Registered number: 14939464

ACG HOLDCO 1 LIMITED
Annual Report and Audited Financial Statements
Year Ended 31 December 2024

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CHAIR’S REVIEW

Dear Shareholders,

I am delighted to present the Annual Financial Statements of ACG Holdco 1 Limited (“ACG”) for the financial year ended 31 December 2024.

In the prior year ACG was a dormant entity and in August 2024, the group acquired Polimetal Madencilik Sanayi ve Ticaret A.Ş. (“Polimetal”) and by extension, the Gediktepe Mine in Türkiye.

In November, shortly following the completion of the Gediktepe transaction, the group achieved another major milestone by entering into a fixed-price, turnkey Engineering, Procurement and Construction (“EPC”) contract with Gap İnşaat Yatırım ve Dış Ticaret Anonim Şirketi ("GAP İNŞAAT") for the $146 million brownfield sulphide expansion at Gediktepe. This expansion leverages existing site infrastructure and benefits from extensive geological studies and proven metallurgical processes. Once operational, this project is projected to deliver annual production of up to 25,000 tonnes of copper equivalent over an initial 11-year mine life. This development serves as a vital catalyst, significantly accelerating our journey towards becoming one of the leading copper-focused companies listed on the LSE.

The sulphide expansion project is inherently low risk, capitalizing on more than a decade of comprehensive technical studies and leveraging the existing infrastructure from our oxide operation. It entails a two-stage flotation process plant - a metallurgical approach proven and optimized over many years as well as essential supporting earthworks, including waste management, tailings facilities, and environmental pond infrastructure.

Building upon this positive momentum, in December 2024 ACG passed another landmark by successfully completing a pioneering $200 million Nordic senior secured bond placement, the first of its kind for a Turkish mining asset and subsequently settling the bond issue in January 2025. The enthusiastic reception of this bond issuance underscores the market’s confidence in our strategic direction, operational capability, and growth trajectory, while further enhancing our financial flexibility and international visibility.

The Company also benefited considerably from robust gold prices during the last quarter of the year, providing additional financial strength and reinforcing our resilience amidst fluctuating market conditions. The group is ideally positioned to benefit from a structured gold hedge, signed in March 2025, which covers 50% of planned annual production through to 2026 thereby enhancing cash flow visibility, reducing risk whilst preserving upside returns.

Looking ahead, the Board and management remain dedicated to disciplined execution, operational excellence and progressing our growth strategy to deliver long-term, sustainable value for our shareholders.

On behalf of the Board, I extend my sincere gratitude for your ongoing support and confidence in our vision, as well as our talented team that are driving this positive momentum.

Artem Volynets
Chairman and Chief Executive Office
30 April 2025

STRATEGIC REPORT

The Directors present the Strategic Report for the period ended 31 December 2024.

Principal activity
The principal activity of the company is that of an investment company, holding the investment in Polimetal Madencilik Sanayi ve Ticaret A.Ş. (“Polimetal”), a company incorporated in Turkey and acquired in August 2024.

Business and FY2024 overview
The Company’s defining achievement during the year was the successful acquisition of the Gediktepe Mine in Western Türkiye in August 2024. Gediktepe was acquired from Lidya Madencilik Sanayi ve Ticaret A.Ş. (“Lidya”), a subsidiary of the Turkish industrial conglomerate Çalık Holding, a well-established operator with a history of successful project execution and regulatory alignment.

The Gediktepe acquisition was followed by the award of a $146 million fixed-price turnkey Engineering, Procurement and Construction (EPC) contract to GAP İnşaat Yatırım ve Dış Ticaret A.Ş., one of Türkiye’s largest construction and industrial services companies. This contract covers the full delivery of the Gediktepe sulphide flotation circuit, including design, procurement, civil works, installation, and commissioning.

To fully fund this expansion and refinance the acquisition-related debt, ACG completed a $200 million Nordic senior secured bond in December 2024. This bond marked the first-ever Nordic-style secured issuance linked to a Turkish mining asset. It attracted significant investor interest from institutional fixed income funds across Europe and the rest of the globe, reflecting a strong appetite for emerging-market credit exposure backed by high-grade metals projects. Settlement of the bond occurred in January 2025, after which construction mobilisation began.

Operational Outlook
Gediktepe’s full-year operating performance in 2024 shows strong output, robust grades, and cost discipline to provide a clear springboard for the copper-focused sulphide expansion now underway.

The oxide phase will continue to produce gold and silver through 2025 and into 2026, bridging the mine through the construction period and generating capital to partially self-fund the transition to copper. These results, achieved during a year of ownership change and integration, underscore the strength of the team on the ground and the quality of the asset. The Company’s ability to maintain this performance while simultaneously managing construction, refinancing, and growth initiatives speaks to the depth and agility of the operational platform it is building.

Financial Performance

Financial KPI	**2024 Result**
Administrative expenses	($14.5 million)
Investment in Subsidiary	$179 million
Net Assets	$62.5 million

Administrative expenses for the year totalled $14.5 million (2023: $nil), which included royalty fees and once-off legal, advisory, listing, and integration costs associated with the acquisition and re-admission process.

The acquisition of Polimetal was funded through equity raised by ACG Metals Limited and a $37.5 million acquisition debt agreement with Traxys Europe S.A. (“Traxys”) and Argentem Creek Partners (“ACP”) as of 31st August 2024. By 31 December 2024, $12.1 million of the principal amount of the acquisition debt facility was repaid.

The total assets include the Investment in Polimetal of $179 million (2023: $nil) and cash and cash equivalents at year end totalling $Nil (2023: $nil).

