

**Unaudited Interim Financial Statements**  
**for the six months ended 30 June 2020 and 2019**  
**for**  
**Cornish Lithium Ltd**

**Cornish Lithium Ltd**

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for the period 1 January 2020 to 30 June 2020**

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**Cornish Lithium Ltd**  
**Company Information**  
**for the period 1 January 2020 to 30 June 2020**

**DIRECTORS:**

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

**SECRETARY:**

Q Hussain

**REGISTERED OFFICE:**

Tremough Innovation Centre  
Penryn  
Cornwall  
TR10 9TA

**REGISTERED NUMBER:**

10205021 (England and Wales)

**ACCOUNTANTS:**

ansteybond  
1-2 Charterhouse Mews  
London  
EC1M 6BB

**Cornish Lithium Ltd**

**Report of the Directors  
for the period 1 January 2020 to 30 June 2020**

The directors present their report with the financial statements of the company for the period 1 January 2020 to 30 June 2020.

**PRINCIPAL ACTIVITY**

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

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

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

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

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

**ON BEHALF OF THE BOARD:**

.....  
J B E Wrathall - Director

Date: .....

**Cornish Lithium Ltd**

**Interim Statement of Profit or Loss and Other Comprehensive Income  
for the period 1 January 2020 to 30 June 2020**

	Notes	Period 1.1.20 to 30.6.20 £	Period 1.1.19 to 30.06.19 £
<b>CONTINUING OPERATIONS</b>			
Revenue		-	-
Cost of sales		<u>(126,272)</u>	<u>(104,321)</u>
<b>GROSS LOSS</b>		(126,272)	(104,321)
Other operating income		161,053	8,850
Administrative expenses		<u>(1,135,033)</u>	<u>(710,777)</u>
<b>OPERATING LOSS</b>		(1,100,252)	(806,248)
Finance costs	5	(63,996)	-
Finance income	5	<u>-</u>	<u>-</u>
<b>LOSS BEFORE INCOME TAX</b>	6	(1,164,248)	(806,248)
Income tax	7	<u>221,263</u>	<u>-</u>
<b>LOSS FOR THE PERIOD</b>		(942,985)	(806,248)
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Capital Redemption Reserve		49,611	-
Income tax relating to item that may be reclassified subsequently to profit or loss		<u>-</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b>		<u>49,611</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><u>(893,375)</u></u>	<u><u>(806,248)</u></u>

**Cornish Lithium Ltd (Registered number: 10205021)**

**Interim Statement of Financial Position  
30 June 2020**

	Notes	30 June 2020 £	30 June 2019 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	8	138,146	115,073
Property, plant and equipment	9	<u>24,376</u>	<u>73,728</u>
		<u>162,522</u>	<u>188,801</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	214,672	136,605
Tax receivable	15	221,263	167,387
Cash and cash equivalents	11	<u>784,694</u>	<u>293,097</u>
		<u>1,220,629</u>	<u>597,089</u>
<b>TOTAL ASSETS</b>		<u><u>1,383,151</u></u>	<u><u>785,890</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	12	350	304
Share premium	13	4,764,407	2,354,957
Capital redemption reserve	13	64,491	-
Retained earnings	13	<u>(3,519,822)</u>	<u>(1,661,756)</u>
<b>TOTAL EQUITY</b>		<u>1,309,426</u>	<u>693,505</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	<u>73,725</u>	<u>92,385</u>
<b>TOTAL LIABILITIES</b>		<u>73,725</u>	<u>92,385</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,383,151</u></u>	<u><u>785,890</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 30 June 2020.

The members have not required the company to obtain an audit of its financial statements for the period ended 30 June 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

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

**Cornish Lithium Ltd (Registered number: 10205021)**

**Interim Statement of Financial Position - continued  
30 June 2020**

The financial statements were approved by the Board of Directors and authorised for issue on ..... and were signed on its behalf by:

