PEMBRIDGE RESOURCES PLC

Condensed Interim financial statements

for the period from 1 January 2021 to 30 June 2021

Registered number: 07352056 (England and Wales)

Chairman's statement

I am pleased to present the condensed interim financial statements for Pembridge Resources plc ("Pembridge" or the "Company", and together with its subsidiaries, the "Group") results for the half year ended 30 June 2021.

Recent developments:

- Pembridge announced on 16 June 2021 that its subsidiary, Minto Explorations plc ("Minto"), was entering into a reverse take-over ("RTO") agreement with a publicly listed corporation 1246778 B.C. Ltd, which is a reporting issuer in Canada ("Shellco") to form the listed issuer ("PublicCo"), which will be renamed Minto Metals Corp. ("Minto Metals"), and will file an application to the TSXV to list the shares of PublicCo on the TSX Venture Exchange (TSXV) and, concurrently, raising funds from a private placement. This capital raise has now closed and funds of approximately CAD 30.5 million raised, which will fund operational improvements, exploration and working capital. Of this new capital, CAD 3.8 million was invested by Pembridge, which has thus maintained its ownership percentage in Minto Metals at 11.1%, which is subject to change depending on whether additional capital is raised prior to the listing of Minto Metals. Pembridge funded this investment with the USD 3 million of convertible loan notes that it issued in June 2021.

- The capital raise and listing of Minto on the TSXV were expected to be completed by the end of July 2021. As a result of conditions outside the control of Minto's management, the capital raise and listing have been delayed until now and this has led to a postponement to the first cash receipt from Minto from Q3 2021 to Q4 2021. This has impacted the cash flow of Pembridge and, to ensure that the company has sufficient funds to meet all its ongoing obligations, Pembridge's Chairman and CEO, Gati Al-Jebouri, has provided an additional facility of up to £200,000 to cover any cash shortfall until the end of 2021. This facility has been approved by the Pembridge Board of Directors and entered into on 21 September 2021. The Facility carries interest at an annual rate of 14%, to be paid upon repayment, and an arrangement fee in the amount of 6% of the amounts drawn down.

- Minto's existing US$ 12.5 million prepayment funding with Sumitomo has been drawn in the amount of US$ 8.0 million to date. Although Minto is currently performing with a positive operating cash flow, Minto's working capital requirements arising as a result of the capital investments in developing the Minto mine necessitate a draw down under the Sumitomo prepayment funding. To enable the drawing down of the remaining US$ 4.5 million under the facility, Sumitomo has requested that the existing shareholders guarantee this amount. These guaranteed liabilities shall be payable severally and not jointly by each Guarantor on a pro rata basis in proportion to their current shareholding ownership. With the current Pembridge shareholding in Minto at 11%, this means that the Company is to guarantee Minto's liability towards Sumitomo in the amount of US$ 495,000. This guarantee will automatically be discharged upon (i) the completion of the RTO, with Minto receiving minimum gross proceeds of CAD$ 25 million, or (ii) Sumitomo being repaid in full of the Additional Advance, whichever is earlier.

- On 7 January 2021, the Board of Directors approved the issuance and allotment of 14,250,000 new ordinary shares at a price of 4p each, raising proceeds of £570,000. Of these new shares, Gati Al-Jebouri, CEO and Chairman of the Board of Pembridge, subscribed for 3,000,000 and Guy Le Bel, a non-executive director, subscribed for 250,000.

- In June 2021, the Company issued convertible loan notes with a value of USD 3 million, with an interest rate of 14%, redeemable after two years, in order that it could participate in Minto's capital raise. The loan notes may be converted into Ordinary Shares in the Company at any time from 1 June 2022 until 31 May 2023 at an exercise price of $0.113 (8p at an exchange rate of £1 - $1.415). Gati Al-Jebouri has invested USD 500,000 in the convertible loan notes.

Interim results:

The condensed interim financial statements of the Group, as set out in full below, show a loss for the period of US$3.8m (H1 2020: US$9.0m, full year 2020: US$27.3m) and net liabilities of US$13.4m (30 June 2020: net assets US$6.5m, 31 December 2020: net liabilities US$10.8m). As at 30 June 2021 the Group had US$3.6m (30 June 2020: US$5.6m, 31 December 2020: US$0.4m) in cash reserves. The Board consider it appropriate to maintain the going concern basis in the preparation of these financial statements as the Directors have a reasonable expectation that the Group and Company will be able to raise sufficient funds and therefore continue in operational existence for the foreseeable future.

These interim financial statements set out the position of our Company at a time of slow recovery from the Covid 19 pandemic. Although in recovery, the economy and Minto's operations are still affected by the Covid 19 pandemic impact. This has resulted in additional costs being incurred in relation to protecting the Minto staff and ensuring that we comply with all Government regulations implemented to combat the pandemic. The recovery in the copper price has supported the Minto operations, which generated free cash flow from operations of USD$7,815,000. The preparation of the NI 43-101 Preliminary Economic Assessment Technical Report ("Technical Report") clearly showed the long term potential of the Minto mine. The issuance of the Technical Report and the current market conditions have provided the opportunity to list Minto on the TSX Venture Exchange as well as raise CAD 30.5 million. This capital raise has provided a solid foundation for Minto's continued growth by ensuring that Minto has sufficient working capital to meet all its financial obligations as well as fund an exploration programme that we believe will significantly increase the Minto resource base. Although we will no longer be controlling Minto and thus will not be consolidating Minto's financial results into our Company's, as a result of the convertible loan raised this year we have been able to maintain our interest in Minto at 11.1%. I look forward to realising further gains on our investment as the market recognises the true value of Minto and this being reflected in the market valuation of our Company.