STRATEGIC REPORT (continued)

Outlook
In January 2025, ACG completed the placement of a USD 200 million, four-year, senior secured bond with a coupon rate of 14.75 percent at par. The bond placement was met with strong investor demand across European and international markets and was the first Nordic bond issuance secured against a Turkish mining asset, illustrating ACG's ability to pioneer capital markets solutions for emerging-market operations. These proceeds from the bond were used to repay the Company's existing facility and to fully fund the engineering, procurement, and construction (EPC) works for the sulphide flotation plant.

In March 2025, ACG entered into a structured hedge covering approximately 50% of its planned 2025 oxide gold production. The hedge secures a floor price of $2,875/oz and allows upside participation. This hedging strategy was executed at near-record gold prices and is intended to protect cash flows during the sulphide construction phase, ensuring financial stability while retaining upside exposure. The approach is consistent with ACG's risk management philosophy of protecting returns without impairing long-term optionality.

Financial risk management

Principal risks and uncertainties
The Company's business activities expose it to a variety of risks, including financing and cashflow risks, and strategic and other emerging risks in the course of business.

In comparison with other businesses, the Company is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Other receivables
- Trade and other payables
- Contingent consideration
- Loans (measured at amortised cost)

To the extent financial instruments are not carried at fair value, book value approximates to fair value at 31 December 2024.

Other receivables are measured at amortised cost. Book values and expected cash flows are reviewed by the Board and any impairment charged to the statement of comprehensive income in the relevant period. As at 31 December 2024, the Company had other receivables of $11.5 million (2023: $100 for the Company, rounded as nil).

Trade and other payables and loans are measured at amortised cost. The financial liabilities were $3.8 million (2023: $Nil for the Company) in respect of trade payables and accruals, $95.1 million (2023: $nil) for loans and borrowings and $28.2 million (2023: $nil) for Contingent consideration. The management of risk is a fundamental concern of the Company's management. This note summarises the key risks to the Company and the policies and procedures put in place by management to manage it.

Strategic risk
Identifying and evaluating the prospective target carries inherent risk of the target's valuation, financial health, operational stability and challenges, market, and regulatory uncertainty.

This could result in an acquisition with insufficient or negative returns, loss of market confidence in the Company, operational disruptions, opportunity costs on better targets, and legal and compliance issues.

In evaluating prospective acquisition targets, the Company conducts thorough due diligence which encompasses, among other things, meetings with incumbent management and key employees, document reviews, interviews of customers and suppliers, and inspection of facilities, as well as a review of financial, operational, legal and other information that is made available to the Company. These processes ensure that the risk to shareholders' capital is mitigated to the extent these processes are able to identify additional risks.

STRATEGIC REPORT (continued)

Financial risk management (continued)

Country risk
Turkey is located in a region that has been subject to ongoing political and security concerns, especially in recent years. Political uncertainty within Turkey and in certain neighbouring and nearby countries, has historically been one of the potential risks associated with investment in Turkey.

Turkey has from time to time experienced volatile political and social conditions. Political considerations may again influence interest rates and monetary policy in the future.

Polimetal is in good standing with local authorities and agencies, and the group maintains a good relationship with Lidya, who can support and advise on the Turkish fiscal and social climate.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. To further the exploration and advancement of Gediktepe, the Company sought financing through a bond placement which is subject to financial covenants and restrictions.

The Company manages this risk by maintaining adequate cash reserves, monitoring cash flow forecasts, and ensuring access to diverse funding sources. Management has implemented minimum internal liquidity measures and cash flow procedures to track liquidity and identify shortfalls.

The Company aims to align the maturity profiles of financial assets and liabilities to prevent liquidity shortfalls. The Company relies on shareholder debt and equity contributions for immediate funding needs.

The Company continues to monitor industry trends, geopolitical developments, and market conditions to make informed decisions that support its expansion objectives while maintaining financial discipline and operational efficiency.

Section 172 statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term

The Company intends to continue maintaining, implementing and improving its policies to ensure it:
- considers the interests and wellbeing of its employees.
- ensures compliance with environmental laws wherever its future activities take place.
- takes into account the long-term impact of its decisions.
- is mindful of its responsibilities towards local communities.
- maintains the highest standards of probity and integrity in its business dealings.
- concentrates on establishing enduring relationships with those with whom it carries on business.

Key stakeholders
The Directors have identified the key stakeholders as shareholders, investors and employees.

Growth strategy
The expansion strategy committed to by the Company had an impact on multiple stakeholders, including shareholders, investors and employees. The expansion of the Company created opportunities for employees as they worked to integrate new acquisitions into the Company.

STRATEGIC REPORT (continued)

Section 172 statement (continued)

Employee information and engagement
The Directors strive to create an environment where employees can thrive and create opportunities for long, rewarding and fulfilling careers. These objectives are supported through various communication mechanisms whilst at the same time encouraging feedback from team members.

The Board is kept informed on employee-related matters at every Board meeting at which it receives a standing agenda update. Consultation with employees happens when their views need to be considered in decisions the Company needs to make that will likely affect their interests.

All employees are kept abreast of Company news and financial performance in regular business updates. The Company is firmly committed to the principles of diversity and inclusion and place an equally high degree of importance on the physical and mental well-being of employees. There are also well-established fire, health, safety and welfare policies in place.

Corporate governance
The Directors are responsible for determining the Company's strategy for managing risk and overseeing its systems of internal control. The Company maintains appropriate standards of corporate governance to conduct its business in a prudent and well-organised manner.

Stakeholder engagement and decision making
The Directors meet regularly to make decisions which promote the success of the Company and its stakeholders. All business strategy proposals are thoroughly discussed and approved, following the agreement of all relevant stakeholders.

Business relationships
The Company closely monitors all of its business relationships to ensure its processes are efficient. It assesses, on an ongoing basis, the risks of adverse impact on its people, the environment in which the Company operates as a result of these relationships, and any negative impact on the Company's Corporate Social Responsibility policies.

