



**Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 December 2018
for
Cornish Lithium Ltd**

Cornish Lithium Ltd

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for the year ended 31 December 2018**

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Cornish Lithium Ltd

**Company Information
for the year ended 31 December 2018**

DIRECTORS:

L E Wrathall
J B E Wrathall
D Linfield
K S Liddell

REGISTERED OFFICE:

1 Charterhouse Mews
London
EC1M 6BB

REGISTERED NUMBER:

10205021 (England and Wales)

ACCOUNTANTS:

ansteypbond
1-2 Charterhouse Mews
London
EC1M 6BB

Cornish Lithium Ltd

**Report of the Directors
for the year ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of research activities relating to the identification and extraction of technology metals.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

L E Wrathall
J B E Wrathall
D Linfield
K S Liddell

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

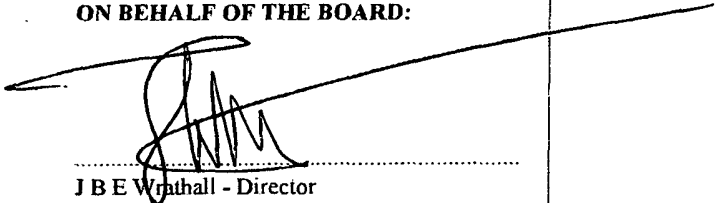
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with *International Financial Reporting Standards as adopted by the European Union*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
J B E Wrathall - Director

Date:

23/04/2019

Cornish Lithium Ltd

**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2018**

		Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
	Notes		
CONTINUING OPERATIONS			
Revenue		-	-
Other operating income		48,000	32,001
Administrative expenses		(935,086)	(178,125)
OPERATING LOSS		(887,086)	(146,124)
LOSS BEFORE INCOME TAX	5	(887,086)	(146,124)
Income tax	6	167,387	32,521
LOSS FOR THE YEAR		(719,699)	(113,603)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(719,699)	(113,603)

The notes form part of these financial statements

Cornish Lithium Ltd (Registered number: 10205021)

**Statement of Financial Position
31 December 2018**

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7	165,718	195,535
Property, plant and equipment	8	76,055	50,718
		<u>241,773</u>	<u>246,253</u>
CURRENT ASSETS			
Trade and other receivables	9	6,355	22,064
Tax receivable	14	167,387	32,521
Cash and cash equivalents	10	1,023,597	773,051
		<u>1,197,339</u>	<u>827,636</u>
TOTAL ASSETS		<u><u>1,439,112</u></u>	<u><u>1,073,889</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	297	261
Share premium	12	2,232,321	1,160,346
Retained earnings	12	(855,508)	(135,809)
TOTAL EQUITY		<u>1,377,110</u>	<u>1,024,798</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	62,002	49,091
TOTAL LIABILITIES		<u>62,002</u>	<u>49,091</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,439,112</u></u>	<u><u>1,073,889</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

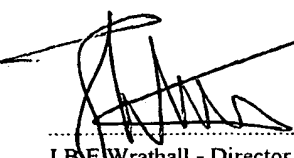
- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

Cornish Lithium Ltd (Registered number: 10205021)

Statement of Financial Position - continued
31 December 2018

The financial statements were approved by the Board of Directors on 23/06/2019 and were signed on its behalf by:



.....
J B E Wrathall - Director

The notes form part of these financial statements

Cornish Lithium Ltd

**Statement of Changes in Equity
for the year ended 31 December 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 June 2017	200	(22,206)	-	(22,006)
Changes in equity				
Issue of share capital	61	-	1,160,346	1,160,407
Total comprehensive income	-	(113,603)	-	(113,603)
Balance at 31 December 2017	<u>261</u>	<u>(135,809)</u>	<u>1,160,346</u>	<u>1,024,798</u>
Changes in equity				
Issue of share capital	36	-	1,071,975	1,072,011
Total comprehensive income	-	(719,699)	-	(719,699)
Balance at 31 December 2018	<u><u>297</u></u>	<u><u>(855,508)</u></u>	<u><u>2,232,321</u></u>	<u><u>1,377,110</u></u>

The notes form part of these financial statements

Cornish Lithium Ltd

**Statement of Cash Flows
for the year ended 31 December 2018**

		Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	(654,193)	(128,074)
Tax paid		32,521	-
		<hr/>	<hr/>
Net cash from operating activities		(621,672)	(128,074)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of intangible fixed assets		(72,007)	(207,965)
Purchase of tangible fixed assets		(55,780)	(54,968)
		<hr/>	<hr/>
Net cash from investing activities		(127,787)	(262,933)
		<hr/>	<hr/>
Cash flows from financing activities			
Share issue		1,000,005	1,160,407
		<hr/>	<hr/>
Net cash from financing activities		1,000,005	1,160,407
		<hr/>	<hr/>
Increase in cash and cash equivalents		250,546	769,400
Cash and cash equivalents at beginning of year	2	773,051	3,651
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	1,023,597	773,051
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