Operations update:

The following is an overview of recent developments at the Minto Mine.

Production output and cash generation

- 15,346 (H1 2020: 13,795) wet metric tonnes of concentrate produced
- US$46.8m received from Sumitomo (2020: US$28.0m, of which US$ 5.4m related to 2019)
- Increased production and higher copper prices have led to H1 2021 mine revenue of US$48.3m (H1 2020: US$25.4m, full year 2020: US$58.3m)
- Sales volumes – copper 9.95 Mlbs (H1 2020: 9.72 Mlbs), gold 4,035 toz (H1 2020: 3,831 toz), silver 47,171 toz (H1 2020: 36,392 toz)
- Average prices achieved - copper $4.13/lb (H1 2020: $2.53/lb), gold US$1,819.83/toz (H1 2020: US$1,649.49/toz) and silver US$26.73/toz (H1 2020: US$16.96/toz)
- Minto's operating loss is down to US$0.4m (H1 2020 US$ 6.5m, full year 2020: US$13.3m)
- Minto has generated positive EBITDA of US$4.8m (period to 30 June 2020 (US$2.3m), year to 31 December 2020: (US$5.0m))

43-101 Report

In May 2021, Minto released a NI 43-101 Preliminary Economic Assessment Technical Report ("Technical Report"), which confirmed management expectations for the Minto life of mine as well as the potential for further development. Highlights of the report are:

- Life of mine extended from initial 4 years previously announced (up to 2023) to 8 years (up to 2028) while processing 10,893 kt of a total Indicated and Inferred Resources of 24,105 kt.
- Total Resources have been increased from 22,554 kt[1] (including 1,417 kt[1] of Reserves) to 24,105 kt with a resulting change in Cu Metal Resources from 712 Mlbs[2] (including 60 Mlbs[2] of Reserves) to 727 Mlbs; Au Metal Resources from 394 koz (including 31 koz[2] of Reserves) to 396 koz; Ag Metal Reserves and Resources from 3,552 koz[2] (including 303 koz[2] of Reserves) to 3,947 koz.
- Economic model presented in the Technical Report evaluates Minto NPV after tax using 8% discount rate of USD$84 million (using long term copper price at $3.10 per pound and USD CAD exchange rate of 1.315)
- Average annual production of 38 million lbs and average annual EBITDA in excess of US$40 million[3] between 2021 and 2025
- Using a flat copper price of US$4.50 per lb over the life of mine and USD CAD exchange rate of 1.250, the Minto NPV after tax using 8% discount rate is USD$265 million[3]
- C1 cash Cost per lb of Cu is US$2.20
- All In Sustaining Cost (AISC) per lb of Cu is USD$2.65 for life of mine after by-product credits and before closure costs

1. Ore reserves and resources based on 31 May 2019 technical report adjusted for production up to 31 March 2021.
2. Metal reserves and resources based on 31 May 2019 technical report adjusted for production up to 31 March 2021.
3. Based on USD CAD exchange rate of 1.316
4. 43-101 preliminary economic assessment technical report page 23-11

Underground operations

- Copper Keel, an area of the mine that started production in July 2020, is now in full production and new equipment is increasing the rate of output.

COVID-19 impact

- No cases identified in Minto staff.
- Vaccinations are being administered on site
- 14-day quarantine is now done on site under the Yukon government-approved Alternative Isolation Plan and required only for unvaccinated arrivals from outside the Yukon – however, because there are some infections in the Yukon, the mine extends it to all unvaccinated arrivals

Health and safety

- Health and safety management system (HSMS) development supports a strong culture of safety.
- 573 days free of lost time due to injury.
- 36 near miss events without injury and 18 first aid reported in the first half of 2021. Learnings and enhanced training followed to reduce potential for future incidents

Environmental

- As all mining operations are underground, there are no new land reclamation issues arising during the period.
- Progressive reclamation planning underway – 39,000 trees were planted in June 2021

Changes to Risk in 2021

The Board believes that there has been no material change to the Group's principal risks and uncertainties, as set out in its 2020 Annual Report, during the year.

Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as contained in UK-adopted IFRS (UK-adopted international accounting standards);

- This interim report includes a fair review of the information required by:

    - DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

    - DTR 4.2.8R of the Disclosure and Transparency Rules, being related parties' transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position of the Group during that period, and any changes in the related parties' transactions described in the last annual report that could do so.

The names and functions of the Directors of Pembridge Resources plc are as follows:

Gati Al-Jebouri	CEO and Chairman of the Board
Frank McAllister	Non-executive Director
Guy Le Bel	Non-executive Director

On behalf of the Board

Gati Al-Jebouri
CEO & Chairman of the Board
23 September, 2021

Consolidated statement of comprehensive income
for the period 1 January to 30 June 2021