On behalf of the Directors

Damien Coles

Damien Coles
Executive Director
30 April 2025

DIRECTORS' REPORT

The Directors present their report for the 12-month period ended 31 December 2024.

Principal activities
The principal activity of the company is that of an investment company, holding the investment in Polimetal, a company incorporated in Turkey and acquired in August 2024.

Financial performance
Refer to the strategic report for financial performance.

Financial risk management
Refer to the strategic report for financial risk management.

Future development
Refer to the Chair's review for future development.

Dividends
No dividend is recommended for 2024 (2023: $nil).

Directors
The Board of Directors of ACG Holdco 1 Limited as at the date of signing the report and accounts, unless otherwise stated comprised:

Damien Coles – Appointed 18 November 2024
Moorlander Services Limited – Appointed 18 November 2024
Artem Volynets – Resigned 25 September 2024
Chiara Hoolasi - Appointed 25 September 2024; Resigned 18 November 2024

Donations
There are no political donations in the reporting year (2023: $nil).

Directors' indemnities
There are no directors' indemnity provisions during the reporting year (2023: $nil).

Greenhouse gas emissions, energy consumption and energy efficiency action
The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as the energy consumption of the Company in the United Kingdom for the period is 40,000kWh or lower (2023: 40,000kWh or lower). No subsidiary undertakings are individually required to provide Streamlined Energy Carbon Reporting and therefore consolidated information has not been prepared.

Statement as to disclosure of information to auditors
The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

On behalf of the board

Damien Coles

Damien Coles
Executive Director
30 April 2025

DIRECTOR RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' 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. The directors have elected under company law to prepare the financial statements in accordance with UK-adopted International Accounting Standards.

The financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and 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:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and accounting estimates that are reasonable and prudent;
c. state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
d. 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 requirements of 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.

On behalf of the Directors

Damien Coles

Damien Coles
Executive Director
30 April 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACG HOLDCO 1 LIMITED

Opinion

We have audited the financial statements of ACG Holdco 1 Limited (the 'company') for the year ended 31 December 2024 which comprise the statement of financial position as at the accounting reference date, the statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, 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 31 December 2024 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other matters - prior period financial statements not audited

The company was dormant in the period ended 31 December 2023 and consequently the corresponding figures are unaudited.

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, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted IAS, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

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.

GRAHAM RICKETTS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 30 April 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 $000	2023 $000
Other operating income	7	1,452	-
Administrative expenses	8	(14,492)	-
Operating (loss)		**(13,040)**	**-**
Finance income	10.1	129	
Finance costs	10.2	(3,881)	-
Loss before tax		**(16,792)**	**-**
Income tax	11	(689)	-
Loss after tax		**(17,481)**	**-**
Other comprehensive income		-	-
Total comprehensive income		**(17,481)**	**-**

The accompanying notes are an integral part of these financial statements.
All amounts are derived from continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 $000	2023 $000
Assets			
Non-current assets			
Investment in subsidiaries	12	178,853	-
		178,853	**-**
Current assets			
Other receivables	13	11,521	-
		11,521	**-**
Total assets		**190,374**	**-**
Non-current liabilities			
Contingent consideration	16	28,159	-
		28,159	**-**
Current liabilities			
Loans and borrowings	15	95,183	-
Trade and other payables	17	4,487	-
		99,670	**-**
Total liabilities		**127,829**	**-**
Equity			
Issued capital	19	-	-
Share based payments reserve	20	77	
Other reserves	20	79,949	-
Retained earnings	20	(17,481)	-
Total equity		**62,545**	**-**
Total equity and liabilities		**190,374**	**-**

These financial statements were approved and authorised for issue by the Board of directors on 30 April 2025 and were signed on its behalf by:

Damien Coles

Damien Coles
Executive Director

Company Registration Number: 14939464 (registered in the UK)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital $000	Share based payments reserve $000	Other reserves $000	Retained loss $000	Total $000
As at incorporation and 1 January 2024	-	-	-	-	-
Loss for the period	-	-	-	(17,481)	(17,481)
Total comprehensive income	-	-	-	(17,481)	(17,481)
Capital contribution (Note 20)	-	-	79,949	-	79,949
Share based payments (Note 21)	-	77	-	-	77
Total transaction with owners	**-**	**77**	**79,949**	**-**	**80,026**
As at 31 December 2024	**-**	**77**	**79,949**	**(17,481)**	**62,545**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

ACG Holdco 1 Limited (the “Company”) is a company limited by shares incorporated in the United Kingdom under the Companies Act 2006 (as amended) (the "Companies Act"). The registered address of the Company is Riverbank House C/O Fieldfisher LLP, 2 Swan Lane, London, United Kingdom, EC4R 3TT.

These financial statements represent the results for the year ended, 31 December 2024. The comparative period represents the period from incorporation on 15 June 2023 to 31 December 2023, and therefore the results are not directly comparable. The Company was dormant in the comparative period.

2. Accounting policies

2.1. Basis of preparation

The financial statements have been prepared in accordance with UK adopted International Accounting Standards (IFRS) and the Companies Act 2006.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in US dollars, and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period; during which the Company was dormant.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of ACG Metals Limited, which are publicly available on the ACG Metals website.

2.1.1. Going concern

The directors have assessed the Company's ability to continue as a going concern, considering its current financial position, principal risks, and future prospects. The Company is part of a Group and forecasts are considered on a Group basis. The Group assessment covers a period of at least 12 months from the financial statement approval date, ensuring a comprehensive evaluation of financial stability and future projections. It involves a detailed review of key assumptions that underpin financial decisions, an in-depth analysis of consolidated cash flow forecasts to assess liquidity and funding requirements, and the application of sensitivity testing to key inputs. Sensitivity analysis helps gauge how variations in underlying factors such as market conditions, revenue fluctuations, and cost changes, might impact financial performance, providing a robust framework for risk management and strategic planning.