Cornish Lithium Ltd

**Notes to the Statement of Cash Flows
for the year ended 31 December 2018**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
Loss before income tax	(887,086)	(146,124)
Depreciation charges	132,267	42,181
	<u>(754,819)</u>	<u>(103,943)</u>
Decrease/(increase) in trade and other receivables	15,709	(17,408)
Increase/(decrease) in trade and other payables	84,917	(6,723)
	<u>(654,193)</u>	<u>(128,074)</u>
Cash generated from operations	<u><u>(654,193)</u></u>	<u><u>(128,074)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	1,023,597	773,051
	<u><u>1,023,597</u></u>	<u><u>773,051</u></u>

Period ended 31 December 2017

	31.12.17 £	1.6.17 £
Cash and cash equivalents	773,051	3,651
	<u><u>773,051</u></u>	<u><u>3,651</u></u>

The notes form part of these financial statements

Cornish Lithium Ltd

Notes to the Financial Statements for the year ended 31 December 2018

1. STATUTORY INFORMATION

Cornish Lithium Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Intangible assets

Development costs represent exploration and evaluation assets recognised in accordance with IFRS 6 and IAS 38, after making full provision for impairment where identified.

Intangible assets are initially measured at cost. Cost includes all expenditure which is directly attributable to the acquisition or construction of the asset, including capitalisation of borrowing costs on qualifying assets, and adjustments in respect of hedge accounting, where appropriate.

Amortisation is charged over the useful lives of items of property, plant and equipment have been assessed as follows:

Website Construction - Straight-line basis over 3 years

Development Costs - Straight-line basis over 3 years

Computer Software - Straight-line basis over 3 years

The residual value, useful life and amortisation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. The amortisation charge for each year is recognised in the profit or loss account.

Impairment tests are performed on intangible assets when there is an indicator that they may be impaired. When the carrying amount of an item of intangibles are assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss. Any intangible is derecognised upon disposal or when no future economic benefits are expected. Any gain or loss arising from the derecognition is included in profit or loss.

Cornish Lithium Ltd

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation.

Property, plant and equipment is initially measured at cost. Cost includes all expenditure which is directly attributable to the acquisition or construction of the asset, including capitalisation of borrowing costs on qualifying assets, and adjustments in respect of hedge accounting, where appropriate.

Depreciation is charged over the useful lives of items of property, plant and equipment have been assessed as follows:

Computer equipment - Straight-line basis over 3 years.

Office equipment - Straight-line basis over 3 years.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. The depreciation charge for each year is recognised in the profit or loss account.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected. Any gain or loss arising from the derecognition is included in profit or loss.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the statement of financial position date.

Recognition of deferred tax assets is restricted to those circumstances where it is probable that taxable profit will be available against which the difference can be utilised. The value of said asset is determined using the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Cornish Lithium Ltd

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

2. ACCOUNTING POLICIES - continued

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The collections are expected either immediately or within 30 days, hence they are classified as current assets.

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

A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Trade and other payables

Trade payables are initially measured at fair value.

Cash and cash equivalents

In the company's statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with banks.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes in respect of revenues, expenses, assets and liabilities.

Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates. However, estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key estimates, assumptions and judgements that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Recognition of deferred tax assets - availability of taxable profits against which tax losses can be utilised against (Note 14)
- Impairment of financial assets - impairment provision for financial assets disclosed in note 9 is based on assumptions about risk of default. The company uses judgement in making these assumptions and coming impairment numbers, based on the company's past history and existing market information at the end of each reporting period
- The measurement of provision for corporation tax - the company recognises liabilities for estimated tax charge at the period end. Where the final tax liability is different from that estimate, such differences are reflected in the period in which such determination is made.

Cornish Lithium Ltd

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

4. EMPLOYEES AND DIRECTORS

	Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
Wages and salaries	129,154	-
Social security costs	11,197	-
Other pension costs	756	-
	<u>141,107</u>	<u>-</u>

The average number of employees during the year was as follows:

	Year Ended 31.12.18	Period 1.6.17 to 31.12.17
Employees	<u>7</u>	<u>-</u>

	Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
Directors' remuneration	82,321	-
Directors' fees	37,500	20,833
	<u>118,821</u>	<u>20,833</u>

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
Depreciation - owned assets	30,443	4,250
Development costs amortisation	98,906	37,005
Computer software amortisation	<u>2,918</u>	<u>926</u>

Cornish Lithium Ltd

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

6. INCOME TAX

Analysis of tax income

	Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
Current tax: Tax	(167,387)	(32,521)
Total tax income in statement of profit or loss and other comprehensive income	<u>(167,387)</u>	<u>(32,521)</u>