	Note	6 months ended 30 June 2021 US$'000 (unaudited)	6 months ended 30 June 2020 US$'000 (restated)	Year ended 31 December 2020 US$'000 (restated)
Depreciation and amortisation		-	(2)	(3)
Administrative, legal and professional expenses		(606)	(972)	(1,307)
Revaluation of Capstone liability		(1,429)	-	(9,369)
Foreign exchange gain / (loss)		(94)	149	(275)
Operating loss		(2,129)	(825)	(10,954)
Finance income		-	-	-
Finance cost	4	(360)	(168)	(461)
Loss before taxation		(2,489)	(993)	(11,415)
Income tax	5	-	-	-
Loss from continuing operations		(2,489)	(993)	(11,415)
Loss from discontinued operations	9	(1,360)	(7,979)	(15,860)
Loss for the period		**(3,849)**	**(8,972)**	**(27,275)**
Other comprehensive income				
Items that may be reclassified to profit or loss				
Currency translation differences		155	(978)	(175)
Total comprehensive income for the period		**(3,694)**	**(9,950)**	**(27,450)**
Loss attributable to non-controlling interest		(1,331)	(7,191)	(12,544)
Loss attributable to equity holders of the parent		(2,518)	(1,781)	(14,731)
Total comprehensive income attributable to non-controlling interest		(1,193)	(7,823)	(12,546)
Total comprehensive income attributable to equity holders of the company		(2,501)	(2,127)	(14,904)
Earnings per share attributable to the equity holders of the company, expressed in cents	6			
Basic and diluted				
- Continuing operations		(3.1c)	(3.0c)	(16.1c)
- Discontinued operations		(0.1c)	(2.3c)	(4.7c)
- Total		(3.2c)	(5.3c)	(20.8c)

Consolidated statement of financial position
as at 30 June 2021

	Note	30 June 2021 US$'000 (unaudited)	30 June 2020 US$'000 (unaudited)	31 December 2020 US$'000 (audited)
Assets				
Non-current assets				
Property, plant and equipment		-	51.086	56,798
Intangible assets		-	378	-
Long term deposits		-	5,437	7,059
Total non-current assets		-	56,901	63,857
Current assets				
Inventory		-	3,726	4,401
Trade and other receivables		42	3,640	5,672
Cash and cash equivalents		3,217	5,551	415
Assets held for sale	9	79,109	-	-
Total current assets		82,368	12,917	10,488
Total assets		**82,368**	**69,818**	**74,345**
Non-current liabilities				
Borrowings	10	(8,606)	(12,837)	(15,470)
Lease liabilities		-	(3,440)	(2,835)
Reclamation and closure cost provision		-	(21,694	(25,286)
Deferred consideration due to Capstone		-	(4,305)	-
Deferred tax liability		-	(465)	(388)
Total non-current liabilities		(8,606)	(42,741)	(43,979)
Current liabilities				
Trade and other payables		(140)	(11,523)	(16,253)
Borrowings	10	-	-	(1,600)
Lease liabilities		-	(4,140)	(4,764)
Deferred consideration due to Capstone		(15,000)	(4,897)	(18,571)
Liabilities held for sale	9	(72,070)	-	-
Total current liabilities		(87,210)	(20,560)	(41,188)
Total liabilities		**(95,816)**	**(63,301)**	**(85,167)**
Net assets/(liabilities)		**(13,448)**	**6,517**	**(10,822)**
Equity				
Share capital	7	1,169	965	965
Share premium	7	9,839	9,222	9,222
Capital redemption reserve		1,011	1,011	1,011
Translation reserve		156	(35)	139
Other reserve		293	-	46
Retained deficit		(28,584)	(19,262)	(30,516)
Equity attributable to shareholders of the parent company		**(16,116)**	**(8,099)**	**(19,133)**
Non-controlling interests	12	2,668	14,616	8,311
Total equity		**(13,448)**	**6,517**	**(10,822)**

Consolidated Statement of changes in equity
for the period 1 January to 30 June 2021

	Share capital	Share premium	Capital Redemption Reserve	Translation / Other reserve	Retained deficit	Total	Non-controlling interest	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2021	**965**	**9,222**	**1,011**	**185**	**(30,516)**	**(19,133)**	**8,311**	**(10,822)**
Loss for the period	-	-	-	-	(2,518)	(2,518)	(1,331)	(3,849)
Other comprehensive income - exchange difference on translation	-	-	-	17	-	17	138	155
Total comprehensive income for the period	**-**	**-**	**-**	**17**	**(2,518)**	**(2,501)**	**(1,193)**	**(3,694)**
Proceeds from shares issued	204	617	-	-	-	821	-	821
Reduction in Minto share capital	-	-	-	-	4,450	4,450	(4,450)	-
Share-based payments	-	-	-	247	-	247	-	247
Total transactions with owners recognised directly in equity	**204**	**617**	**-**	**247**	**4,450**	**5,518**	**(4,450)**	**1,068**
At 30 June 2021	**1,169**	**9,839**	**1,011**	**449**	**(28,584)**	**(16,116)**	**2,668**	**(13,448)**
At 1 January 2020	**825**	**8,900**	**1,011**	**681**	**(13,465)**	**(2,048)**	**15,063**	**13,015**
Loss for the period	-	-	-	-	(14,731)	(14,731)	(12,544)	(27,275)
Other comprehensive income – exchange difference on translation	-	-	-	(173)	-	(173)	(2)	(175)
Total comprehensive income for the period	**-**	**-**	**-**	**(173)**	**(14,731)**	**(14,904)**	**(12,546)**	**(27,450)**
Proceeds from shares issued	140	322	-	-	-	462	-	462
Equity element of convertible loan	-	-	-	(53)	-	(53)	-	(53)
Investment by non-controlling interest in Minto share capital	-	-	-	-	330	330	2,670	3,000
Change in share of economic interest in Minto	-	-	-	-	(3,124)	(3,124)	3,124	-
Share-based payments	-	-	-	204	-	204	-	204
Transfer to retained deficit after surrender of share options	-	-	-	(474)	474	-	-	-
Total transactions with owners recognised directly in equity	**140**	**322**	**-**	**(323)**	**(2,320)**	**(2,181)**	**5,794**	**3,613**
At 31 December 2020	**965**	**9,222**	**1,011**	**185**	**(30,516)**	**(19,133)**	**8,311**	**(10,822)**

