanadium into the magnetite concentrate without affecting the overall vanadium magnetite concentrate grade. If we are successful in this regard, the overall project economics will improve dramatically.

In Norway, the Company has a number of nickel projects all of which are open ended both on strike and at depth. Several of the projects are located in close enough proximity to each other to potentially support a central processing unit.

We are fortunate that we have a significant exploration database much of which has not been fully utilised and we are currently assessing this database in order to generate new projects and drill targets. The cost and time of producing the historical exploration data would have been immense and we are thus very fortunate to have a "paid for start" to our exploration programs.

Kendrick Resources PLC

CHAIRMAN'S STATEMENT

Norway has long history of nickel production and to have significant resources in the rapidly emerging nickel space is exciting especially when one considers the location of the projects.

Nickel experienced a huge, abnormal price spike some three months ago, which is now being normalised with prices hovering around the US\$20,000 per tonne mark. We believe that this price is sustainable although the economic assessment of our projects will utilise the US\$15,000 per tonne nickel price.

There is currently a shortage globally of nickel resources and 60% of available known resources are oxides or laterites which have proven very difficult to process in the past and little progress has been made in the cost effective processing of nickel oxides and laterites. Kendrick is fortunate in that our nickel resources in Norway are sulphides and therefore amenable to conventional floatation technology which produces a concentrate for smelting. We will be drilling the Norway nickel deposits on a continuing basis with the objective of developing a Mineral Resource prior to undertaking feasibility studies. A number of companies globally are now supplying relatively simple options and co-venturing developing projects. This approach, if individual tonnages and grade permit, may be an ideal way of fast-tracking nickel concentrates from our Norwegian projects into European markets.

Our northern European location and industry contacts has already brought our management team opportunities which were not obvious at the time of listing the Company, and we look forward to pursuing these opportunities both pro-actively and re-actively in the short-term.

I am excited about our projects and the competitive advantage we have in northern Europe and the management team and I are looking forward to pursuing the opportunities available and adding value for our shareholders in the short-term future.

I would like to thank my fellow directors and the Kendrick Management Team for their support during the pre-listing phase and their enthusiastic approach to maximizing the benefit for shareholders from our existing project portfolio.

Results for the year

The Company reported a loss before taxation for the year of £325,000 (2020: £33,000) mainly due to administrative costs of £289,000, including professional, consulting and directors' fees. Net liabilities at 29 December 2021 amounted to £236,363 (2020: Net assets £89,000) including the investment in the Nordic Projects and related transaction costs of £674,000 (2020: £Nil).

AGM and Resolutions

The resolutions for the forthcoming Annual General Meeting will be contained in a separate Notice which will be made available to shareholders and on the website www.kendrickresources.com. The Directors will recommend shareholders to vote in favour of all the resolutions and a form of proxy will be dispatched to all shareholders for this purpose



Colin Bird
Chairman
29 June 2022

The Directors present their strategic report for the year ended 29 December 2021.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of mining exploration and development.

GOING CONCERN

As disclosed in Note 3, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least, but not limited, 12 months from the date of approval of the financial statements. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements

ENERGY CONSUMPTION

The Company consumed less than 40MWh during the period and as such is a Low Energy User as defined in the Environmental Reporting Guidelines Including streamlined energy and carbon reporting guidance March 2019 (Updated Introduction and Chapters 1) and as such is not required to provide detailed disclosures of energy and carbon information.

PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE

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

The requirements of s172 are for the Directors to:

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

Our Board of Directors remain aware of their responsibilities both within and outside of the Group. Within the limitations of a Group with so few employees we endeavour to follow these principles, and examples of the application of the s172 are summarised and demonstrated below.

The Company operates as a mining exploration and development company which is speculative in nature and at times may be dependent upon fund-raising for its continued operation. The nature of the business is well understood by the Company's members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements.

The Company is investing time in developing and fostering its relationships with its key suppliers.

As a mining exploration company with future operations based in Scandinavia, the Board takes seriously its ethical responsibilities to the communities and environment in which it works.

The interests of future employees and consultants are a primary consideration for the Board, and we have introduced an inclusive share-option programme allowing them to share in the future success of the company. Personal development opportunities are encouraged and supported.

KEY PERFORMANCE INDICATORS

Key performance indicators for the Company as a measure of financial control are as follows:

	<i>Year ended</i> <i>29 December 2021</i>	<i>Year ended</i> <i>29 December 2020</i>
	£	£
Total assets	885,096	254,434
Net assets/ (liabilities)	(236,363)	88,623
Cash and cash equivalents	16,871	9,496
Trade and other payables	(441,959)	(165,811)
Loss before tax for the year	(324,986)	(33,433)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to various risks similar to all exploration companies operating in overseas locations relating to political, economic, legal, industry and financial conditions, not all of which are within its control. The Company identifies and monitors the key risks and uncertainties affecting the Company and runs its business in a way that minimises the impact of such risks where possible.

The following risks factors, which are not exhaustive, are particularly relevant to the Company's current and future business activities:

Licensing and title risk

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. The Company must generally and specifically in relation to future projects comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on the Company's result of operations and financial condition. The Company's exploration activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant. This is a risk that all resource companies are subject to, particularly when their assets are in emerging markets. The Company continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to.

Dependency on key personnel

Kendrick's management comprises a small team of experienced and qualified executives. The Directors believe that the loss of any key individuals in the team or the inability to attract appropriate personnel could impact Kendrick's performance.

Although Kendrick has entered into contractual arrangements to secure the services of its key personnel, the retention of these services and the future costs associated therewith cannot be guaranteed.

Royalty arrangement and the Kabwe plant

Kendrick has a royalty over 11% of net earnings generated by the Kabwe plant. The generation of revenues at the Kabwe plant is subject to the timely construction, and successful operation, of the plant by Jubilee Metals Group PLC.

Legal risk

The legal systems in the countries in which Kendrick's operations are currently and prospectively located are different to that of the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. In particular, agreements in place may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Liquidity and financing risk

Although the Directors consider that Kendrick has sufficient funding in place, there can be no guarantee that further funding will be available and on terms that are acceptable to Kendrick should additional costs or delays arise. Nor can there be any guarantee that the additional funding will be available to allow Kendrick to obtain and develop additional projects in the necessary timeframe.

