RNS Number : 4885A
Firering Strategic Minerals PLC
23 September 2022

Firering Strategic Minerals plc / EPIC: FRG / Market: AIM / Sector: Mining

23 September 2022

Firering Strategic Minerals plc

("Firering" or "the Company")

Interim Results

For the Six Months Ended 30 June 2022

Firering Strategic Minerals plc, an exploration company focusing on critical minerals, is pleased to announce its interim results for the six months ended 30 June 2022.

Corporate and Operational Highlights

- Detailed geological mapping, auger drilling and soil sampling provide evidence of a much larger pegmatite field than originally thought.
- Appointment of diamond drilling contractor, FOREMI, to spearhead core drilling campaign at its flagship Atex Lithium -Tantalum Project ("Atex").
- Significant operational progress with the completion of the first phase auger drilling campaign and soil sampling at Atex, identifying areas of interest for Phase I diamond drilling ("DD") campaign.
- Acquisition of Toura Nickel-Cobalt Licence ("Toura"), Côte d'Ivoire, which is in line with the Company's strategy to focus on critical metals

Post Period Highlights

- Commencement of Phase I DD campaign in July 2022.
- Successfully completed 11 DD holes targeting potential Li-bearing pegmatites for a total of 1,895m out of a planned 3,000m drilling campaign at the Atex licence area. Results include:
    - Pegmatites intersected in all 11 holes drilled to date.
    - Visible lithium mineralisation is present in 10 out of the 11 holes
- Potential new pegmatite field identified in the NNW of the Atex licence area.

- As part of its commitment to the local community, Firering funded the drilling of an additional water borehole at Touvré, a local village with limited access to clean water

- Increased stake in the Atex Lithium - Tantalum Project from 51% to 77%, keeping in line with the Company's strategy to develop Atex to supply the increasing demand for ethically sourced critical minerals required for Net Zero transition.

Outlook

- Completion of Phase I 3,000m DD campaign in the next few weeks.

- First assay and X-ray diffraction ("XRD") results expected in Q4 2022.

- Further detailed mapping in the Atex licence area, including south of the road to Touvré

- Second auger drilling and soil sampling campaigns commencing in Q4 2022.

- Results from these two campaigns will be used to design Phase I of Reverse Circulation ("RC") drilling campaign and Phase II DD campaign.

Directorate Change

Timothy Daniel has resigned as Chief Financial Officer ("CFO") of the Company to pursue other career opportunities effective from today. Shai Kol, a qualified Chartered Accountant with over 23 years' experience in finance, will transition from his current position as Non-Executive Director and becomes the Company's CFO. The Board would like to thank Mr Daniel for his contribution to the successful listing last year and beyond and wish him all the best for the future.

Commenting on the results, Yuval Cohen, Chief Executive of Firering, said:

"The first six months of 2022 have been very successful in terms of the Company's operational progress and achievements. Our ability to accelerate the first auger drilling and soil sampling campaigns, driven by detailed geological mapping, increased our understanding of the Atex licence area, and allowed us to design the first phase of our diamond drilling programme."

"Post period, the intersection of pegmatites in all 11 holes drilled to date, along with the discovery of a potential new pegmatite field in the NNW of the licence area, are indicative of the potential of the Atex project. We are now building on the success experienced in this reporting period and we look forward to updating shareholders on the remaining holes from the 3,000m diamond drilling programme in the coming weeks and the first assay and XRDs results expected in Q4 2022."

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON

PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

***** ENDS *****

For further information and updates on Firering's exploration programme, visit www.fireringplc.com or contact the following:

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Chairman's Statement

I am pleased to report a busy half-year with significant operational achievements during the six months to 30 June 2022.

The first six months of the year have been pivotal for Firering as it strives to deliver its strategic and operational targets whilst maximising value at its flagship, Atex dual Lithium - Tantalum Project. We started the period positively. In early April 2022, we received all assay results from our auger drilling campaign in the Atex licence area. As expected, these results confirmed the presence of the mapped lithium pegmatites recorded during the regional mapping exercise. This validation of the existence of pegmatites at Atex project was fundamental in our decision to accelerate exploration work and consequently led to the appointment of FOREMI as our diamond drilling contractor to carry out our diamond drilling programme.