Consolidated Statement of changes in equity (continued)
for the period 1 January to 30 June 2021

	Share capital	Share premium	Capital Redemption Reserve	Other reserve	Retained deficit	Total	Non-controlling interest	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 January 2020	**825**	**8,900**	**1,011**	**681**	**(13,465)**	**(2,048)**	**15,063**	**13,015**
Loss for the period	-	-	-	-	(1,781)	(1,781)	(7,191)	(8,972)
Other comprehensive income - exchange difference on translation	-	-	-	(346)	-	(346)	(632)	(978)
Total comprehensive income for the period	**-**	**-**	**-**	**(346)**	**(1,781)**	**(2,127)**	**(7,823)**	**(9,950)**
Proceeds from shares issued	140	322	-	-	-	462	-	462
Equity element of convertible loan	-	-	-	(53)	-	(53)	-	(53)
Investment by non-controlling interest in Minto share capital	-	-	-	-	317	317	2,568	2,885
Change in share of economic interest in Minto	-	-	-	-	(4,808)	(4,808)	4,808	-
Share-based payments	-	-	-	158	-	158	-	158
Transfer to retained earnings after surrender of share options	-	-	-	(475)	475	-	-	-
Total transactions with owners recognised directly in equity	**140**	**322**	**-**	**(370)**	**(4,016)**	**(3,924)**	**7,376**	**3,452**
At 30 June 2020	**965**	**9,222**	**1,011**	**(35)**	**(19,262)**	**(8,099)**	**14,616**	**6,517**

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share capital	Nominal value of shares issued.
Share premium	Amount subscribed for share capital in excess of nominal value, less share issue costs.
Capital redemption reserve	Reserve created on cancellation of deferred shares.
Other reserve	Cumulative fair value of warrants and share options granted, together with the equity element of the convertible loan.
Translation reserve	Cumulative translation adjustment from retranslation of group undertakings with functional currencies other than USD – included with other reserve in the table above.
Retained deficit	Cumulative net gains and losses recognised in the statement of comprehensive income.
Non-controlling interest	Non-controlling interests represent the portion of the equity of a subsidiary not attributable either directly or indirectly to the parent company and are presented separately in the Consolidated Statement of comprehensive income and within equity in the Consolidated statement of financial position, distinguished from parent company shareholders' equity.

Consolidated Cash flow statement
for the period 1 January to 30 June 2021

	6 months ended 30 June 2021 US$'000 (unaudited)	6 months ended 30 June 2020 US$'000 (unaudited)	Year ended 31 December 2020 US$'000 (audited)
Cash flows from operating activities			
Loss for the period	(3,849)	(8,972)	(27,275)
Adjusted for:			
Net finance costs	1,555	1,418	2,873
Unrealised FX on debt included in administrative expenses	(104)	140	(75)
Depreciation	5,192	4,271	8,381
Tax charge / (credit)	(221)	205	106
Share based payments	247	158	204
Revaluation of Capstone liability	1,429	-	9,369
	4,249	**(2,780)**	**(6,417)**
Movements in working capital			
Increase) / decrease in inventories	2,108	1,735	1,359
(Increase) / decrease in trade and other receivables	(5,852)	4,634	2,995
Increase / (decrease) in trade and other payables	1,654	2,891	6,735
Net cash generated from / (used in) operating activities	**2,159**	**6,480**	**4,672**
Cash flows used in investing activities			
Payments into long-term deposits	(1,350)	(1,503)	(2,737)
Purchase of property, plant and equipment	(1,766)	(2,837)	(4,518)
Net cash used in investing activities	**(3,116)**	**(4,340)**	**(7,255)**
Cash flows used in financing activities			
Interest payments	(640)	(401)	(1,297)
Repayment of borrowings	(1,377)	-	(122)
Proceeds from borrowings	8,000	2,042	5,471
Lease payments	(2,629)	(2,544)	(5,521)
Proceeds from issuance of shares - Company	821	462	462
Proceeds from issuance of shares - Minto	-	2,884	3,000
Net cash generated from financing activities	**4,175**	**2,443**	**1,993**
Net increase / (decrease) in cash and cash equivalents	**3,218**	**4,583**	**(590)**
Cash and cash equivalents at the beginning of the period	415	964	964
Impact of exchange rates on cash balances	10	4	41
Cash and cash equivalents at the end of the period	**3,643**	**5,551**	**415**
Comprised of:			
Cash and cash equivalents at the end of the period	3,217	5,551	415
Cash and cash equivalents included in assets held for sale at the end of the period	426	-	-
	3,643	**5,551**	**415**

Notes to the condensed consolidated financial statements
for the period 1 January to 30 June 2021

1. NATURE OF OPERATIONS AND GENERAL INFORMATION

The principal activity of Pembridge Resources plc is that of a mining company. The Company has an investment in the Minto copper-gold-silver mine in Yukon, Canada.

Pembridge Resources plc is incorporated and domiciled in England. The address of Pembridge Resources plc's registered office is 200 Strand, London, WC2R 1DJ. Pembridge Resources plc's shares are admitted to the Standard Segment on the Official List of the London Stock Exchange.

Pembridge Resources plc’s financial statements are presented in United States dollars (US$), which is also the functional currency of the Company.

These condensed interim unaudited consolidated financial statements for the six-month period ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

These condensed interim financial statements were approved for issue by the Board of Directors on 23 September 2021.