The Directors review Kendrick's funding requirements on a regular basis, and take such action as may be necessary to either curtail expenditures and / or raise additional funds from available sources including asset sales and the issuance of debt or equity.

Governmental approvals, licences and permits

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. Kendrick must comply with known standards and existing laws and regulations, any of which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. Delays in granting such approvals, licences and permits, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on Kendrick's result of operations and financial condition. Kendrick's activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of

a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant.

Liability and insurance

The nature of Kendrick's business means that Kendrick may be exposed to potentially substantial liability for environmental damages. There can be no assurance that necessary insurance cover will be available to Kendrick at an acceptable cost, if at all, nor that, in the event of any claim, the level of insurance carried by Kendrick now or in the future will be adequate.

Kendrick's operations are also subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial and the risk of accidental contamination or injury from hazardous materials with which it works cannot be eliminated. If an accident or contamination were to occur, Kendrick would likely incur significant costs associated with civil damages and penalties or criminal fines and in complying with environmental laws and regulations. Kendrick's insurance may not be adequate to cover the damages, penalties and fines that could result from an accident or contamination and Kendrick may not be able to obtain adequate insurance at an acceptable cost or at all.

Currency risk

The Company expects to present its financial information in Sterling although part or all of its business may be conducted in other currencies. As a result, it will be subject to foreign currency exchange risk due to exchange rate movements which will affect Kendrick's transaction costs and the translation of its results. The majority of the payments were in Euros and SEK (Swedish Krona), but while there were significant fluctuations in the year the payments were not significant at this early stage as there were limited operations.

Economic, political, judicial, administrative, taxation or other regulatory factors

Kendrick may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the territories in which Kendrick will operate particularly in the Scandinavian region. .

Taxation

Any change in Kendrick's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments or assets held by the Company, which in turn could affect Kendrick's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of Kendrick and its investors are based upon current tax law and practice which may be subject to change.

Approved by the Board of Directors and signed on behalf of the Board.



C Bird

Chairman 29 June 2022

BOARD OF DIRECTORS

Colin Bird

Executive Chairman Colin Bird is a chartered engineer and a Fellow of the Institute of Materials, Minerals and Mining with more than 40 years' experience in resource operations management, corporate management, and finance. The formative part of his career was spent with the National Coal Board in England where he was assistant underground manager. He moved to the Zambian Copper Belt in 1970 as an assistant underground manager before joining Anglo America Coal Division in 1974 as section manager. He then moved to Botswana in 1979 to be mine manager of the BCL Nickel Copper Mine, a joint venture between Anglo American Corporation, Amax, and the Botswana Government. On his return to the UK, he worked with Hampton Gold Mine areas as a director of their coal mines in Scotland before joining Costain Mining Ltd as technical director in 1987 and thereafter Plateau Mining Plc as managing director in 1989. In 1993 he was appointed operations and technical manager for Petromin, Saudi Arabia, of their gold mining activities with responsibility for an underground mine producing 175,000oz of gold and three gold mines in various stages of feasibility study and development. In October 1995 he joined Lion Mining Finance Ltd in London as technical manager and is now managing director and majority shareholder of that company. Colin founded and floated Jubilee Metals Group Plc. He is Chairman and CEO of Galileo Resources Plc and Chairman of Xtract Resources Plc. Colin serves as Chairman of Tiger Royalties and Investments Plc, an AIM listed investment company and largest shareholder in the Company. He is also a member of the board of the TSX listed exploration company, Revelo Resources Corp, formerly known as Polar Star Mining Corp, where he served as CEO for a period as well. Colin serves as executive Chairman of Bezant Resources Plc. He joined the board of the Company as non- executive Director in April 2018. He founded and floated Kiwara Plc which discovered copper in northwest Zambia. The company was sold for US\$260million to First Quantum within 30 months of formation. Colin is also executive chairman of African Pioneer plc which was admitted to trading on the LSE as a Standard Listing on 1 June 2021.

Other current directorships

Includes African Pioneer Plc, Bezant Resources Plc, Bird Leisure and Admin (Pty) Ltd, Braemore Resources Ltd, Camel Valley Holdings Inc, Crocus-Serv Resources (Pty) Ltd, Dullstroom Plats (Pty) Ltd, Enviro Mining Ltd, Enviro Processing Ltd, Enviro Props Ltd, Galagen (Pty) Ltd, Galileo Resources Plc, Galileo Resources South Africa (Pty) Ltd, Glenover Phosphate (Pty) Ltd, Holyrood Platinum (Pty) Ltd, Kabwe Operations Mauritius, Lion Mining Finance Ltd, Maude Mining & Exploration (Pty) Ltd, Mitte Resources Investment Ltd, New Age Metals Inc, NewPlats (Tjate) (Pty) Ltd, Newmarket Holdings, Revelo Resources Corp, Sandown Holdings, Shamrock Holdings Inc., Tiger Resource Finance Plc, Tjate Platinum Corporation (Pty) Ltd, Umhlanga Lighthouse Café CC, Windsor Platinum Investments (Pty) Ltd, Windsor SA Pty Ltd, Virgo Business Solutions (Pty) Ltd and Xtract Resources Plc.

Former directorships in the last 5 years

1 Tara Bar and Restaurant CC, Add X Trading 810 CC, Afminco (Pty) Ltd, Dialyn Café CC, Emanuel Mining and Exploration (Pty) Ltd, Europa Metals Ltd, Isigidi Trading 413 CC, Jubilee Metals Group Plc., Jubilee Smelting & Refining (Pty) Ltd, Jubilee Tailings Treatment Company (Pty) Ltd, M.I.T. Ventures Group, Mokopane Mining & Exploration (Pty) Ltd, NDN Properties CC, Orogen Gold Plc, Pilanesberg Mining Co (Pty) Ltd, Pioneer Coal (Pty) Ltd, PowerAlt (Pty) Ltd, SacOil Holdings Ltd and Sovereign Energy Plc, Thos Begbie Holdings (Pty) Ltd)

Kjeld Thygesen

Non-Executive Director Kjeld Thygesen is a mining investment veteran of more than 45 years. After being a mining analyst at James Capel in the latter half of the 1970's he was manager of the commodities department at Rothschild Asset Management between 1980-89. In 1990 he formed Lion Resource Advisors as a specialist adviser in the mining and natural resource sectors. LRA was the advisor to the Midas Fund in the US between 1992 -2000, which was one of the top performing funds during that period. From 2002-2008 he was Investment director of Resources Investment Trust, a London listed investment trust which returned a threefold investment during that period. He has served on several mining company boards over the past twenty years.