The first phase of our 3,000m diamond drilling programme at Atex began in July, targeting the potentially lithium-bearing pegmatites as part of a fully funded diamond drilling campaign, in line with our accelerated exploration plan.

In addition, at the start of 2022 the Company executed a sale and purchase agreement with AIM and TSX-V listed Altus Strategies Plc for the purchase of a 100% interest in the Toura nickel-cobalt licence application located in western Côte d'Ivoire.Although our exploration focus remains on advancing the Atex project.

Financial

The Company generated no revenue during the period but focussed on exploring and developing assets that the Board believes will generate revenue for the Company in the future.

For the six-month period ended 30 June 2022 the Company reports a pre-tax loss of €0.5m (six months ended 30 June 2021: pre-tax loss of €0.9m),

The Company's net cash balance as at 30 June 2022 was €2.1 million.

Post period

On 4 July 2022, the Company exercised its option to increase its stake in the Atex project from 51% to 77%. The Board remains confident that Atex has the potential to be the next significant lithium project in West Africa and is well placed to benefit from the continued demand for lithium.

Our decision was validated by the encouraging results the Company issued as part of its operational update on 1 September 2022. The first phase of its core diamond drilling programme so far confirmed the presence of pegmatites in all 11 drill holes completed to date, with visible lithium mineralisation observed in 10 of these holes. We look forward to receiving the first assay and XRD results which are expected during Q4 of 2022.

In addition to the water borehole that was completed to support exploration activities at Atex, we funded another water borehole in the nearby village of Touvré to provide clean water to the local community. This is part of our commitment towards Environmental and Social Governance ("ESG"), and we are looking forward to welcoming local, regional, and national authorities to the official opening of the waterhole.

We would also like to welcome Shai Kol as Chief Financial Officer to the Company. Mr Kol became Non-Executive Director of the Company in July 2022 (announced on 18 July 2022), following the resignation of Ofra Chen. He has stepped up to the role of CFO following the resignation of Mr Daniel today. I would like to personally thank Mr Daniel for his contribution to the success of the Company to date and wish him all the best for the future.

Our intention moving forward is to advance the delivery of the Company's strategic plan and further increase our understanding of our lithium-tantalum project in Côte d'Ivoire. We look forward to the next six months with optimism and updating the market in due course.

On behalf of the entire Board, I would like to take this opportunity to thank our shareholders for all their support.

Youval Rasin

Non-Executive Chairman

23 September 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30 June 2022 Unaudited	31 December 2021 Audited
	Euros in thousands	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	2,078	3,384
Other receivables	17	30
Total current assets	2,095	3,414
NON-CURRENT ASSETS:		
Intangible assets	2,749	2,073
Property, plant and equipment	304	305
Total non-current assets	3,053	2,378
Total assets	5,148	5,792

The accompanying notes form an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	30 June 2022 Unaudited	31 December 2021 Audited
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		

Trade payables	63	150
Other payables	83	102
Capital note	214	214
Total current liabilities	360	466
NON-CURRENT LIABILITIES:		
Accrued severance pay, net	-	8
Capital notes	540	514
Loan from non-controlling interest in subsidiary	98	92
Liability to non-controlling interest in subsidiary	146	130
Total non-current liabilities	784	744
Total liabilities	1,144	1,210
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:		
Share capital	87	87
Share premium	6,878	6,878
Warrants	20	20
Accumulated deficit	(3,490)	(2,973)
Capital reserve	327	327
	3,822	4,339
Non-controlling interests	182	243
Total equity	4,004	4,582
Total liabilities and equity	5,148	5,792

The accompanying notes form an integral part of the interim consolidated financial statements.