7. INTANGIBLE ASSETS

	Development costs £	Computer software £	Totals £
COST			
At 1 January 2018	224,712	8,754	233,466
Additions	<u>72,007</u>	<u>-</u>	<u>72,007</u>
At 31 December 2018	<u>296,719</u>	<u>8,754</u>	<u>305,473</u>
AMORTISATION			
At 1 January 2018	37,005	926	37,931
Amortisation for year	<u>98,906</u>	<u>2,918</u>	<u>101,824</u>
At 31 December 2018	<u>135,911</u>	<u>3,844</u>	<u>139,755</u>
NET BOOK VALUE			
At 31 December 2018	<u>160,808</u>	<u>4,910</u>	<u>165,718</u>
At 31 December 2017	<u>187,707</u>	<u>7,828</u>	<u>195,535</u>

Cornish Lithium Ltd

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

8. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 January 2018	-	54,968	54,968
Additions	13,373	42,407	55,780
	<u>13,373</u>	<u>97,375</u>	<u>110,748</u>
At 31 December 2018	13,373	97,375	110,748
DEPRECIATION			
At 1 January 2018	-	4,250	4,250
Charge for year	3,285	27,158	30,443
	<u>3,285</u>	<u>31,408</u>	<u>34,693</u>
At 31 December 2018	3,285	31,408	34,693
NET BOOK VALUE			
At 31 December 2018	<u>10,088</u>	<u>65,967</u>	<u>76,055</u>
At 31 December 2017	<u>-</u>	<u>50,718</u>	<u>50,718</u>

9. TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Current:		
VAT	6,355	20,980
Prepayments	-	1,084
	<u>6,355</u>	<u>22,064</u>

10. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Bank accounts	<u>1,023,597</u>	<u>773,051</u>

11. CALLED UP SHARE CAPITAL

Allotted and issued:			2018 £	2017 £
Number:	Class:	Nominal value:		
2,962,537	Share capital 1	£0.0001	<u>297</u>	<u>261</u>

Cornish Lithium Ltd

**Notes to the Financial Statements - continued
for the year ended 31 December 2018**

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	(135,809)	1,160,346	1,024,537
Deficit for the year	(719,699)		(719,699)
Share issue	-	1,071,975	1,071,975
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	<u>(855,508)</u>	<u>2,232,321</u>	<u>1,376,813</u>

13. TRADE AND OTHER PAYABLES

	2018 £	2017 £
Current:		
Trade creditors	23,463	31,662
Social security and other taxes	8,500	-
Other creditors	7,289	11,927
Accrued expenses	22,750	5,502
	<u> </u>	<u> </u>
	<u>62,002</u>	<u>49,091</u>

14. DEFERRED TAX

Deferred tax assets have been recognised in respect of all tax losses and other temporary timing differences giving rise to deferred tax assets, where the directors believe these assets will be recoverable.

As at the balance sheet date included within tax receivable, is a balance of £167,387, which is representative of the research and development tax credit which is due to the company.

The company has a potential deferred tax asset of £106,329. This has not been recognised in these financial statements due to uncertainty of timing of future profits.

15. ULTIMATE CONTROLLING PARTY

The Ultimate Controlling Parties are JBE Wrathall and LE Wrathall by virtue of their shareholding in the company.

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Cornish Lithium Ltd**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cornish Lithium Ltd for the year ended 31 December 2018 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Cornish Lithium Ltd, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Cornish Lithium Ltd and state those matters that we have agreed to state to the Board of Directors of Cornish Lithium Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cornish Lithium Ltd and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Cornish Lithium Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Cornish Lithium Ltd. You consider that Cornish Lithium Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Cornish Lithium Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



ansteybond
1-2 Charterhouse Mews
London
EC1M 6BB

Date: 23/14/2019

Cornish Lithium Ltd

**Income Statement Summaries
for the year ended 31 December 2018**

	Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
OTHER OPERATING INCOME		
Sundry income	48,000	32,001
	<u>48,000</u>	<u>32,001</u>

This page does not form part of the statutory financial statements

Cornish Lithium Ltd

**Income Statement Summaries
for the year ended 31 December 2018**

	Year Ended 31.12.18 £	Period 1.6.17 to 31.12.17 £
ADMINISTRATIVE EXPENSES		
Administrative expenses		
Directors' salaries	82,321	-
Wages	46,833	-
Social security	11,197	-
Pensions	756	-
Telephone	1,769	162
Post and stationery	1,212	102
Advertising and marketing	27,557	17,457
Travelling	25,738	11,132
Subsistence	2,474	780
Licences and insurance	35,678	19,541
Subcontractors	263,523	6,068
Geological	15,360	800
Household and cleaning	3,509	61
Consulting	57,246	30,813
Administrative Support	34,030	3,600
Rent	21,123	2,738
Office costs	-	151
Computer costs	36,357	9,307
Sundry expenses	3,959	1,241
Staff Training	11,100	876
Directors fees	37,500	20,833
Accountancy	33,070	7,425
Subscriptions	1,567	220
Legal fees	43,894	-
Other Administrative Expenses		
Entertainment	4,970	2,638
Finance costs		
Bank charges	76	-
Depreciation		
Development costs	98,906	37,930
Computer software	2,918	-
Fixtures and fittings	3,285	-
Computer equipment	27,158	4,250
	<hr/> 935,086	<hr/> 178,125

This page does not form part of the statutory financial statements