Alex Borrelli

Non-Executive Director Alex Borrelli, FCA, initially studied medicine and then qualified as a chartered accountant with Deloitte, Haskins & Sells, London in 1982. He then worked in corporate finance at Guinness Mahon, Samuel Montagu and as a corporate finance and main board director at Charterhouse. His subsequent investment banking business included nine years as Head of Corporate Finance and AIM Nomad qualified executive at Shore Capital. He has acted on a wide variety of corporate transactions in a senior role for over 20 years, including flotations, takeovers, mergers, and acquisitions for private and quoted companies. For the last 15 years, he has been acting as chairman and director of various listed companies, including AIM-listed Greatland Gold PLC, Xpediator PLC, Tiger Royalties and Investments PLC, Bradda Head Lithium Limited and Red Rock Resources PLC.

Evan Kirby

Dr Kirby, aged 71, is a metallurgist with over 40 years' of international involvement. He worked initially in South Africa for Impala Platinum, Rand Mines and then Rustenburg Platinum Mines. Then in 1992, he moved to Australia to work for Minproc Engineers and then Bechtel Corporation. After leaving Bechtel in 2002, he established his own consulting company to continue with his ongoing mining project involvement. Evan's personal "hands on" experience covers the financial, technical, engineering and environmental issues associated with a wide range of mining and processing projects.

Other current directorships

Technical director of Jubilee Metals Group PLC (Aim listed), Non-executive director of Europa Metals Ltd (listed on AIM and AltX of the JSE), and Director of private companies, Metallurgical Management Services Pty Ltd, and Bezant Resources Plc

Former directorships in the last 5 years

Balama resources Pty Ltd, New Energy Minerals Limited (formerly Mustang Resources Limited and ASX listed), Nyota Minerals Limited (listed on AIM and ASX), Nyota Minerals (UK) Limited and Kefi Minerals (Ethiopia) Limited (formerly named Nyota Minerals (Ethiopia) Limited).

DIRECTORS' REMUNERATION REPORT

This Remuneration Report sets out the Group's policy on the remuneration of Directors, together with details of Directors' remuneration packages and service contracts for the year ended 29 December 2021.

Directors' remuneration

Remuneration of the Directors for the years ended 29 December 2021 and 2020 was as follows:

	2021	2020
	Total Emoluments £	Total Emoluments £
C Bird	60,000	32,250
K Thygesen	-	-
M A Borrelli	-	47,040
E Kirby	-	-
A R Gardner-Hillman (resigned 27 October 2020)	-	13,750
Total	60,000	93,040

M A Borrelli resigned as a director on 8 October 2020 and was reappointed on 9 February 2022. He was paid £16,000 for providing corporate and company secretarial services during 2021.

Pension arrangements

There were no pensions or other similar arrangements in place with any of the Directors during the years ended 29 December 2021 or 2020.

Directors' Interests

The interests (as defined in the Companies Act) of the Directors holding office during the period to date in the share capital are shown below:

	Ordinary shares of 0.0003p 29 December 2021	Ordinary shares of 1p 29 December 2020
C Bird	16,875	506,250
K Thygesen	-	-
M A Borrelli	82,777	2,483,332

Former directors

A R Gardner-Hillman	-	-
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Other than as set out above, none of the Directors at 29 December 2021 held any interest in shares of the Company during the year.

DIRECTORS' REMUNERATION REPORT (Continued)

The Company was admitted to the Standard Listing on the Official List trading on the Main Market of the London Stock Exchange with effect from 6 May 2022 and hence the Companies Act 2006 requirements for a quoted company to prepare a Directors remuneration report are not applicable for the financial year ended 29 December 2021.

This report was approved by the Board on 29 June 2022 and signed on its behalf by:



C Bird
Chairman

29 June 2022

CORPORATE GOVERNANCE STATEMENT

The Company is managed under the direction and supervision of the Board of Directors. Among other things, the Board sets the vision and strategy for the Company in order to effectively implement the Company's business model.

Good corporate governance creates shareholder value by improving performance while reducing or mitigating risks that the Company faces as we seek to create sustainable growth over the medium to long-term. It is my role as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

The Listing Rules to require all companies admitted to the Standard Segment of the FCA's Official List to adopt and comply with a recognised corporate governance code, the Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code"). It was decided that the Code was more appropriate for the Company's size and stage of development than the more prescriptive Financial Reporting Council's UK Corporate Governance Code.

The Company will hold timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Directors have established an audit committee and a remuneration committee with formally delegated duties and responsibilities. There is no separate Nomination Committee given the size of the Board and, during the year, no such committee met. All Director appointments are approved by the Board as a whole.

Evan Kirby and Kjeld Thygesen are considered by the Board to be independent Non-Executive Directors.

Audit committee

The audit committee, which currently comprises Alex Borrelli (Chairman of the Audit Committee), Evan Kirby and Kjeld Thygesen and has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring the financial performance of the Company is properly monitored and reported. The audit committee will meet not less than three times a year.

Remuneration committee

The remuneration committee, which currently comprises Evan Kirby (Chairman of the Remuneration Committee), Kjeld Thygesen and Alex Borrelli and is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company.

Share Dealing Code

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

Kendrick Resources PLC

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements, for the year ended 29 December 2021.

RESULTS AND DIVIDENDS

The results for the period are set out in the Statement of Comprehensive Income on page 24. The Directors do not recommend the payment of a dividend on the ordinary shares (2020: nil).

DIRECTORS

The names of the Directors who served throughout the period and subsequent to the year end, except where shown otherwise, are as follows:

C Bird

K Thygesen

M A Borrelli (appointed 9 February 2022)

E Kirby (appointed 9 February 2022)

DIRECTORS' REMUNERATION

The Directors' remuneration is detailed in the Directors' Remuneration Report on pages 11 to 12

DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

The Group has purchased Directors' and Officers' liability insurance which provides cover against liabilities arising against them in that capacity.

ISSUES OF SHARES, OPTIONS AND WARRANTS

There were no issues of ordinary shares and no share options were granted during the year.