These condensed interim financial statements for the six months ended 30 June 2021 do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Interim Financial Statement (“IAS”) 34 Interim Financial Statements as contained in UK-adopted IFRS (UK-adopted international accounting standard and the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

These Condensed Group Financial Statements have been prepared using the same accounting policies as used in the preparation of the Group’s annual financial statements for the year ended 31 December 2020, except for taxes on income in the interim period which are accrued using the tax rate that would be applicable to the expected total annual profit or loss. The assessment of the Group’s critical accounting estimates and judgements remain consistent with the 2020 Annual Report and Financial Statements. The Group’s annual report and financial statements for the year ended 31 December 2020 were prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 and the applicable legal requirements of the Companies Act 2006. In addition to complying with International Accounting Standards in conformity with the requirements of the Companies Act 2006, these Condensed Group Financial Statements also comply with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The Annual Report and Financial Statements for the year ending 31 December 2021 will be prepared in accordance with IFRS as adopted by the UK Endorsement Board. This change in the basis of preparation is required by UK company law for the purposes of financial reporting as a result of the UK’s exit from the EU on 31 January 2020 and the cessation of the transition period on 31 December 2020, and does not constitute a change in accounting policy but rather a change in the framework which is required to ground the use of IFRS in company law. There is no impact on recognition, measurement or disclosure between the two frameworks in the period reported.

The Condensed Group Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020. The financial information presented in this document is unaudited.

2. BASIS OF PREPARATION (CONTINUED)

The comparative figures for the financial year ended 31 December 2020 are not the Group's statutory accounts for that financial year but have been extracted from those accounts. Those accounts have been reported on by the Company's auditor and delivered to Companies House. The report of the auditor was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. These sections address whether proper accounting records have been kept, whether the Company's accounts are in agreement with those records and whether the auditor has obtained all the information and explanations necessary for the purposes of its audit. The report of the auditor included reference to a material uncertainty related to going concern, to which the auditor drew attention by way of emphasis without qualifying its report.

Changes in accounting policy and disclosures

(a) New and amended standards mandatory for the first time for the financial year beginning 1 January 2021

No new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Company and Group.

(b) New standards, amendments and Interpretations in issue but not yet effective or not yet endorsed and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the condensed interim financial statements are listed below. The Company intends to adopt these standards, if applicable when they become effective.

Standard		Effective date
IAS 1 (Amendments)	Classification of liabilities as current or non-current	1 January 2022
IFRS 3 (Amendments)	Business Combinations – Reference to the Conceptual Framework	1 January 2022
IAS 16 (Amendments)	Property, plant and equipment	1 January 2022
IAS 37 (Amendments)	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
IFRS 2018-2020 Cycle	Annual Improvements	1 January 2022

The Company and Group are evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Company's and Group's results or shareholders' funds.

Going concern

The condensed interim financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group and Company, including the current and future level of resources. As part of their assessment, the Directors have also taken into account the need for the Company to raise additional funding during the going concern period. The Company has no income stream of its own and is reliant, until it is able to receive an income from its investment in Minto, on further funding through equity raisings or other financial arrangements. This additional funding is not guaranteed, however, to date the Company has been successful in securing funding when required and its management are confident that it can meet its contracted and committed expenditure for at least the next 12 months. Minto has access to funding from its prepayment facility with Sumitomo and, since the balance sheet date, has raised C$30.5 million of new equity. The need for the Company to raise additional funds during the going concern period indicates that a material uncertainty exists which may cast significant doubt on the Company's ability to continue as a going concern, and therefore its ability to settle its debts and realise its assets in the normal course of business.

At present the Group believes that there should be no material disruption to its mining operations from COVID-19, but the Board continues to monitor these risks and Minto's business continuity plans.

2. BASIS OF PREPARATION (CONTINUED)

Having prepared forecasts based on current resources, assessing methods of obtaining additional finance and assessing the possible impact of COVID-19, and considered the new capital raised by Minto subsequent to the balance sheet date, the Directors believe the Group and Company have sufficient resources to meet its obligations for a period of 12 months from the date of approval of these Financial Statements. Taking these matters into consideration, the Directors continue to adopt the going concern basis of accounting in preparing these Financial Statements. The Financial Statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Risks and uncertainties

As at 30 June 2021 the key risks that could affect the Company in the medium term and the factors that mitigate those risks have not substantially changed from those set out in the Annual Report and Financial Statements for the year ended 31 December 2020.

Segment reporting

In the opinion of the directors the operations of the Company currently represent one segment, and are treated as such, when evaluating its performance. The chief operating decision maker is the Board of Directors. The Board of Directors reviews management accounts prepared for the Company when assessing performance.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Six months ended 30 June 2021 US$'000	Six months ended 30 June 2020 US$'000	Year ended 31 December 2020 US$'000
Copper	47,380	23,150	53,721
Gold	4,664	5,381	10,772
Silver	247	180	204
Total gross revenue	52,291	28,711	64,697
Less: treatment and selling costs	(3,945)	(3,282)	(6,419)
Revenue	48,346	25,429	58,278

All revenue comprises the sale of metal concentrate to one customer and is by Minto, hence in discontinued activities.

When considering the recognition of revenue, IFRS 15 requires preparers to go through five steps which will determine the timing and quantum of the revenue recognised at a given time.