The Group, of which the Company is part, is focused on consolidating the copper sector and aims to increase market capitalisation from US$100m in 2024 to US$3-5bn in the next 3-5 years. In January 2025, the Group raised $200m in bonds to finance a Turkey copper mine, indicating active efforts to expand operations and deliver on the growth strategy. The Group sought early refinancing of debt which arose at acquisition, demonstrating proactive and strategic management of funds. In addition to current facilities, The Group has a financial commitment from ACP, a main Shareholder for an additional share purchase worth $7m at the option of the Group. The Group’s current market capitalisation and ongoing fundraising efforts indicate access to capital and a good relationship with investors.

The Group has secured offtake agreements from the start of copper concentrate production for the entire mine life with Glencore. The Group has also secured Zinc offtake agreements with Traxys with respect to all zinc concentrates produced by the project. Contracts are in-line with international benchmark terms with flexibility on INCO terms for ACG to optimise delivery schedule.

The Group is positioned to capitalize on the growing global demand for copper, which is crucial for clean-energy and transport technologies.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Accounting policies (continued)

Going concern (continued)

Conclusion
Based on the available information, the directors have concluded that the Group and by extension the Company is in a strong position to continue as a going concern. Ambitious growth plans, proactive debt management, and favourable market conditions support this assessment.

2.1.2. Cashflows
The Company did not operate a bank account in 2024, and payments made on behalf of the Company are made by the parent entity. The Company accounts for this as a non-cash transaction, as there is no direct exchange of cash to or from the Company and accordingly no company cashflow statement is presented.

2.2. Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.
A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Accounting policies (continued)

2.3. Fair value measurement

The Company measures financial instruments such as contingent consideration, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.4. Investments in subsidiaries

The Company’s investment in its subsidiaries are accounted for under at cost less accumulated impairment as allowed by IAS 27 in the separate financial statements of the parent. The investment is recognised at cost.

The Company assesses at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. An impairment loss is recognised if the recoverable amount of the investment is less than its carrying amount. The recoverable amount is the higher of the investment’s fair value less costs of disposal and its value in use. Impairment losses are recognised in profit or loss and are reversed if there is a subsequent increase in the recoverable amount of the investment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Accounting policies (continued)

2.5. Foreign currency

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange gains and losses resulting from trading activities (trade receivables and payables) denominated in foreign currencies have been accounted for under “other operating income/expenses’ whereas foreign exchange gains and losses resulting from the translation of other monetary assets and liabilities denominated in foreign currencies have been accounted for under “financial income/expenses” in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated to functional currency using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.6. Taxation

2.6.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in future 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 for substantively enacted by the balance sheet date.

2.6.2. Deferred tax

Deferred tax is determined by calculating the temporary differences between the carrying amounts of assets/liabilities in the financial statements and the corresponding tax bases, used in the computation of the taxable profit, using currently enacted tax rates.

Deferred tax liabilities are generally recognized for all taxable temporary differences whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized if it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The Company has not recorded deferred tax assets over its accumulated losses, since it is not probable that sufficient profit will be generated to cause a tax liability that can be offset in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Accounting policies (continued)

2.7. Financial Instruments

2.7.1. Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a part of the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.7.2. Financial assets

Classification of financial assets

Financial assets that meet the following conditions are classified as financial assets at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets classified at amortised cost includes other receivables, which represents the amounts held in escrow and cash and bank balances, are initially recognised at their fair value at the date of the transaction and are subsequently measured at amortised cost using the effective interest rate method.

Financial assets classified at amortised cost are subsequently carried at amortised cost using the effective interest rate method. The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any allowance for expected credit losses where relevant.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset:

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not currently have any financial assets subsequently measured at FVTOCI.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

- Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset; the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.

The Company does not currently have any financial assets subsequently measured at FVTPL.

Interest income is recognized in the income statement and is included in the “finance income – interest income’ line item.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Accounting policies (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognized in profit or loss. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve;

For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company utilises a simplified approach for receivables that do not have a significant financing component and calculates the allowance for impairment against the lifetime ECL of the related financial assets.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in profit or loss.

2.7.3. Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. At initial recognition financial liabilities are measured at their fair value less, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability.

Financial liabilities are classified at amortised cost, except for:

a) Contingent consideration recognised in the financial statements recognised by the entity acquired in a business combination: After initial recognition, the related contingent consideration is measured as at FVTPL.

Financial liabilities classified at amortised cost, including interest bearing loans and trade & other payables, are subsequently measured at amortised cost using the effective interest rate. The amortised cost of a financial liability is the amount at which the financial liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount. Such amortisation amounts are recognised in the Statement of Comprehensive Income. Due to the short-term nature of the trade and other payables, they are stated at their nominal value, which approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Accounting policies (continued)

Financial liabilities (continued)

The Company determines the classification of its financial liabilities at initial recognition and re-evaluates the designation at each financial period end.

IAS 32 provides that the Company's financial instruments shall be classified on initial recognition in accordance with the substance of the contractual arrangement and the definitions of a financial liability or an equity instrument.

Contingent consideration
Contingent consideration is classified as a financial liability. Contingent consideration is within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9.

Derecognition of financial liabilities
A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

2.8. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short-term time deposits held with banks. Short-term time deposits are highly liquid that can be easily converted into cash without a risk of losing its value. Cash and cash equivalents are presented in the statement of financial position. Deposits from which interest income is obtained despite being blocked are classified under long-term financial assets. The Company did not have any cash or cash equivalents in 2024 - see 2.1.2 above.