Shareholders approved at the AGM on 4 February 2021 a new share option scheme ("**Executive Share Option Scheme**") for its directors, senior management, consultants and employees on the following terms: (i) the number of options to be issued shall not exceed 10% of the issued share capital of the Company from time to time; (ii) the exercise price of the options shall be determined by the remuneration committee of the Board of Directors of the Company based on a) the last fundraising by the Company whilst its shares are not traded on a stock exchange; and b) once the Company's shares are traded on a stock exchange the volume weighted average share price of the Company in the 30 days preceding the issue of the options save that in the 30 days post admission of the Company's shares to trading on a stock exchange ("**Admission**") any options may be issued at the placing price of any fundraising completed at Admission; (iii) the allocation of the options shall be determined by the remuneration committee of the Board of Directors of the Company; (iv) the options should vest in accordance with the terms of the Executive Share Option Scheme; and (v) the options should be exercised within ten years of the date of this resolution. This resolution revokes and replaces all unexercised authorities previously granted to the Company to establish any share option schemes for its directors, senior management, consultants and employees but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

FINANCIAL INSTRUMENTS

An explanation of the Company's financial risk management objectives, policies and strategies is set out in note 18

COVID-19

The COVID-19 pandemic announced by the World Health Organisation in the period initially had a markedly negative impact on global stock markets although many sectors and stock market losses have been recovered there is increased volatility as stock markets react to ongoing news in relation to the short-term and long-term impact of COVID-19 and the financial implications of the economic stimulus packages adopted by most governments to protect and / or support their economies this has also, affected currencies and general business activity.

The Company has developed a work at home policy and adopts local procedures for exploration activities to address the health and wellbeing of its directors, consultants and contractors, and their families, in the face of the COVID-19 outbreak. As such COVID-19 is no longer expected to have an impact on the operations of the company.

IMPACT OF UKRAINE CONFLICT

The Directors are aware of the Ukraine conflict and related sanctions but there is no impact on the Company as it has no assets or business activities or suppliers with links in Ukraine or Russia and is not aware of any persons sanctioned in relation to the Ukraine conflict owning shares in the Company.

EVENTS AFTER THE REPORTING DATE

Events after the reporting date have been disclosed in Note 21 to the Financial Statements.

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITORS

The Directors, who were in office at the date of approval of this report, confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and that they have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for preparing the financial statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with International Financial Reporting Standards as adopted by the United Kingdom.

The Directors confirm to the best of their knowledge that:

- the financial statements have been prepared in accordance with the relevant financial reporting framework and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

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

Kendrick Resources PLC

DIRECTORS' REPORT

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors.

A resolution proposing the re-appointment of the auditors Crowe U.K. LLP will be put to shareholders at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.



C Bird
Chairman

29 June 2022

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 prepared financial statements in accordance with UK adopted International Accounting Standards (IFRSs)'

The financial statements are required by law and IFRSs as adopted by the UK to present fairly the financial position of the Company and the financial performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosure and explained in the financial statements;
- prepare the Strategic Report and Directors' report which comply with the requirements of the Companies Act 2006; and
- prepare 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Kendrick Resources PLC website www.kendrickresources.com.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KENDRICK RESOURCES PLC**

Opinion

We have audited the financial statements of Kendrick Resource plc (the "Company") for the year ended 29 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of cash flow, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 29 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- 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, 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.

Material uncertainty relating to going concern

We draw attention to note 3 in the financial statements, which indicates that the Company requires funding from time to time to finance its exploration and ongoing administrative activities. Management has successfully raised money in the past, but there can be no guarantee that adequate funds will be available when needed in the future. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 company's ability to continue to adopt the going concern basis of accounting included

We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment. We evaluated the Directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KENDRICK RESOURCES PLC**

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £10,000 (2020: £3,900), based on a percentage of the Company's total assets (2021: 2%; 2020: 2%).

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 the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the financial statements as a whole, which equates to £7,000 (2020: £2,700).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £300 (2020: £120). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our audit approach was developed by obtaining a thorough understanding of the company's activities and is risk based. Based on this understanding we assessed those aspects of the company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit matters and planned our audit approach accordingly. We undertook a fully substantive audit with a combination of analytical procedures and substantive testing on significant transactions, balances and disclosures. The accounting records of the Company are maintained in the UK and due to the nature of the Company during the year, there were no operating locations that the audit team considered it necessary to visit.

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.

Going concern was identified as the only key audit matter and has been addressed within the "Material uncertainty relating to going concern" section of the audit report.

Our audit procedures in relation to this matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

In our opinion based on the work undertaken in the course of our 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 directors' report and the strategic 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.

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 part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 18 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK jurisdictions in which the Group operates.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board on 09 June 2022 to audit the financial statements for the period ending 29 December 2021. Our total uninterrupted period of engagement is 8 years, covering the periods ending 30 June 2014 to 29 December 2021.

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.

Kendrick Resources PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

Subsequent to the year end, we have provided corporate finance services in relation to the Company's admission to the Main Market of the London Stock Exchange in May 2022.

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

Use of our report

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



John Glasby
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 June 2022

Kendrick Resources PLC

STATEMENT OF COMPREHENSIVE INCOME

Year ended 29 December 2021

	Notes	Year to 29 December 2021 £	Year to 29 December 2020 £
Administrative expenses		(289,255)	(190,623)
Gain on disposal of investment		51,931	14,663
(Loss)/Gain in fair value of investment		(86,413)	142,778
Impairment charge		-	-
Operating profit/(loss)	5	(323,737)	(33,182)
Finance expense		(1,249)	(251)
Profit/(Loss) before tax		(324,986)	(33,433)
Taxation	8	-	-
Profit/(Loss) for the period		(324,986)	(33,433)
Other comprehensive income		-	-
Total comprehensive loss for the year		(324,986)	(33,433)

The notes on page 28 to 44 form part of these of financial statements.

All amounts are derived from continuing operations.