23 September, 2022			
Date of approval of the financial statements	Youval Rasin Director and Chief Executive Officer	Yuval Cohen CEO	Timothy Daniel CFO

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended 30 June		Year ended 31 December
	2022	**2021**	**2021**

	Unaudited		Audited
	Euros in thousands (Except per share amounts)		
General and administrative expenses	(415)	(815)	(929)
Operating loss	(415)	(815)	(929)
Financial expenses	(102)	(54)	(1,373)
Loss before taxes on income	(517)	(869)	(2,302)
Taxes on income	-	-	-
Net loss	(517)	(869)	(2,302)
Total comprehensive loss	(517)	(869)	(2,302)
Net loss attributable to:			
Equity holders of the Company	(517)	(779)	(2,276)
Non-controlling interests	-	(90)	(26)
	(517)	(869)	(2,302)
Total comprehensive loss attributable to:			
Equity holders of the Company	(517)	(779)	(2,276)
Non-controlling interests	-	(90)	(26)
	(517)	(869)	(2,302)
Loss per share (in Euro)	(0.01)	(0.10)	(0.06)

The accompanying notes form an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Share capital	Share premium	Warrants	Shares to be issued	Reserves (*)	Aaccumulated deficit	Total	Non-controlling interests	Total equity
	Unaudited								
	Euros in thousands								
As at 1 January 2022 (audited)	87	6,878	20	-	327	(2,973)	4,339	243	4,582
Loss for the period	-	-	-	-	-	(517)	(517)	-	(517)
Payment on account of acquisition of non-controlling	-	-	-	-	-	-	-	(61)	(61)

interests (Note 4)									
As at 30 June 2022	87	6,878	20	-	327	(3,490)	3,822	182	4,004

	Attributable to equity holders of the Company								
	Share capital	**Share premium**	**Warrants**	**Shares to be issued**	**Reserves (*)**	**Aaccumulated deficit**	**Total**	**Non-controlling interests**	**Total equity**
	Unaudited								
	Euros in thousands								
As at 1 January 2021 (audited)	1	-	-	50	-	(697)	(646)	90	(556)
Loss for the period	-	-	-	-	-	(779)	(779)	(90)	(869)
Issuance of shares	29	-	-	-	-	-	29	-	29
Non-controlling interests arising from initially consolidated subsidiary	-	-	-	-	-	-	-	58	58
As at 30 June 2021	30	-	-	50	-	(1,476)	(1,396)	58	(1,338)

The accompanying notes form an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company								
	Share capital	**Share premium**	**Warrants**	**Shares to be issued**	**Reserves (*)**	**Aaccumulated deficit**	**Total**	**Non-controlling interests**	**Total equity**
	Audited								
	Euros in thousands								
As at 1 January 2021	1	-	-	50	-	(697)	(646)	90	(556)
Loss for the period	-	-	-	-	-	(2,276)	(2,276)	(26)	(2,302)
Issuance of shares	71	3,962	20	(50)	-	-	4,003	-	4,003
Conversion to equity of convertible loan notes	15	2,216	-	-	-	-	2,231	-	2,231
Share-based compensation	-	700	-	-	-	-	700	-	700
Contribution to equity	-	-	-	-	327	-	327	31	358
Non-controlling interests arising from initially consolidated subsidiary	-	-	-	-	-	-	-	148	148
As at 31 December 2021	87	6,878	20	-	327	(2,973)	4,339	243	4,582

The accompanying notes form an integral part of the interim consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended 30 June		Year ended 31 December
	2022	2021	2021
	Unaudited		Audited
	Euros in thousands		
Cash flows from operating activities:			
Net loss	(517)	(869)	(2,302)
Adjustments to the profit or loss items:			
Depreciation	-	39	151
Share-based compensation	-	-	700
Accrued interest on convertible loan notes	-	50	111
Change in fair value of conversion option of convertible loan notes	-	-	669
Accrued interest on capital note and loans from non-controlling interest in subsidiary	32	-	17
Decrease (increase) in other receivables	-	(7)	(29)
Increase (decrease) in trade payables	(87)	118	145
Increase (decrease) in other payables	(19)		
Increase (decrease) in liability to non-controlling interest in subsidiary	16	-	(156)
Increase (decrease) in severance pay	(8)	-	8
Net cash used in operating activities	(583)	(669)	(686)
Cash flows from investing activities:			
Net cash outflow from acquisition of subsidiaries	-	(61)	(289)
Additions to property, plant and equipment	(62)	(11)	(142)
Decrease in deposits	13	-	-
Additions to intangible assets	(613)	(152)	(863)
Net cash used in investing activities	(662)	(224)	(1,294)
Cash flows from financing activities:			
Issuance of shares	-	29	4,004
Advance on account of acquisition of non-controlling interests	(61)		
Proceeds of loans from shareholders	-	77	254
Proceeds from the issue of convertible loans	-	498	726
Net cash provided by (used in) financing activities	(61)	604	4,984

Net change in cash and cash equivalents	(1,306)	(289)	3,004
Cash and cash equivalents at beginning of period	3,384	380	380
Cash and cash equivalents at end of period	2,078	91	3,384

The accompanying notes form an integral part of the interim consolidated financial statements.