2.9. Share-based Payments

ACG Metals Limited issues share-based payments to the Company's employees, directors, and third parties as part of its incentive schemes. These payments are accounted for in accordance with IFRS 2 Share-Based Payments. The charge for the share-based payments recognised relates to the Company's employees.

Share-based payments are classified as either equity settled, where shares or share options are granted and settled in equity instruments of the Company, or cash settled, where payments are made based on the value of the Company's shares, but settled in cash. The fair value of share-based payment awards is determined at the grant date and recognized as an expense over the vesting period, with a corresponding increase in equity (for equity-settled awards) or liabilities (for cash-settled awards).

The fair value of equity settled share-based payments is determined using an appropriate valuation model and the expense is recognised over the vesting period based on the number of options that are expected to vest. At each reporting date the expected vesting rate is reviews and adjustments are made for forfeitures. The grant date fair value is not subsequently re-measured. Cash settled share-based payments are recognised as a liability and re-measured at each reporting date with changes in fair value recognised through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. Summary of critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires Management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses.

Judgements
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions
The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an annual 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 current and future periods. The below are estimates applied during the year.

Carrying value of investments
The carrying value of investments does not include any estimates or assumptions, except for the estimation of the fair value of contingent consideration. The carrying value of investment in Polimetal was not tested for impairment during the reporting period as there were no indications of impairment. Please refer to Note 12.

Fair Value of Contingent Consideration
Purchase consideration transferred included contingent consideration relating to Copper Price and Copper Discovery Bonuses. These are payable 12 months after the commencement of commercial production, expected in 2026. Payments are contingent upon achieving specified copper price and discovery targets over 2 years (Price Bonus) and 10 years (Discovery Bonus) from commencement.

The liability is initially measured at fair value by a third-party management expert on acquisition and remeasured at each reporting period, with changes recognized in profit or loss. The valuation is sensitive to changes in the Company's share price, expected volatility, and the likelihood of the option being exercised. These factors are reassessed at each reporting date. Please refer to note 16.

Copper Price Bonus
The first and second Copper Price Bonuses are due 12 and 24 months after commercial production begins, expected on 1 April 2026.

The valuation approach applied a Monte Carlo simulation to model a volume of copper price scenarios, incorporating expected metal price volatility and correlations from 3 September 2024 to 1 April 2028. Risk-free US government bond yields were applied to discount the present value.

Copper Discovery Bonus
If new ore reserves of at least 100,000 copper equivalent tonnes are discovered, the Company will pay Lidya $50 million in 4 instalments over two years, starting no earlier than four years after production begins.

The bonus is expected to be triggered in 2031. The same Monte Carlo simulation used for the Price Bonuses was applied to estimate the remaining cap available for Discovery Bonus payments. The average estimated value across simulations was $47.4m.

The fair value of $12.6m recognised is based on probability-weighted production scenarios and discounted at the WACC of 18.0%.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Summary of critical accounting estimates and judgements (continued)

Sensitivity to contingent consideration
In respect of the Copper Price Bonus, a +0.5% change in the risk-free rate applied to present value the liability would have decreased the contingent consideration recognised from $15.6m to $15.3m. A 5% increase in the estimated bonus based on copper price simulations, before discounting would have increased the contingent recognised from $15.6m to $16.3m. In respect of the Copper Discovery Bonus, a +1% change in the WACC applied to 19% would have decreased contingent consideration recognized from £12.6m to $11.9m. A 5% increase in the estimated bonus based on copper price simulations, before discounting, would have increased the contingent recognised from $12.6m to $13.2m.

This liability is classified as level 3 on the IFRS 13 Fair Value hierarchy, due to the use of significant unobservable inputs.

4. New standards, interpretations and amendments adopted in these financial statements:

4.1 New standard or amendment – applicable 1 January 2024

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2024:

New standard or amendment	Effective date
Classification of Liabilities as Current or Non-current – Amendments to IAS 1, Non-current liabilities with Covenants – Amendments to IAS 1	1st January 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1st January 2024
Supplier finance arrangements – Amendments to IAS 7 and IFRS 7	1st January 2024

4.2 New standard or amendment – issued not yet effective

As at 31 December 2024, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending on 31 December 2024.

New standard or amendment	Effective date
Amendments to IAS 21 to clarify the accounting when there is a lack of exchangeability	1st January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1st January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1st January 2027

None of the standards or amendments which became effective in the year had a significant impact on the Company. The Company have not early adopted and standards or amendments which are not yet effective. IFRS 18 will introduce presentational amendments to the primary statements which will be evaluated prior to their effective date. No other standards or amendments issued but not yet effective are expected to have a material impact.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. Financial Risk Management

5.1 Principal financial instruments and their categories

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

Categories of financial assets	**31 December 2024 $000**	**31 December 2023 $000**
Other receivables	11,521	-
Total current financial assets at amortised cost	**11,521**	**-**

Categories of financial liabilities at amortised cost	**31 December 2024 $000**	**31 December 2023 $000**
Trade payables	108	-
Accruals	3,690	-
Trade and other payables	**3,798**	**-**
Current loans and borrowings	95,183	-
Loans and borrowings	**95,183**	**-**
Total financial liabilities at amortised cost	**98,981**	**-**

Categories of financial liabilities at Fair Value	**31 December 2024 $000**	**31 December 2023 $000**
Contingent consideration	28,159	-
Total current financial liabilities at Fair Value	**28,159**	**-**

5.2. General objectives, policies and processes

The Company is exposed to credit risk, market risk (foreign exchange risk and interest rate risk) and liquidity risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and targets to minimize potential adverse effects on financial performance.

5.3. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. To minimise this risk, the company endeavours only to deal with companies which are demonstrably creditworthy.