Kendrick Resources PLC

STATEMENT OF FINANCIAL POSITION

As at 29 December 2021

Company No. 02401127

	Notes	29 December 2021 £	29 December 2020 £
Assets			
Non-current assets			
Property, plant and equipment	10	2,050	10,670
Investment in Nordic Projects and related transaction costs	12	673,755	-
		675,805	10,670
Current assets			
Current asset investment	11	102,932	223,340
Trade and other receivables	13	89,488	10,928
Cash and cash equivalents		16,871	9,496
		209,291	243,764
Total assets		885,096	254,434
Liabilities			
Current liabilities			
Trade and other payables	14	441,959	165,811
Convertible loan notes	17	679,500	-
Total liabilities		1,121,459	165,811
Net assets/(liabilities)		(236,363)	88,623
Equity			
Share capital	15	22,929,743	22,929,743
Share premium	15	25,027,278	25,027,278
Merger reserve		1,824,000	1,824,000
Accumulated losses		(50,017,384)	(49,692,398)
Total equity		(236,363)	88,623

The financial statements were approved by the Board of Directors and authorised for issue on 29 June 2022 and were signed on its behalf by



C Bird
Chairman

Kendrick Resources PLC

STATEMENT OF CASH FLOW

for the year ended 29 December 2021

		Year to 29 December 2021 £	Year to 29 December 2020 £
Cash flows from operating activities			
Loss before tax		(324,986)	(33,433)
Adjustments to reconcile net losses to cash utilised :			
Depreciation of property, plant and equipment	10	8,620	10,056
Gain on disposal of investment shares		(38,444)	(14,663)
Loss/(Gain) in fair value of investment at reporting date		86,413	(142,778)
Operating cash outflows before movements in working capital		(268,397)	(180,818)
Changes in:			
Trade and other receivables		(78,560)	90,992
Trade and other payables		276,148	3,517
Net cash outflow from operating activities		(70,809)	(86,309)
Investing activities			
Proceeds of sale of Investment shares		72,439	58,409
Investment in Nordic Projects and related transaction costs	12	(673,755)	-
Net cash inflow from investing activities:		(601,316)	58,409
Cash flows from financing activities			
Proceeds from issue of convertible loan notes		679,500	-
Net cash inflow from financing activities		679,500	-
Net increase/(decrease) in cash and cash equivalents		7,375	(27,900)
Cash and cash equivalents at beginning of period		9,496	37,396
Cash and cash equivalents at end of period		16,871	9,496

Kendrick Resources PLC

STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2021

	Share capital £	Share premium £	Merger reserve £	Accumulated losses £	Total equity £
As at 29 December 2019	22,929,743	25,027,278	1,824,000	(49,658,965)	122,056
Total comprehensive loss for the year	-	-	-	(33,433)	(33,433)
Other comprehensive income	-	-	-	-	-
As at 29 December 2020	22,929,743	25,027,278	1,824,000	(49,692,398)	88,623
Total comprehensive loss for the year	-	-	-	(324,986)	(324,986)
Other comprehensive income	-	-	-	-	-
As at 29 December 2021	22,929,743	25,027,278	1,824,000	(50,017,384)	(236,363)

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

Share premium - amounts subscribed for share capital in excess of nominal value

Merger reserve - amount arising from the issue of shares for non-cash consideration

Accumulated losses - cumulative net gains and losses recognised in the consolidated income statement

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 29 December 2021

1. GENERAL INFORMATION

Kendrick Resources PLC (the 'Company' or "Kendrick") is incorporated and domiciled in the United Kingdom. The address of the registered office is 7/8 Kendrick Mews, London SW7 3HG.

The Company's period being reported on in these accounts is for the year to 29 December 2021. The comparative period is for the year to 29 December 2020.

2. ADOPTION OF NEW AND REVISED STANDARDS

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and, in some cases, have not yet been adopted by the UK.

The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Company in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards ('IFRS') and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The principal accounting policies adopted are set out below.

The financial statements are presented in Pounds Sterling ("£").

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

The operational requirements of the Company comprise maintaining a Head Office in the UK with a Board of one executive Director and three non-executive Directors, and one consultant for, amongst other things, determining and implementing strategy and managing operations.

As at 29 December 2021, the company had net liabilities of £236,363. Subsequent to the year end the Company has raised £3.25m from the issue of ordinary shares following the admission to the Standard Listing on the Official List trading on the Main Market of the London Stock Exchange on 6 May 2022. The Directors have prepared financial projections and plans for a period of at least 12 months from the date of approval of these financial statements. Based on the current management plan, management believes that these funds are sufficient for the expenditure to date as well as the planned exploration activities for the forthcoming twelve months.

The company currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the company will require additional funds and/or funding facilities in order to fully develop its business plan. Ultimately the viability of the company is dependent on future liquidity in the exploration period and this, in turn, depends on the company's ability to raise funds to provide additional working capital to finance its ongoing activities. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future. As there can be no guarantee that the required future funding can be raised in the necessary timeframe, a material uncertainty exists that may cast significant doubt on the Company's future ability to continue as a going concern.

Based on the Board's assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and capital expenditure requirements, the Board have concluded that they have a reasonable expectation that the Group can continue in operational existence for the foreseeable future. For these reasons the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Company was unable to continue in operation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation and amortisation is charged so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment and computers

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Investment in subsidiaries

In the Company's financial statements, investment in subsidiaries are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Financial instruments

Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it has to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or expired.

Loans and receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade and other receivables recognised and carried at amortised cost less an allowance for any uncollectible amounts based on expected credit losses.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resource will result and that outflow can be reliably measured.

Share-based payments

The Company applies IFRS 2 Share-based Payment for all grants of equity instruments.

The Company issues equity-settled share-based payments to its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

The Company considers its capital to be total equity. There have been no changes in what the Company considers to be capital since the previous period.

The Company is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**Year ended 29 December 2021****4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the 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 recognised 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 the current and future periods.

The only critical judgement and estimation that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements is Going Concern which has been included in note 3.

5. LOSS FOR THE YEAR

The loss for the period has been arrived at after charging / (crediting):

	2021	2020
	£	£
Depreciation of property, plant and equipment (note 10)	8,620	10,056
Staff costs (note 7)	60,000	93,040
Gain on sale of investments	(38,444)	(14,663)
Loss/(Gain) in fair value of investment at reporting date	86,413	(142,778)
Finance charge	1,249	251

6. AUDITORS' REMUNERATION

The remuneration of the auditors can be analysed as follows:

	2021	2020
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	30,000	15,000
Fees payable to the company's auditor for other services:		
Other services relating to taxation work	-	1,150
	30,000	16,150

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

7. STAFF COSTS

	2021	2020
	Number	Number
Directors	2	3
Consultants	2	1
The average monthly number of employees	4	4
Their aggregate remuneration comprised:-	£	£
Fees	60,000	93,040
	60,000	93,040

Included within staff costs £60,000 (2020: £93,040) relates to amounts in respect of Directors. The highest paid director's emoluments were £60,000 (2020: £47,040)

8. TAXATION

No liability to corporation tax arose for the year ended 29 December 2021 and year ended 29 December 2020, as a result of underlying losses brought forward.