.....  
J B E Wrathall - Director

**Cornish Lithium Ltd**

**Interim Statement of Changes in Equity  
for the period 1 January 2020 to 30 June 2020**

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
<b>Balance at 1 January 2019</b>	297	(855,508)	2,232,321	-	1,377,110
<b>Changes in equity</b>					
Issue of share capital	7	-	122,636	-	122,636
Total comprehensive income	<u>-</u>	<u>(806,248)</u>	<u>-</u>	<u>-</u>	<u>(806,248)</u>
<b>Balance at 30 June 2019</b>	<u>304</u>	<u>(1,661,756)</u>	<u>2,354,957</u>	<u>-</u>	<u>693,505</u>
<b>Balance at 1 January 2020</b>	330	(2,576,837)	3,947,702	14,880	1,386,075
<b>Changes in equity</b>					
Issue of share capital	20	-	816,705	-	816,725
Total comprehensive income	<u>-</u>	<u>(942,985)</u>	<u>-</u>	<u>49,611</u>	<u>(893,374)</u>
<b>Balance at 30 June 2020</b>	350	(3,519,822)	4,764,407	64,491	1,309,426



**Cornish Lithium Ltd**

**Interim Statement of Cash Flows  
for the period 1 January 2019 to 30 June 2019**

	Notes	Period 1.1.20 to 30.6.20 £	Period 1.1.19 to 30.6.19 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(1,237,597)	(834,963)
Finance costs		(63,996)	-
Tax paid		<u>362,131</u>	<u>-</u>
Net cash from operating activities		<u>(939,462)</u>	<u>(834,963)</u>
 <b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(75,961)	(300)
Purchase of tangible fixed assets		<u>(2,034)</u>	<u>(17,880)</u>
Net cash from investing activities		<u>(77,995)</u>	<u>(18,180)</u>
 <b>Cash flows from financing activities</b>			
Share issue		<u>866,336</u>	<u>122,653</u>
Net cash from financing activities		<u>866,336</u>	<u>122,653</u>
 <b>(Decrease)/increase in cash and cash equivalents</b>		 (151,121)	 (730,500)
<b>Cash and cash equivalents at beginning of period</b>	2	<u>935,815</u>	<u>1,023,597</u>
 <b>Cash and cash equivalents at end of period</b>	2	 <u><u>784,694</u></u>	 <u><u>293,097</u></u>

**Cornish Lithium Ltd**

**Notes to the Statement of Cash Flows  
for the period 1 January 2020 to 30 June 2020**

<b>1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS</b>	Period 1.1.20 to 30.6.20 £	Period 1.1.19 to 30.6.19 £
Loss before income tax	(1,164,248)	(806,248)
Depreciation charges	92,975	71,152
Finance costs	63,996	-
Finance income	<u>-</u>	<u>-</u>
Increase in trade and other receivables	(1,007,277)	(735,096)
(Decrease)/increase in trade and other payables	(561)	(130,250)
	<u>(229,759)</u>	<u>30,383</u>
<b>Cash generated from operations</b>	<u>(1,237,597)</u>	<u>(834,963)</u>

**2. CASH AND CASH EQUIVALENTS**

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

**Period ended 30 June 2020**

	30.6.20	1.1.20
	£	£
Cash and cash equivalents	<u>784,694</u>	<u>935,815</u>

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	935,815	1,023,597

**Prior year**

**Period ended 30 June 2019**

	30.6.19	1.1.19
	£	£
Cash and cash equivalents	<u>293,097</u>	<u>1,023,597</u>

**Year ended 31 December 2018**

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

## Cornish Lithium Ltd

### Notes to the Financial Statements for the period 1 January 2020 to 30 June 2020

#### 1. STATUTORY INFORMATION

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

#### 2. ACCOUNTING POLICIES

##### **Basis of preparation**

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

##### **Intangible assets**

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

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

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

Website Construction - Straight-line basis over 3 years

Development Costs - Straight-line basis over 3 years

Computer Software - Straight-line basis over 3 years

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

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

##### **Property, plant and equipment**

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

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

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

Computer equipment - Straight-line basis over 3 years.

Office equipment - Straight-line basis over 3 years.

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

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

## Cornish Lithium Ltd

### Notes to the Financial Statements - continued for the period 1 January 2020 to 30 June 2020

#### 2. ACCOUNTING POLICIES - continued

##### **Taxation**

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

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

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

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

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

##### **Employee benefit costs**

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

##### **Trade and other receivables**

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

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

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

##### **Trade and other payables**

Trade payables are initially measured at fair value.