Other receivables

The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of the Company's receivables from the parent company, totalling $4.7 million (2023: $Nil) and other receivables totalling $6.8 million (2023: $100). There is no expected credit loss for other receivables.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Financial Risk Management (continued)

5.4. Liquidity risk
Liquidity risk arises from the company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

The company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

The company currently has access to cash held in ACG Metals bank accounts to provide funding for normal trading activity and is managed centrally. Trade and other payables are monitored as part of normal management routine.

The liquidity risk of each company entity is managed centrally by the group's treasury function. Each operation has a facility with company treasury, the amount of the facility being based on budgets. The budgets are set locally and agreed by the Board in advance, enabling the company's cash requirements to be anticipated. Where facilities of company entities need to be increased, approval must be sought from the company finance director. Where the amount of the facility is above a certain level, agreement of the Board is needed.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations indicate the relative sensitivity of the company's performance to developments affecting a particular industry. To avoid excessive concentrations of risk, the company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows, including contractual interest) of financial liabilities:

	Up to 3 Months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total contractual outflows
	$000	**$000**	**$000**		**$000**
As at 31 December 2024					
Trade payables	-	108	-	-	108
Accruals	-	3,690	-	-	3,690
Contingent consideration	-	-	17,479	47,370	64,849
Borrowings – interest bearing	26,036	76,021	-	-	102,057
	26,036	**79,819**	**17,479**	**47,370**	**170,704**

There are no financial liabilities as at the end of 31 December 2023.

5.5. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk, and currency risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings.

5.5.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's debt obligations with floating interest rates.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Financial Risk Management (continued)

The Company is not exposed to interest rate risk at the end of the reporting period as it has only fixed rate borrowings.

5.5.2 Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of foreign denominated assets or liabilities will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when income or expense is denominated in a foreign currency).

The Company is not exposed to foreign currency risk at the end of the reporting period.

6. Capital risk management

The Company's main objectives for capital management are to keep the Company's ability to continue as a going concern and to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may decide on the amount of dividends paid to shareholders, issue of new shares or sell assets to decrease net financial debt.

The Company monitors capital on the basis of the net financial debt / invested capital ratio. Net financial debt is calculated as total financial liabilities less cash and cash equivalents (excluding blocked deposits) and invested capital is calculated as net financial debt plus total equity. Net financial debt / invested capital ratio was as follows:

	2024 **$000**	**2023** **$000**
Loans and borrowings	95,183	-
Trade and other payables	3,798	-
	98,981	-
Equity	62,545	-
Total capital	62,545	-
Capital and net debt	161,526	-
Gearing ratio	**61.3%**	**-**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. Other operating income

	2024 $000	2023 $000
Management service charge	1,452	-
	1,452	**-**

8. Administrative expenses

	2024 $000	2023 $000
Consultancy fees	6,900	-
Royalty fees	4,815	-
Insurance expenses	629	-
Due diligence costs	1,968	-
Share based expenses	77	-
Travel, accommodation and other related expenses	103	-
	14,492	**-**

Included in the consultancy fee is an audit fee of $50,000 for the year ended 31 December 2024 (2023: Nil) payable to RSM UK Audit LLP.

9. Employee benefit expenses

	2024 $000	2023 $000
Short-term employee benefits	54	-
Share-based payments expenses	77	-
	131	**-**

The average monthly number of employees, including the executive directors, during the year is 2 (2023: Nil). The aggregate remuneration to directors was $51,500 (2023: $Nil). During the year, no director exercised a share-based payments scheme (2023: Nil).

10. Finance income and costs

10.1. Finance income

	2024 $000	2023 $000
Interest income	129	-
	129	**-**

10.2. Finance costs

	2024 $000	2023 $000
Interest on third party loans and borrowings	2,882	-
Interest on intercompany loans	999	-
	3,881	**-**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. Income tax

The Company is subject to taxation in the United Kingdom. Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, dividend income from domestic companies, other exempt income and investment incentives utilised. The effective tax rate applied in 2024 is 25% (2023: 23.5%). The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

	2024 $000	**2023 $000**
Profit or loss		
Current income tax:		
Current income tax charge	689	-
Deferred tax:		
Origination and reversal of temporary differences	-	-
	-----------------	-----------------
Income tax expense	**689**	**-**
	==========	==========

Reconciliation of tax expense and the accounting profit multiplied by United Kingdom's domestic tax rate for 2023 and 2024:

	2024 $000	**2023 $000**
Accounting (loss) before tax	**(16,792)**	**-**
	-----------------	-----------------
At UK's statutory income tax rate of 25% (2023: 23.5%)	(4,198)	-
Non-deductible expenses	3,143	-
Deferred tax not recognised	1,055	
Differences due to other taxes	689	
	-----------------	-----------------
At the effective income tax rate	**689**	**-**
	==========	==========

The company has tax losses that arose in United Kingdom of $4,218,186 (2023: $Nil) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group. These losses have arisen because the company has been loss-making for some time, and future taxable profits against which to offset the losses cannot be forecast with reasonable certainty. If the company were able to recognise all unrecognised deferred tax assets, the loss will have reduced by $1,054,547 (2023: $Nil).

12. Investments in subsidiaries

Set out below are the details of the subsidiaries held directly by the company:

Name of subsidiary	**Country of incorporation**	**Principal activity**	**Proportion of ownerships 2024 %**	**2024 $000**	**2023 $000**
Polimetal Madencilik Sanayi ve Ticaret A.Ş	Turkey	Mining	100%	178,853	-
				---------	-----------
				178,853	**-**
				=====	=======

NOTES TO THE FINANCIAL STATEMENTS (Continued)

The company has elected not to prepare consolidated financial statements and instead prepares separate financial statements. The exemption from consolidation has been applied. The immediate parent, ACG Metals Limited, a public limited company incorporated in the British Virgin Islands, prepares consolidated financial statements that comply with IFRS, and these accounts have been made available for public use.