Reconciliation of effective tax rate:

	2021	2020
	£	£
Loss before tax	(324,986)	(33,433)
Tax credit at the standard rate of tax in the UK	61,747	6,352
Tax effect of non-deductible expenses	(1,638)	(1,911)
Deferred tax not provided	(60,109)	(4,441)
Tax for the period	-	-

The standard rate of corporation tax in the UK applied during the year was 19% (2020: 19%).

At 29 December 2021, the Company are carrying forward estimated tax losses of £6.3m (2020: £6.3m) in respect of various activities over the years. No deferred tax asset was recognized in respect to these accumulated tax losses as there is insufficient evidence that it is probable that the amount will be recovered in future years.

9. LOSS PER SHARE

The loss per share of 2.90 pence (2020: loss 0.01 pence) has been calculated on the basis of the loss of £325,000 (2020: loss £33,000) and on 11,190,363 (2020: 335,710,863) ordinary shares, being the weighted average number of ordinary shares in issue during the year ended 29 December 2021. During the year, the company consolidated 30 existing shares to 1 (note 15).

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

10. PROPERTY PLANT AND EQUIPMENT

	Office equipment and computer £	Total £
COMPANY		
Cost		
At 29 December 2019	60,587	60,587
Additions	-	-
At 29 December 2020	60,587	60,587
Additions	-	-
At 29 December 2021	60,587	60,587
Accumulated depreciation		
At 29 December 2019	(39,861)	(39,861)
Charge for the period	(10,056)	(10,056)
At 29 December 2020	(49,917)	(39,861)
Charge for the period	(8,620)	(8,620)
At 29 December 2021	(58,537)	(58,537)
Carrying amount		
At 29 December 2021	2,050	2,050
At 29 December 2020	10,670	2,050

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

11. CURRENT ASSET INVESTMENT

	29 Dec 2021	29 Dec 2020
	£	£
Balance as at 29 December 2020	223,340	124,308
Additions	13,488	-
Disposals	(33,996)	(43,746)
Fair value through profit and loss	(99,900)	142,778
Balance as at 29 December 2021	102,932	223,340

The investment represents the acquisition of 24,615,385 new ordinary shares of Galileo Resources Plc resulting from the sale of Star Zinc. At the start of the year the Company held 15,952,866 shares, 6,731,794 shares were disposed of during the year leaving a balance of 9,221,072 held. In addition 8,174,387 shares in Bezant Resources Plc were acquired, which were also held at 29 December 2021.

12. INVESTMENT IN THE NORDIC PROJECTS AND RELATED TRANSACTION COSTS

The investment in the Nordic Projects represents the amounts paid in taking up and extending the option to acquire various Scandinavian assets described below together with costs incurred in running the projects prior to the proposed acquisition including the costs associated with the proposed listing.

On 20 January 2021, the Company was assigned by Lion Mining Finance Ltd and Camden Park Trading Limited, companies controlled by Colin Bird (see Note 19), a conditional agreement with Pursuit Minerals Ltd listed on the ASX ("**Pursuit**") to acquire nickel and vanadium projects in Norway, Sweden and Finland (the "**Nordic Projects**") (the "**Conditional Pursuit SPA**") (the "**Assignment Agreement**"). The Assignment Agreement is conditional on the Company acquiring the Nordic Projects and the consideration under the Assignment Agreement of £802,000 is to be settled £52,000 in cash and £750,000 to be settled by the issue of ordinary shares in the Company at the Loan Note Conversion Price (A 40% discount to the Fund Raising Price of 3.25p per share at the time of the listing).

The Conditional Pursuit SPA is conditional upon the Company; i) listing its shares on the London Stock Exchange (the "**Listing**") ii) raising a minimum of £1,500,000 at the Listing (the "**Minimum Fundraising at Listing**") iii) completing legal due diligence on the entities owning the Nordic Projects and on the mining titles underlining the Nordic Projects by the long stop date which was 31 March 2021 and has been extended to 31 December 2021 by the payment in aggregate of A\$235,000 (approx. £126,000). Further extensions up to 15 May 2022 (the "**Long Stop Date**") were agreed by increasing the amount of the consideration payable in respect of the Consideration Shares in clause 2(b) from £1,250,000 to £1,475,000 satisfied through the issue by the Company of fully paid ordinary shares at the Fund Raising Price Per Share (3.25p) at the time of listing.

The consideration payable to Pursuit upon completion of the Conditional Pursuit SPA is i) A\$50,000 (approx. £27,000) which has been paid ii) £1,475,000 to be settled by the Company issuing ordinary shares in the Company at the same price (3.25p per share) as the Minimum Fundraising at Listing at completion of the Listing. These conditions were all met and the acquisitions crystallised when the Company was listed following the admission to the Standard

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

Listing on the Official List trading on the Main Market of the London Stock Exchange on 6 May 2022.

In addition there will be deferred consideration based on two accretive value milestones being achieved;

- a) Milestone One which triggers a A\$250,000 (approx. £136,000) payment in cash, is the completion by the Company (or any successor or assignee) of a Feasibility Study, as defined by the JORC Code (2012), on any individual project area in the Nordic Projects, demonstrating an internal rate of return of not less than 25%; and
- b) Milestone Two which triggers a A\$500,000 (approx. £272,000) payment in cash is a decision to mine being made by the Company (or any successor or assignee) in respect of any project area in the Nordic Projects.

The Nordic Projects comprise vanadium projects in Sweden and Finland which are owned by Pursuit and consist of competently and comprehensively well drilled tonnages of vanadium ore, estimated at approximately 160 million tonnes. Kendrick has paid currently due 2021 licence fees and all projects are in governmental good standing. The Norwegian projects are for nickel and are under an option agreement with Eurasian Minerals Sweden AB and have been partially explored with reconnaissance programmes indicating the potential for strike extension. Certain nickel projects have not been invasively explored by Pursuit, but desk research indicates that potential for nickel discovery exists.