	Six months ended 30 June		**Year ended 31 December**
	2022	**2021**	**2021**
	Unaudited		**Audited**
	Euros in thousands		
Supplemental disclosure of non-cash activities:			
Issuance of shares in consideration for conversion of convertible loan notes	-	-	2,231
Discount on loans from shareholders and non-controlling interests accounted for as contributions to equity	-	-	358
Depreciation of Property, plant and equipment capitalized to Intangible assets	63	-	-

The accompanying notes form an integral part of the interim consolidated financial statements.

NOTE 1:- GENERAL INFORMATION

a. Firering Strategic Minerals PLC (formerly "Firering Holdings Limited") ("The Company") is a holding company for a group of exploration and development companies set up to focus on developing assets towards the ethical production of critical metals. The Company was incorporated on 8 May 2019 in Cyprus. The address of its registered office is Ioanni Stylianou 6, 2nd Floor, Office 202, 2003, Nicosia, Cyprus.

The Company owns 75% of the issued share capital of Bri Coltan SARL ("Bri Coltan") a company incorporated in Cote d'Ivoire. The principal activity of the subsidiary is the exploration and development of mineral projects (in particular, columbite- tantalite).

On 1 March 2021, the Company purchased 51% of the issued share capital of Atex Mining Resources SARL ("Atex") a company incorporated in Cote d'Ivoire. The principal activity of Atex is the exploration and development of mineral projects (in particular, lithium and columbite-tantalite).

On 22 November 2021, the Company purchased 80% of the issued share capital of Alliance Minerals Corporation SARL ("Alliance"), a company incorporated in Cote d'Ivoire. Alliance holds an exploration license request at an area bordering Atex.

On 12 November 2021, the Company completed its Initial Public Offering ("IPO") and admission to trading on the AIM, a market operated by the London Stock Exchange ("the AIM"), by issuing 30,769,230 Ordinary shares at a price of £ 0.13 per share for a total cash consideration of € 4.68 million (£ 4 million). The net proceeds after expenses were €4.25 million (£ 3.63 million).

On 14 March 2022 the Company purchased a 100% interest in its wholly-owned Seychellois subsidiary, Altar Resources Limited ("Altar"). Altar is the 100% owner of Apalex SARL, an Ivorian incorporated company which holds the submitted the Toura nickel-cobalt licence application located in western Côte d'Ivoire. The consideration for the Project was €15,000 in cash and a Gross Revenue Royalty of up to 1.0% on nickel and cobalt sales from the Project (see also note 4).

b. Going concern:

The Group's operations are at an early stage of development and the continuing success of the Group will depend on the Group's ability to manage its mineral projects. Presently, the Group has no projects producing positive cash flow and the Group is likely to remain cash flow negative in the near future. The Group's ultimate success will depend on its ability to generate positive cash flow from active mining operations in the future and its ability to secure external funding for its development requirements. However, there is no assurance that the Group will achieve profitability or positive cash flow from its operating activities.

The Board of Directors and Group management have assessed the ability of the Group to continue as a going concern. Based on a review of the Group's budget and forecast cash flows, there is a reasonable expectation that the Group will have adequate resources to continue in operational existence and meet its obligations as they become due for at least a period of twelve months from the date of approval of the financial statements. Thus, the going concern basis of accounting has continued to be applied in preparing these financial statements.