##### **Cash and cash equivalents**

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

**Cornish Lithium Ltd**

**Notes to the Financial Statements - continued  
for the period 1 January 2020 to 30 June 2020**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

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

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

**4. EMPLOYEES AND DIRECTORS**

	Period 1.1.20 to 30.6.20 £	Period 1.1.19 to 30.6.19 £
Wages and salaries	314,343	226,196
Social security costs	27,206	24,434
Other pension costs	<u>4,406</u>	<u>7,277</u>
	<u>345,955</u>	<u>257,907</u>

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

	Period 1.1.20 to 30.6.20	Period 1.1.19 to 30.6.19
Employees	<u>14</u>	<u>10</u>

	Period Ended 30.06.20 £	Period Ended 30.06.19 £
Directors' remuneration	81,250	67,500
Directors' fees	<u>-</u>	<u>20,833</u>
	<u>81,250</u>	<u>88,333</u>

**Cornish Lithium Ltd**

**Notes to the Financial Statements - continued  
for the period 1 January 2020 to 30 June 2020**

**5. NET FINANCE COSTS**

	Period 1.1.20 to 30.6.20 £	Period 1.1.19 to 30.6.19 £
Finance income:		
Deposit account interest	<u>-</u>	<u>-</u>
Finance costs:		
Vesting Share Options	15,960	-
Warrants issued	33,651	
CrowdCube Commision	<u>14,385</u>	
Net finance costs	<u>63,996</u>	<u>-</u>

**6. LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	2020 £	2019 £
Direct costs	126,392	104,321
Included within Administrative Expenses:		
Depreciation - owned assets	19,243	20,207
Development costs amortisation	72,272	49,453
Computer software amortisation	<u>1,460</u>	<u>1,492</u>

**7. INCOME TAX**

**Analysis of tax income**

	Period 1.1.20 to 30.6.20 £	Period 1.1.19 to 30.6.19 £
Current tax:		
Tax	<u>(221,263)</u>	<u>-</u>
Total tax income in statement of profit or loss and other comprehensive income	<u>(221,263)</u>	<u>-</u>

**Cornish Lithium Ltd**

**Notes to the Financial Statements - continued  
for the period 1 January 2020 to 30 June 2020**

**8. INTANGIBLE ASSETS**

	Development costs £	Computer software £	Totals £
<b>COST</b>			
At 1 January 2020	375,053	9,054	384,107
Additions	<u>75,961</u>	<u>-</u>	<u>75,961</u>
At 30 June 2020	<u>451,014</u>	<u>9,054</u>	<u>460,068</u>
<b>AMORTISATION</b>			
At 1 January 2020	241,345	6,845	248,190
Amortisation for period	<u>72,272</u>	<u>1,460</u>	<u>73,732</u>
At 30 June 2020	<u>313,617</u>	<u>8,305</u>	<u>321,922</u>
<b>NET BOOK VALUE</b>			
At 30 June 2020	<u>137,397</u>	<u>749</u>	<u>138,146</u>
At 31 December 2019	<u>133,708</u>	<u>2,209</u>	<u>135,917</u>
<b>Prior Year</b>			
	Development costs £	Computer software £	Totals £
<b>COST</b>			
At 1 January 2019	296,719	8,754	305,473
Additions	<u>-</u>	<u>300</u>	<u>300</u>
At 30 June 2019	<u>296,719</u>	<u>9,054</u>	<u>305,773</u>
<b>AMORTISATION</b>			
At 1 January 2019	135,911	3,844	139,755
Amortisation for period	<u>49,453</u>	<u>1,492</u>	<u>50,945</u>
At 30 June 2019	<u>185,364</u>	<u>5,336</u>	<u>190,700</u>
<b>NET BOOK VALUE</b>			
At 30 June 2019	<u>111,355</u>	<u>3,718</u>	<u>115,073</u>
At 31 December 2018	160,808	4,910	165,718