Nickel prices have improved over the year and the metal is expected to play a significant role in tomorrow's energy and production world.

13. TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Other receivables	890	890
Vat receivable	24,598	10,038
Other debtors	64,000	-
	89,488	10,928

The fair value of trade and other receivables is not significantly different from the carrying value and none of the balances are past due.

14. TRADE AND OTHER PAYABLES

	2021 £	2020 £
Trade and other payables	263,299	68,311
Amount owed to director	143,750	83,500
Accruals	34,910	14,000
	441,959	165,811

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

15. SHARE CAPITAL AND SHARE PREMIUM

	2021		2020	
Issued equity share capital	Number	£	Number	£
Issued and fully paid				
Ordinary shares of £0.0003 each	11,190,363	3,357	335,710,863	3,357,109
Deferred shares of £0.00999 each	335,710,863	3,353,752	-	-
Deferred shares of £0.009 each	1,346,853,81	12,121,684	1,346,853,817	12,121,684
Deferred shares of £0.01 each	19,579,925	195,799	19,579,925	195,799
Deferred shares of £0.04 each	181,378,766	7,255,151	181,378,766	7,255,151
		22,929,743		22,929,743

- 1) At the Annual General Meeting held on 4 February 2021, shareholders approved that the 335,710,863 Existing Ordinary Shares in issue be subdivided each into one new ordinary share of £0.00001 ("New Ordinary Share") and one deferred share of £0.00999 ("2020 Deferred Share") in the capital of the Company. The New Ordinary Shares carry the same rights as attached to the Existing Ordinary Shares (save for the reduction in their nominal value). The 2020 Deferred Shares have no voting rights and have no rights as to dividends and only very limited rights on a return of capital. They will not be admitted to trading or listed on any stock exchange and will not be freely transferable. The holders of the 2020 Deferred Shares are not entitled to any further right of participation in the assets of the Company. As such, the 2020 Deferred Shares effectively have no value.
- 2) At the Annual General Meeting held on 25 October 2021, shareholders approved an ordinary resolution that for every thirty (30) issued and unissued ordinary share of £0.00001 each in the share capital of the Company ("Existing Shares") be consolidated into one (1) ordinary share of £0.0003 each ("New Shares") such New Shares having the same rights and being subject to the same restrictions, save as to nominal value, as the Existing Shares.

The deferred shares of £0.01 each and £0.009 each confer no rights to vote at a general meeting of the Company or to a dividend. On a winding-up the holders of the deferred shares are only entitled to the paid up value of the shares after the repayment of the capital paid on the ordinary shares and £5,000,000 on each ordinary share.

The deferred shares of £0.04 each have no rights to vote or to participate in dividends and carry limited rights on return of capital. No shares were issued during the year.

16. SHARE OPTIONS

Share Options

The Company's previous share options scheme for directors and consultants ceased on 12 June 2020 and no options were exercised prior to this date.

A new Executive Share Option Scheme for the directors, senior management, consultants and employees was approved at the AGM on 4 February 2021, as outlined in the Directors Report.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

17. CONVERTIBLE LOAN NOTES

On 30 December 2020, the Company executed a £210,000 unsecured convertible loan note instrument and received subscriptions of £210,000 in January 2021 in respect of the December 2020 Convertible Loan Note from private investors. The December 2020 Convertible Loan Note does not pay interest and was repaid at Admission by the issue of 10,000,000 New Ordinary Shares at a 40% discount to the Placing.

On 2 July 2021, the Company executed a £350,000 unsecured convertible loan note instrument (the "July 2021 Convertible Loan Note") and has received subscriptions of £350,000 in respect of the July 2021 Convertible Loan Note from private investors and £30,000 from Kjeld Thygesen and £48,000 from Colin Bird, who are directors of the Company. The July 2021 Convertible Loan Note did not pay interest and was repaid at Admission by the issue of i) 13,333,333 New Ordinary Shares at a 25% discount to the Placing Price of which 1,142,857 was issued to Kjeld Thygesen and 1,828,571 to Colin Bird and ii) one (1) warrant for each New Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 13,333,333 warrants will be valid for a period of 18 months from Admission and 1,142,857 of the warrants will be issued to Kjeld Thygesen and 1,828,571 to Colin Bird.

On 15 November 2021, the Company executed a £150,000 unsecured convertible loan note instrument which was, with the consent of the noteholder, subsequently increased to £150,000 (the "November 2021 Convertible Loan Note") and has received subscriptions of £119,500 in respect of the November 2021 Convertible Loan Note from private investors including £37,000 from Lion Mining Finance Ltd, a company controlled by Colin Bird, a director of the Company. The November 2021 Convertible Loan Note did not pay interest and was repaid at Admission by the issue of i) 4,552,381 New Ordinary Shares at a 25% discount to the Placing Price of which 1,409,524 was issued to Lion Mining Finance Ltd and ii) one (1) warrant for each New Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 4,552,381 warrants will be valid for a period of 18 months from Admission and 1,409,524 of the warrants will be issued to Lion Mining Finance Ltd.

The Convertible loan notes have been treated as liability as it closely resembles the characteristics of a financial liability.

18. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to shareholders.

The capital resources of the Company comprises issued capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. The Company's primary objective is to provide a return to its equity shareholders through capital growth. Going forward the Company will seek to maintain a yearly ratio that balances risks and returns of an acceptable level and also to maintain a sufficient funding base to the Company to meet its working capital and strategic investment needs.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

18. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments

	2021 £	2020 £
Financial assets		
Current asset investment	102,932	223,340
Cash and cash equivalents	16,871	9,496
Other receivables	89,488	10,928
	<u>209,291</u>	<u>243,764</u>
Financial liabilities classified as held at amortised cost		
Trade and other payables	263,299	68,311
Convertible loan notes	679,500	-
	<u>942,799</u>	<u>68,311</u>

Fair value of financial assets and liabilities

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine fair values.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Management assessed that the fair values of current asset investment, cash and short-term deposits, other receivables, trade and other payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management objectives

Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

18. FINANCIAL INSTRUMENTS (continued)

As the Company has no committed borrowings, the Company is not exposed to any risks associated with fluctuations in interest rates on loans. Fluctuation in interest rates applied to cash balances held at the balance sheet date would have minimal impact on the Company.