Identify contract with a customer

Since acquisition, Minto sells its concentrate to its only end customer, which is Sumitomo, under an offtake agreement. Sales of copper are made direct to Sumitomo and sale of gold and silver are made to Sumitomo via Wheaton, hence the valuation of the gold and silver revenues is determined by Minto's contract with Wheaton but timing of revenue recognition for them is the same as for copper.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

Identify performance obligation

The performance obligation is the sale of copper, gold and silver concentrate to Sumitomo, including its transportation to a location specified by them in Japan. At the end of each month, under the offtake agreement, Minto weighs and assays the concentrate it has produced and Sumitomo takes title to it, paying Minto a provisional payment of 90% of its value. Minto must keep the concentrate separate from any other product in a location approved by Sumitomo and may not sell it to any other party. From this point, Minto has control over the concentrate and, if it is still physically in Minto's care, Minto is acting as its custodian for Sumitomo.

Determine the transaction price

The Company's metal concentrates are sold under a pricing arrangement where final prices are determined by quoted market prices in a period subsequent to the date of sale. Until prices are final, revenues are recorded based on forward market prices for the expected period of final settlement. Subsequent variations in the final determination of the metal concentrate weight and assay are recognised as revenue adjustments as they occur until finalised. Subsequent variations in the final determination of the price are treated as a remeasurement of a financial asset under IFRS 9 and are recognised as revenue adjustments as they occur until finalised.

Allocate price to each performance obligation

There is one overarching performance obligation, which is the delivery of metal concentrates to Sumitomo. This includes the production of the concentrates and their transportation to Japan. Their transportation does not carry significant risks or rewards and its cost can be estimated in advance, so the revenue is recognised net of that cost until it is delivered.

Recognise revenue when the performance obligation is satisfied by transferring good or service to customer (i.e. the customer obtains control)

Because Sumitomo gains control over the concentrate at the end of each month, even if it is on the Minto site, and its subsequent transportation does not carry significant risks or rewards, the main obligation is satisfied when Sumitomo takes title and the revenue is booked at this time, net of costs such as transportation and refining which will be incurred in completing the transaction.

4. FINANCE COSTS

	6 months ended 30 June 2021 US$'000 (unaudited)	6 months ended 30 June 2020 US$'000 (unaudited)	Year ended 31 December 2020 US$'000 (audited)
Interest on loans	819	761	1,630
Discount unwind on provision	120	196	94
Interest from leases	261	310	710
Total Minto (discontinued operations)	1,200	1,267	2,434
Pembridge	360	168	461
	1,560	1,435	2,895

5. INCOME TAX

The income tax credit of US$ 221,000 (period to 30 June 2020: charge of US$ 205,000, year to 31 December 2020: charge of US$ 106,000) is payable to the Yukon government under the Quartz Mining Act and is included in results from discontinued operations.

6. EARNINGS PER SHARE

The calculation of the earning per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

	6 months ended 30 June 2021 US$'000 (unaudited) US cents	6 months ended 30 June 2020 US$'000 (unaudited) US cents	Year ended 31 December 2020 US$'000 (audited) US cents
Basic and diluted EPS			
- Continuing operations	(3.1c)	(3.0c)	(16.1c)
- Discontinued operations	(0.1c)	(2.3c)	(4.7c)
- Total	(3.2c)	(5.3c)	(20.8c)
Gain/(Loss) for the period	US$'000	US$'000	US$'000
- Continuing operations	(2,489)	(993)	(11,415)
- Discontinued operations	(29)	(788)	(3,316)
- Total	(2,518)	(1,781)	(14,731)
Weighted average number of shares – basic and diluted	79,698,864	33,427,432	70,742,894

The basic and diluted loss per share been calculated using the loss attributable to shareholders of the Company of as the numerator, i.e. no adjustment to loss was necessary. The basic and dilutive loss per share are the same because the effect of the exercise of share options and warrants would be anti-dilutive.

7. SHARE CAPITAL AND PREMIUM

Allotted, called up and fully paid	Number of ordinary shares	Share Capital – ordinary shares US$000	Share premium US$000	Total US$000
At 1 January 2021	74,406,993	965	9,222	10,187
Proceeds from shares issued	14,558,523	204	617	821
At 30 June 2021	88,965,516	1,169	9,839	11,008

On 7 January 2021, the Board of Directors approved the issuance and allotment of 14,250,000 new ordinary shares at a price of 4p each, raising proceeds of £570,000, and of a further 308,523 shares to repay a loan of US$20,250.

Ordinary shares have attached to them full voting, dividend and capital distribution rights (including on a winding up).

8. RELATED PARTY TRANSACTIONS

The Company has paid remuneration of US$87,520 to its Directors for the six months ending June 30, 2021 (six months to 30 June 2020: US$181,500, year to 31 December 2020: US$369,000).

The Company has a loan facility with Gati Al-Jebouri, to be repaid by 31 December 2022 and carrying interest at an annual rate of 10%. The Company also pays an arrangement fee in the amount of 6% of the amounts drawn down under the Loan. Under this facility, £3.4m had been borrowed at 30 June 2021.

In June 2021, the Company issued convertible loan notes with a value of USD 3 million, with an interest rate of 14%, redeemable after two years, in order that it could participate in Minto's capital raise. The loan notes may be converted into Ordinary Shares in the Company at any time from 1 June 2022 until 31 May 2023 at an exercise price of $0.113 (8p at an exchange rate of £1 - $1.415). Gati Al-Jebouri has invested USD 500,000 in the convertible loan notes.

9. DISCONTINUED OPERATIONS

Pembridge announced on 16 June 2021 that Minto was entering into a reverse take-over ("RTO") agreement with a publicly listed corporation 1246778 B.C. Ltd, which is a reporting issuer in Canada to form a listed issuer to be renamed Minto Metals Corp. ("Minto Metals"), and will file an application to the TSXV to list the shares of this company on the TSX Venture Exchange (TSXV) and, concurrently, raise funds from a private placement. This capital raise has now closed and the Board consider it virtually certain that the RTO will be completed.