**Cornish Lithium Ltd**

**Notes to the Financial Statements - continued  
for the period 1 January 2020 to 30 June 2020**

**9. PROPERTY, PLANT AND EQUIPMENT**

	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020	16,432	97,535	113,967
Additions	<u>1,030</u>	<u>1,004</u>	<u>2,034</u>
At 30 June 2020	<u>17,462</u>	<u>98,539</u>	<u>116,001</u>
<b>DEPRECIATION</b>			
At 1 January 2020	8,484	63,898	72,382
Charge for period	<u>2,911</u>	<u>16,332</u>	<u>19,243</u>
At 30 June 2020	<u>11,395</u>	<u>80,230</u>	<u>91,625</u>
<b>NET BOOK VALUE</b>			
At 30 June 2020	<u>6,067</u>	<u>18,309</u>	<u>24,376</u>
At 31 December 2019	<u>7,948</u>	<u>33,637</u>	<u>41,585</u>
<b>Prior Year</b>			
	Plant and machinery £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2019	13,373	97,375	110,748
Additions	<u>2,254</u>	<u>15,626</u>	<u>17,880</u>
At 30 June 2019	<u>15,627</u>	<u>113,001</u>	<u>128,628</u>
<b>DEPRECIATION</b>			
At 1 January 2019	3,285	31,408	34,693
Charge for period	<u>2,573</u>	<u>17,634</u>	<u>20,207</u>
At 30 June 2019	<u>5,858</u>	<u>49,042</u>	<u>54,900</u>
<b>NET BOOK VALUE</b>			
At 30 June 2019	<u>9,769</u>	<u>63,959</u>	<u>73,728</u>
At 31 December 2018	<u>10,088</u>	<u>65,967</u>	<u>76,055</u>



**Cornish Lithium Ltd**

**Notes to the Financial Statements - continued  
for the period 1 January 2020 to 30 June 2020**

**10. TRADE AND OTHER RECEIVABLES**

	2020	2019
	£	£
Current:		
Trade debtors	1,380	2,700
Other debtors	100,802	100,800
VAT	112,490	31,873
Prepayments and accrued income	<u>1,232</u>	<u>1,232</u>
	<u>214,672</u>	<u>136,605</u>

**11. CASH AND CASH EQUIVALENTS**

	2020	2019
	£	£
Cash in hand		1,653
Bank accounts	<u>784,694</u>	<u>291,444</u>
	<u>784,694</u>	<u>293,097</u>

**12. CALLED UP SHARE CAPITAL**

Allotted and issued:			2020	2019
Number:	Class:	Nominal value:	£	£
348,913,869	Share capital 1	£0.000001	<u>350</u>	<u>304</u>

**13. RESERVES**

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 January 2020	(2,576,837)	3,947,702	14,880	1,385,745
Deficit for the period	(942,985)			(942,985)
Bonus share issue	-	-	49,611	49,611
Cash share issue	<u>-</u>	<u>816,705</u>	<u>-</u>	<u>816,705</u>
At 30 June 2020	<u>(3,519,822)</u>	<u>4,764,407</u>	<u>64,491</u>	<u>1,309,076</u>

**Cornish Lithium Ltd**

**Notes to the Financial Statements - continued  
for the period 1 January 2020 to 30 June 2020**

**14. TRADE AND OTHER PAYABLES**

	2020	2019
	£	£
Current:		
Trade creditors	47,569	51,628
Social security and other taxes	15,521	18,663
Other creditors	8,135	19,344
Accrued expenses	<u>2,500</u>	<u>2,750</u>
	<u>73,725</u>	<u>92,385</u>

**15. DEFERRED TAX**

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

As at the balance sheet date included within tax receivable, is a balance of £221,263, which we estimate is representative of the research and development tax credit which is due to the company.

**16. ULTIMATE CONTROLLING PARTY**

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

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

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cornish Lithium Ltd for the period ended 30 June 2020 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes from the company's accounting records and from information and explanations you have given us.

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

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

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

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

anstaybond  
1-2 Charterhouse Mews  
London  
EC1M 6BB

Date: .....

**Cornish Lithium Ltd**

**Income Statement Summaries  
for the period 1 January 2020 to 30 June 2020**

	Period 1.1.20 to 30.6.20 £	Period 1.1.19 to 30.6.19 £
<b>COST OF SALES</b>		
Other direct costs	<u>126,272</u>	<u>104,321</u>
	<u>126,272</u>	<u>104,321</u>
<b>OTHER OPERATING INCOME</b>		
Sundry income	<u>161,053</u>	<u>8,850</u>
	<u>161,053</u>	<u>8,850</u>