During the year, the Company acquired 100% of the share capital of Polimetal. The total consideration of $178.9 million for the acquisition was comprised as follows:

Consideration	**$000**
Cash consideration	84,000
Shares of ACG Metals issued to Lidya	39,881
Warrants of ACG Metals issued to Lidya	1,994
Lidya's Debts to Polimetal	15,638
Deferred consideration owed by ACG Metals	6,839
Copper price bonus (contingent consideration)	15,551
Copper discovery bonus (contingent consideration)	12,607
Royalty liabilities assumed from seller	2,343
Total Consideration	**178,853**

The cash consideration above was paid by ACG Metals Limited on behalf of the Company. $30.4 million has been accounted for as a capital contribution (see note 20.2) and $16.0 million represented an intercompany loan from ACG Metals Limited (see note 15) and $37.5 million represented the proceeds of the loan from Traxys (see note 15).

Out of the cash consideration, $30.4 million represented a capital contribution to the Company by ACG Metals and is accounted for in equity. Shares of ACG Metals issued to Lidya, Warrants of ACG Metals issued to Lidya, and Deferred consideration have been accounted for as capital contributions bringing the total capital contribution recognised in equity to $79.9 million, including $0.7 million relating to warrants of ACG Metals issued to ACP which is not included in consideration above.

13. Other receivables

	2024 $000	**2023 $000**
Receivables from related parties – ACG Metals Limited	4,748	-
Other receivables – escrow account	6,773	-
	11,521	**-**

Receivables from related parties held by ACG Metals Limited represent amounts due to the Company held in the ACG Metals bank accounts. Refer to Note 22 for details of related party transactions.

The balances included as other receivables are held in an escrow account, with limited access to the company. The escrow account serves as a designated collection account for financing the acquisition of 100% of the issued shares of Polimetal. Funds in this account are restricted and held in Trust for the Guarantor. Subsequent to year end, the Traxys loan was repaid in full, and this amount was released. Call-in arrears, included under other receivables, amount to $Nil in 2024 (2023: $100, rounded to Nil). For fair value information, please refer to Note 18.

14. Cash and cash equivalents

The cash and cash equivalents as at 31 December 2024 is $Nil for 2024 (2023: $Nil). The Company did not operate a bank account in 2024, and payments made on behalf of the Company are made by the parent entity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. Loans and borrowings

	2024 $000	2023 $000
Current		
Traxys loans	25,843	-
ACG Metals loans (Intercompany loan)	14,181	-
Polimetal loans (Intercompany loan)	55,159	-
Total loans and borrowings	**95,183**	**-**

At 31 December 2024, all loans were classified as current liabilities. Subsequent to the year end, the terms of the intercompany loans were formalised as presented below.

	Interest rate %	Maturity	2024 $000	2023 $000
ACG Metals loans (Intercompany loan)	0%	17-Jan-29	14,181	-
Polimetal loans (Intercompany loan)	8%	17-Jan-29	55,159	-
			69,340	**-**

Refer to Note 18 for fair value information.

Intercompany loans (ACG Metals Limited)

Intercompany loans are payable to ACG Metals were issued to fund the consideration for the acquisition of Polimetal and to support the normal operations of the company. $16.0 million represented an intercompany loan from ACG Metals Limited on acquisition of Polimetal (see note 12). After the acquisition, $1.8 million of the intercompany loan from ACG Metals limited was settled using a separate loan from Polimetal. No interest was charged in 2024.

Intercompany loans (Polimetal)

Intercompany loans are payable to Polimetal at 8% per annum. $15.6 million of these loans was taken over by the Company from Lidya as part of the acquisition of Polimetal. The loans were subsequently increased by $1.8 million in part- settlement of the ACG Metals loan, $11.7 million in part-settlement of the Traxys loans and $26.1 million in funding of expenses incurred by the Company.

Traxys loans

The loan from Traxys was obtained in connection with the Company's acquisition of Polimetal. Interest was charged at SOFR plus 10% in 2024 and the loan was repayable by 31 July 2025. $37.5 million represented an intercompany loan from Traxys on acquisition of Polimetal (see note 12). After the acquisition, $11.7 million of the intercompany loan from Traxys was settled using a separate loan from Polimetal. The Traxys loan is secured with 100% of the shares in Polimetal, being 195,070,560 shares, were pledged at 1.00 Turkish Lira per share to the Security Agent with respect to the Loan Facility Agreement with Traxys Europe S.A. In January 2025, the Traxys loan was repaid in full thereby releasing this security.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.1 Reconciliation of net debt

	01-Jan-24	Non -cash movements	31-Dec-24
	USD'000	USD'000	USD'000
Current loans and borrowings	-	95,183	95,183
Total	**-**	**95,183**	**95,183**

16. Contingent consideration

	2024	2023
	$000	$000
Copper Discovery Bonus	12,607	-
Copper Price Bonus	15,552	-
	28,159	**-**

	$000
At 1 January 2023	-
At acquisition	28,159
At 31 December 2024	**28,159**

As part of the purchase agreement with the previous owner of Polimetal, a contingent consideration has been agreed. This consideration is dependent on achieving a specified copper price and discovery targets over 2 years (Price Bonus) and 10 years (Discovery Bonus) from commencement. The fair value of the contingent consideration at the acquisition date was $28,159,000. There were no movements in the fair value between the acquisition date and the reporting date. Details of accounting for contingent consideration are given in Accounting Polices (Note 2 and Note 3).

17. Trade and other payables

	2024	2023
	$000	$000
Trade payables	108	-
Accruals	3,690	-
Withholding tax payable	689	-
Total trade and other payables	**4,487**	**-**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Refer to Note 18 for fair value information.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. Fair values

Below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments.