As part of the RTO process, Pembridge's shares in Minto will be replaced in a share-for-share exchange whereby all existing Minto shareholders receive voting shares in Minto Metals. Because this will mean that Pembridge no longer holds all of the voting shares in Minto, it will no longer have legal control of Minto and, with effect from date of listing on TSXV, will no longer treat Minto as a subsidiary in its consolidated financial statements. However, on 30 June 2021, Pembridge did control the Board of Minto and so has included Minto in its consolidated reporting as at that date. The decision that Minto would become a publicly listed company, and that Pembridge would no longer control it, was taken and announced before 30 June 2021. Therefore, in these condensed interim financial statements, Pembridge has shown Minto's results as being from discontinued operations and restated the results of comparative periods accordingly, and its assets and liabilities as 30 June 2021 have been classified as assets and liabilities held for sale.

Results of Minto discontinued operations

	Note	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000	Year ended 31 December 2020 US$'000
Revenue	3	48,346	25,429	58,278
Production costs		(40,819)	(27,475)	(62,542)
Royalties		(1,708)	(363)	(308)
Depreciation and amortisation		(5,192)	(4,269)	(8,378)
Administrative, legal and professional expenses		(691)	(290)	(729)
Gain / (loss) on disposal of fixed assets		(154)	-	-
Gain / (loss) on fair valuation of concentrate receivable		(117)	341	647
Foreign exchange gain / (loss)		(51)	103	(310)
Operating loss		(386)	(6,524)	(13,342)
Finance income		5	17	22
Finance cost	4	(1,200)	(1,267)	(2,434)
Loss before taxation		(1,581)	(7,774)	(15,754)
Income tax	5	221	(205)	(106)
Loss for the period		**(1,360)**	**(7,979)**	**(15,860)**
Loss attributable to non-controlling interest		(1,331)	(7,191)	(12,544)
Loss attributable to equity holders of the parent		(29)	(788)	(3,316)
Earnings per share expressed in cents				
Basic and diluted earnings per share attributable to the equity holders of the company	6	(0.1c)	(2.3c)	(4.7c)

Cash flows from Minto discontinued operations

	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000	Year ended 31 December 2020 US$'000
Cash flows from operating activities	7,815	7,878	9,455
Cash flows from investing activities	(8,116)	(2,861)	(8,773)
Cash flows from financing activities	318	(60)	(890)
Net increase in cash and cash equivalents	17	4,957	(208)

Effect of the disposal group on the financial position of the Group

	Note	31 December 2021 US$'000
Non-current assets		
Property, plant and equipment		56,017
Long term deposits		8,603
Total non-current assets		64,620
Current assets		
Inventory		2,398
Trade and other receivables		11,665
Cash and cash equivalents		426
Total current assets		14,489
Total assets held for sale		**79,109**
Non-current liabilities		
Borrowings	10	(9,062)
Lease liabilities		(2,103)
Reclamation and closure cost provision		(26,431)
Deferred tax liability		(176)
Total non-current liabilities		(37,772)
Current liabilities		
Trade and other payables		(23,421)
Borrowings	10	(6,600)
Lease liabilities		(4,277)
Total current liabilities		(34,298)
Total liabilities held for sale		**(72,070)**
Net assets/(liabilities) held for sale		**7,039**

10. BORROWINGS

Minto

The Company and Copper Holdings, LLC, a New York based private equity group and Cedro Holdings I, LLC, an entity managed by Lion Point Capital, L.P. (together, the ''Investor Consortium'') entered into the Investor Consortium Financing Agreement on 3 June 2019, pursuant to which the Investor Consortium advanced US$10 million to Minto to finance the recommencement of operations. The Investor Consortium shall be entitled to be repaid from all free cash-flows and realisations arising from Minto until the holders of the loan note (i.e., the Investment Consortium, their assignors and successors) have received US$10,000,000 plus interest at a rate of 8% per annum. The Investor Consortium have been granted security over the assets of Minto until such time as the holders of the loan note have been repaid.

On 8 September 2020, Minto entered into a Prepayment Facility Agreement with Sumitomo Canada Limited, the purchaser of its copper under an offtake agreement, under which Sumitomo has security over Minto's assets. The facility limit is US$12.5 million and may be drawn against at any time giving notice in increments of US$1 million. Interest is calculated quarterly on the outstanding balance at LIBOR for the applicable period. The balance is repayable over the remaining life of the related offtake agreement. Under this facility, US$8 million had been borrowed at 30 June 2021.

Pembridge

As described in note 8, the Company has a loan facility with Gati Al-Jebouri. Under this facility, £3.4 million had been borrowed at 30 June 2021.

In June 2021, the Company issued convertible loan notes with a value of USD 3 million, with an interest rate of 14%, redeemable after two years. The loan notes may be converted into Ordinary Shares in the Company at any time from 1 June 2022 until 31 May 2023 at an exercise price of $0.113 (8p at an exchange rate of £1 - $1.415).