NOTE 1:- GENERAL INFORMATION (Cont.)

c. The recent outbreak of COVID-19 had no significant impact on the Company's operations during 2021. The outbreak of COVID-19 may resume its negative effect on economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion, affect the Company's suppliers or business practices previously applied by those entities, or otherwise impact the Company's activities. Governments in affected countries have imposed travel bans, quarantines and other emergency public safety measures. Those measures, though apparently temporary in nature, may continue and increase depending on developments in the COVID-19 pandemic. The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore the Company cannot reasonably estimate the impact it may have on its end markets and its future revenues, profitability, liquidity and financial position.

d. These financial statements have been prepared in a condensed format as of 30 June 2022 and for the six months then ended ("interim consolidated financial statements"). These financial statements should be read in conjunction with the Company's annual financial statements as of 31 December 2021 and for the year then ended and accompanying notes ("annual consolidated financial statements").

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim consolidated financial statements:

The interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting".

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements, except as described below.

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NOTE 3:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION

1. <u>Amendment to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets":</u>

   In May 2020, the IASB issued an amendment to IAS 37, regarding which costs a company should include when assessing whether a contract is onerous ("the Amendment").

   According to the Amendment, costs of fulfilling a contract include both the incremental costs (for example, raw materials and direct labor) and an allocation of other costs that relate directly to fulfilling a contract (for example, depreciation of an item of property, plant and equipment used in fulfilling the contract).

The Amendment is effective for annual periods beginning on or after 1 January 2022 and applies to contracts for which all obligations in respect thereof have not yet been fulfilled as of 1 January 2022. The application of the Amendment does not require the restatement of comparative data. Instead the opening balance of retained earnings on the date of initial application date is adjusted for the cumulative effect of the Amendment.

The application of the Amendment did not have a material impact on the Company's
interim financial statements.

2. Amendment to IAS 16, "Property, Plant and Equipment":

In May 2020, the IASB issued an amendment to IAS 16, "Property, Plant and Equipment" ("the Amendment"). The Amendment prohibits a company from deducting from the cost of property, plant and equipment ("PP&E") consideration received from the sales of items produced while the company is preparing the asset for its intended use. Instead, the company should recognize such consideration and related costs in profit or loss.

The Amendment is effective for annual reporting periods beginning on or after January 1, 2022. The Amendment is to be applied retrospectively, but only to items of PP&E made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the Amendment.

The cumulative effect of initially applying the Amendment is recognized as an adjustment to the opening balance of retained earnings at the beginning of the earliest period presented.

The application of the Amendment did not have a material impact on the Company's interim financial statements.

NOTE 4: - ACQUISITION OF SUBSIDIARIES

Acquisition of Altar Resources Limited ("Altar")

On 14 March 2022 the Company purchased 100% interest in Altar Resources Limited ("Altar"), a company incorporated in Seychelle. Altar is the 100% owner of Apalex SARL, an Ivorian incorporated company which has an application for a nickel-cobalt mineral prospecting license with an area of approximately 168 sq km, in western Côte d'Ivoire.

The GRR will be calculated as a percentage of the gross proceeds received from sales from the Project less transportation costs. The GRR will be subject to a separate agreement, which will be entered into between the Company and Altus, within six months of the grant of the Application.
Firering will pay to Altus a GRR from the Project, linked to the United States dollar nickel price (as quoted per ton by the London Metal Exchange) at the time of the metal sales as follows:

- When the nickel price is less than or equal to US$12,000/t: no royalties will be payable;
- when the nickel price is between US$12,000/t and US$18,000/t Firering will pay to Altus a 0.5% GRR; and
- when the nickel price is higher than US$18,000/t Firering will pay to Altus a 1.0% GRR.

The financial impact of the acquisition is a €15k increase in Company's intangible assets

NOTE 5:- SIGNIFICANT EVENTS

On 4 July 2022 the Company purchased an additional 26% of the issued shares in Atex (to increase its holding to 77%) as follows:

- 10% of the issued shares in Atex in exchange for 1,158,200 shares in the Company (with a value of £76,441 at the closing share price on 1 July 2022 of 6.6p per share; €88,672 based on £1 = €1.16).
- 16% of the issued shares in Atex by way of exercising the first option under the agreement between Firering and Atex dated 31 March 2021 for a total consideration of c.€320,000.
- As of 30 June 2022, the Company has paid an advance of €61,000 on account of the above acquisition of shares of the non-controlling interests.

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