Foreign exchange risk and foreign currency risk management

Foreign currency exposures are monitored on a monthly basis. Funds are transferred between the Sterling and US Dollar accounts in order to minimise foreign exchange risk. The Company holds the majority of its funds in Sterling.

The carrying amounts of the Company's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	Financial liabilities		Financial assets	
	2021	2020	2021	2020
	£	£	£	£
US Dollars	-	-	167	3,682
Swedish Krona	118,342	-	-	-
Euros	1,387	-	-	-
Australian Dollars	1,846	-	-	-

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company does not have any significant credit risk exposure on trade receivables. The Company makes allowances for impairment of receivables where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on liquid funds (cash) is considered to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management monitor forecasts of the Company's liquidity reserve, comprising cash and cash equivalent, on the basis of expected cash flow. At 29 December 2021, the Company held cash and cash equivalent of £16,871 (2020: £9,496) and the directors assess the liquidity risk as part of their going concern assessment (see note 3).

The maturity of the Company's financial liabilities at the statement of financial position date, based on the contracted undiscounted payments as disclosed in note 14, falls within one year and payable on demand.

The Company aim to maintain appropriate cash balances in order to meet its liabilities as they fall due.

Kendrick Resources PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

18. FINANCIAL INSTRUMENTS (continued)

Maturity analysis

Company 2021

	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	441,959	-	219,669	222,290	-	-
Convertible loan notes	679,500	-	-	679,500	-	-

Company

2020

	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	165,811	-	61,000	107,811	-	-

19. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

The key management personnel of the Company are considered to be the Directors. Details of their remuneration are covered in note 7.

On 20 April 2021 the Company entered into the Assignment Agreement referred to in Note 12. The parties to the Assignment Agreement are Lion Mining Finance Limited (a company controlled by Colin Bird, a director of the Company), the Company and Camden Park Trading Ltd (a company controlled by Colin Bird, a director of the Company). The Assignment Agreement was conditional on the Company acquiring the Nordic Projects, which occurred when the Company listed on 6 May 2022 and the consideration under the Assignment Agreement of £802,000 was settled £52,000 in cash and £750,000 settled by the issue of ordinary shares in the Company at the Loan Note Conversion Price (see Note 17).

The interests of the Directors in the issued share capital of the Company following Admission, was as follows:

Director	Prior to Admission		Post Admission	
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	16,875	0.15%	45,069,227	20.53%
Kjeld Thygesen	-	-	2,142,857	0.98%
Alex Borrelli	82,777	0.74%	82,777	0.04%
Evan Kirby	-	-	-	-

* At Admission, includes 3,695,238 shares held by Lion Mining Finance Ltd and 33,428,571 shares held by Camden Park Trading Ltd, companies controlled by Colin Bird

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

Colin Bird pursuant to the Placing agreed to subscribe for 1,571,400 of the Placing Shares at the Placing Price at Admission and also was issued at Admission 1,571,400 Placing Warrants. To conserve working capital during the period prior to Admission, the Company agreed with Colin Bird that fees accruing to him would be settled by the issue to him of Ordinary Shares at the Placing Price. Colin Bird was issued with 4,528,571 Ordinary Shares in satisfaction of all directors fees amounting to GBP158,500 due to him in relation to the 4 year period from April 2018 to April 2022 at Admission

Kjeld Thygesen pursuant to the Subscription has agreed to subscribe for 1,000,000 Subscription Shares at the Placing Price and will also be issued at Admission 1,000,000 Subscription Warrants,

Included in the £350,000 in respect of the July 2021 Convertible Loan Notes subscriptions received was £30,000 from Kjeld Thygesen and £48,000 from Colin Bird, both directors of the Company. Included in the £150,000 in respect of the November 2021 Convertible Loan Notes subscriptions received was £37,000 from Lion Mining Finance Limited, a company controlled by Colin Bird, a director of the Company. These subscriptions by Colin Bird, Kjeld Thygesen and Lion Mining Finance Limited were on the same terms as the other subscribers to these convertible loan notes which are detailed in Note 17.

Colin Bird was non-executive chairman of Jubilee Metals Group Plc (he resigned on 26 May 2022) which has an interest of 1.48% in the Company. There were no transactions with Jubilee during the year.

The Company entered into a licence agreement dated 1 February 2022 with Lion Mining Finance Limited (a company controlled by Colin Bird, a director of the Company). Pursuant to this agreement, the Company has been granted a licence to use the premises at 7-8 Kendrick Mews, London SW7 for a period of 12 months with effect from 1 December 2021 for a licence fee of £1,000 per month. In addition, Lion Mining Finance Limited provides basic administrative and support services as required by the Company from time-to-time.

20. NET DEBTS RECONCILIATION

	2021 £	2020 £
Cash and cash equivalent	16,871	9,496
Net debt	16,871	9,496
Net debt as at 29 December	9,496	37,396
Cash flow from operations	(70,809)	(86,309)
Proceeds from convertible loan notes	679,500	-
Investment in Nordic Projects and related transaction costs	(673,755)	-
Cash flow from sale of Investment shares	72,439	58,409
Net debt	16,871	9,496

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 29 December 2021

21. EVENTS AFTER THE REPORTING DATE

On 6 May 2022 the Company's shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange. This followed a £3.25million fundraising (before expenses) at a placing price of 3.5 pence per share. At the time of listing the Company issued 208,321,253 new ordinary shares for fundraising purposes and to complete the acquisition of Northern X Finland OY and Northern X Scandinavia AB running the Nordic projects as outlined in note 12.

On 13 May 2022 the Company exercised its option to conditionally acquire the Espedalen, Hosanger and Sigdal nickel-copper-cobalt exploration projects in Norway from EMX Scandinavia AB (previously named Eurasian Minerals Sweden AB) ("EMX") by the issue of 20,226,757 new ordinary shares in the Company. Kendrick has also made a payment of US\$81,949 to EMX to meet a shortfall of this amount in the exploration expenditure to be incurred during the option period. The acquisition is conditional upon the Norwegian Directorate for Mineral Administration approving the transfer of the licenses to a wholly owned subsidiary of Kendrick. At the time this process is completed, the Company will apply for the 20,226,757 new ordinary shares to be admitted to trading on the Standard Segment of the London Stock Exchange.