	6 months ended 30 June 2021 US$'000 (unaudited)	6 months ended 30 June 2020 US$'000 (unaudited)	Year ended 31 December 2020 US$'000 (audited)
Minto			
Loan notes	9,062	8,741	8,911
Prepayment funding – non-current	-	-	1,361
Non-current	9,062	8,741	10,272
Prepayment funding – current	6,600	-	1,580
Minto borrowings (included in liabilities held for sale)	15,662	8,741	11,852
Pembridge			
Convertible Loan notes	3,000	-	-
Loans from directors – non-current	5,606	4,096	5,198
Pembridge borrowings – non-current	8,606	4,096	5,198
Pembridge borrowings – current	-	-	20
Pembridge borrowings	8,606	4,096	5,218
Total borrowings	24,268	12,837	17,070

11. RECONCILIATION OF MOVEMENT IN NET DEBT

Six months ended 30 June 2021	At 1 January	New borrowing	Interest added to debt	Debt repaid	Other flows	Foreign exchange	At 30 June
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cash at bank and in hand	415	8,000	-	(4,006)	(776)	10	3,643
Borrowings -							
by the Company	(5,218)	(3,000)	(325)	20	-	(83)	(8,606)
by Minto	(11,852)	(5,000)	(167)	1,357	-	-	(15,662)
	(17,070)	(8,000)	(492)	1,377	-	(83)	(24,268)
Lease liabilities (Minto)	(7,599)	(3,611)	(261)	2,629	2,654	(192)	(6,380)
Net debt	(24,254)	(3,611)	(753)	-	1,878	(265)	(27,005)

12. NON-CONTROLLING INTEREST IN MINTO EXPLORATIONS LTD

The Company considers that, as at 30 June 2021, it had control over Minto through holding 100% of voting rights and having control of the Minto Board, which means that it was able to control the day-to-day operations of the mine. On this basis it has consolidated the results of Minto in these condensed interim financial statements. Movements in the non-controlling interest in the period are set out below.

	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000	Year ended 31 December 2020 US$'000
Balance at start of period	8,311	15,063	15,063
Investment by non-controlling interest in Minto share capital	-	2,568	2,670
Change in share of economic interest in Minto	-	4,808	3,124
Reduction in Minto share capital	(4,450)	-	-
Share of loss for the period	(1,331)	(7,191)	(12,544)
Share of exchange difference on translation	138	(632)	(2)
Balance at end of period	2,668	14,616	8,311

Summarised financial information for Minto in the period is set out in note 9.

13. NON-GAAP MEASURES

The following EBITDA measure for Minto is provided to allow a better understanding of its business performance and is calculated based on the results of Minto shown in note 9.

	6 months ended 30 June 2021 US$'000	6 months ended 30 June 2020 US$'000	Year ended 31 December 2020 US$'000
Minto Operating loss	(386)	(6,524)	(13,342)
Add back - Depreciation and amortisation	5,192	4,269	8,378
Minto EBITDA	4,806	(2,255)	(4,964)

14. POST BALANCE SHEET DATE EVENTS

Pembridge announced on 16 June 2021 that Minto was entering into a reverse take-over ("RTO") agreement with a publicly listed corporation 1246778 B.C. Ltd, which is a reporting issuer in Canada ("Shellco") to form the listed issuer ("PublicCo"), which will be renamed Minto Metals Corp. ("Minto Metals"), and will file an application to the TSXV to list the shares of PublicCo on the TSX Venture Exchange (TSXV) and, concurrently, raising funds from a private placement. This capital raise has now closed and funds of CAD 30.5 million raised, which will fund operational improvements, exploration and working capital. Additional capital may be raised between this preliminary close and TSXV listing approval. Of this new capital, CAD 3.8 million was invested by Pembridge, which has thus maintained its ownership percentage in Minto Metals at 11.1%, which is subject to change depending on whether additional capital is raised prior to the listing of Minto Metals. Pembridge funded this investment with the USD 3 million of convertible loan notes that it issued in June 2021.

As part of the RTO process, Pembridge's shares in Minto will be replaced in a share-for-share exchange whereby all existing Minto shareholders receive voting shares in PublicCo. Because this will mean that Pembridge no longer holds all of the voting shares in Minto, it will no longer have legal control of Minto and, with effect from date of listing on TSXV, will no longer treat Minto as a subsidiary in its consolidated financial statements.

The capital raise and listing of Minto on the TSXV were expected to be completed by the end of July 2021. As a result of conditions outside the control of Minto's management, the capital raise and listing have been delayed until now and this has led to a postponement to the first cash receipt from Minto from Q3 2021 to Q4 2021. This has impacted the cash flow of Pembridge and, to ensure that the company has sufficient funds to meet all its ongoing obligations, Pembridge's Chairman and CEO, Gati Al-Jebouri, has provided an additional facility of up to £200,000 to cover any cash shortfall until the end of 2021. This facility has been approved by the Pembridge Board of Directors and entered into on 21 September 2021. The Facility carries interest at an annual rate of 14%, to be paid upon repayment, and an arrangement fee in the amount of 6% of the amounts drawn down.

On 21 September 2021, the Company announced that it had guaranteed borrowing of US$ 495,000 by Minto. Minto's existing US$ 12.5 million prepayment funding with Sumitomo has been drawn in the amount of US$ 8.0 million to date and, although Minto is currently performing with a positive operating cash flow, its working capital requirements arising as a result of the capital investments in developing the Minto mine are such that the draw down under the Sumitomo prepayment funding is necessary. To enable the drawing down of the remaining US$ 4.5 million under the facility, Sumitomo requested guarantees amounting to this amount from Pembridge Resources plc, Copper Holdings LLC and Cedro Holdings I LLC. These guaranteed liabilities shall be payable severally and not jointly by each Guarantor on a pro rata basis in proportion to their current shareholding ownership. With the current Pembridge shareholding in Minto at 11%, this means that the Company is to guarantee Minto's liability towards Sumitomo in the amount of US$ 495,000. This guarantee will automatically be discharged upon (i) the completion of the RTO, with Minto receiving minimum gross proceeds of C$ 25 million, or (ii) Sumitomo being repaid in full of the Additional Advance, whichever is earlier.