	31-Dec-24		31-Dec-23	
	Carrying $000	**Fair value $000**	**Carrying value $000**	**Fair value $000**
Financial assets				
Other receivables	11,521	11,521	-	-
Total financial assets	**11,521**	**11,521**	**-**	**-**
Financial liabilities				
Loans and borrowings	95,183	95,183	-	-
Contingent consideration	28,159	28,159	-	-
Trade and other payables	4,487	4,487	-	-
Total financial liabilities	**127,829**	**127,829**	-	-

Management has determined that the fair values of other receivables, trade payables, and other payables approximate their carrying amounts, primarily due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate borrowings are evaluated by the company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project.
- The fair value methods and assumptions for contingent consideration is included in Note 3.

19. Share capital

	2024 Numbers	**2023 Numbers**	**2024 $000**	**2023 $000**
Allotted, called-up and fully paid				
Ordinary shares of $1 each	100	100	-	-
			-	**-**

The issued share capital issued at the end of the reporting year is $100, rounded off to nil (2023: $100).

20. Nature and purpose of reserve

20.1 Share based payments reserve

The Company falls within the ACG Metals Group, which operates a share option scheme granting options to subscribe for ACG Metals shares to certain senior executives and other employees. Senior executives of ACG Holdco 1 also participate in these share-based schemes, resulting in the creation of a reserve from shares issued by ACG Holdco 1's parent company. Please refer to Note 21 for further details.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20.2 Other reserves

Other reserves comprise capital contributions from ACG Metals Limited, the immediate parent of the Company. Capital contributions are funds provided to the Company to support in the acquisition of Polimetal. These contributions are in the form of cash injections and asset transfers. They are recorded in the Company's financial statements as equity.

20.3 Retained loss

Retained loss or accumulated loss represents the cumulative net losses that a company has incurred over time, which have not been distributed as dividends to shareholders. Instead, these losses are retained within the company to cover any future losses or to reinvest in the business. Accumulated losses are shown as a negative balance in the equity section of the balance sheet.

21. Share based payments

Equity incentive plan
As outlined in the prospectus, the Employee Incentive Plan (EIP) was granted to key personnel in recognition of their contributions towards the acquisition.

The Company provides employees and contractors with an annual issuance of shares under its Share Incentive Plan, with restricted shares issued for nominal consideration. This plan ensures that employees are rewarded for their contributions to the organisation. When an employment agreement concludes, the Company is required to uphold the terms of the Share Incentive Plan.

ACG Metals Limited as the ultimate parent company provides employees and contractors with an annual issuance of shares under its Share Incentive Plan, with shares issued for nominal consideration. This plan ensures that employees are rewarded for their contributions to the organisation.

The aggregate Award Price for these shares is nominal and they vest annually over three years from the grant date, subject to specified performance targets, including Total Shareholder Return (TSR). The vesting of shares is subject to achieving a TSR performance target, which the Board may adjust downward by up to 50% at its discretion based on the TSR achieved.

22. Related party transactions

Transactions with related parties in the entity

	Loans to/ (from) related party	**Receivables from related party**
	$000	**$000**
Payables to ACG Metals (Intercompany)		
At 31-Dec-24	(14,181)	-
Payables to Polimetal (Intercompany)		
At 31-Dec-24	(55,159)	-
Receivables from ACG Metals (Intercompany)		
At 31-Dec-24	-	4,748

NOTES TO THE FINANCIAL STATEMENTS (Continued)

There are no sales or purchases between the Company and its related parties during the year. However, the Company's recharges to Polimetal, represented as management service income during the year, amounted to $1.4 million (2023: $Nil). This balance was settled by Polimetal within the year.

Nature of related party transactions

Intercompany loans (ACG Metals Limited)
No interest was charged in 2024. Following the formalization of loan agreements in January 2025, intercompany loans will remain payable to ACG Metals at a rate of 0% per annum. These funds were used towards the consideration for the acquisition of Polimetal and to support the normal operations of the company.

Intercompany loans (Polimetal)
Intercompany loans are payable to Polimetal at 8% per annum. One of these loans was taken over by the Company as part of the acquisition of Polimetal.

Receivables from ACG Metals
Receivables from related parties held by ACG Metals Limited represent the company's cash balances in ACG Metals' bank accounts as at the end of the reporting period. The cash held by ACG Metals on behalf of the Company does not accrue any interest at the end of the reporting period.

Compensation of key management personnel

The compensation for key management personnel is as per the details provided in Note 9.

23. Ultimate controlling party

The immediate direct parent of the company is ACG Metals Limited. There is no ultimate controlling party.

24. Events after reporting period

24.1 USD 200 Million Bond Financing for Project Development
In January 2025, the Company successfully engaged international joint managers and completed the placement of USD 200 million in senior secured notes. This financing represents a key milestone in the funding of the Company's sulphide investment project in Turkey and positions the business well for the transition into the construction phase. Additionally, the outstanding Traxys loan for the year was fully repaid using bond proceeds.

24. 2 Hedging
The Company executed a comprehensive hedging agreement designed to manage commodity price exposure and mitigate risk in the construction phase of its flagship project. The agreement is a zero-cost structured collar option which will cover approximately 14,000 ounces of gold from Gediktepe, representing around 50% of expected gold production through to January 2026, when the sulphide expansion is anticipated to commence operations. This is expected to mitigate volatility in input pricing and enhance forecast certainty during the capital-intensive development stage.

24.3 Debt restructuring
In 2025, ACG Holdco 1 Limited and ACG Metals Limited agreed a debt restructuring agreement, novating the third party loans which were outstanding in ACG Metals in 2024, to ACG Holdco 1 Limited amounting to $7million.