

Metals Acquisition Corp.
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Our independent registered public accounting firm is Marcum LLP (PCAOB ID Number 688) of Houston, Texas.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Metals Acquisition Corp.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Metals Acquisition Corp. (the "Company") as of December 31, 2021, the related statements of operations, changes in shareholders' deficit and cash flows for the period from March 11, 2021 (inception) through December 31, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the period from March 11, 2021 (inception) through December 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1 to the financial statements, the Company's business plan is dependent on the completion of a business combination and the Company's available cash and working capital as of December 31, 2021 are not sufficient to complete its planned activities. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

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Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2021.

Houston, TX
March 31, 2022

METALS ACQUISITION CORP
BALANCE SHEET

	December 31, 2021
Assets	
Current assets:	
Cash	\$ 954,974
Prepaid expenses	340,271
Total current assets	<u>1,295,245</u>
Long-term prepaid expenses	186,988
Marketable securities held in Trust Account	265,155,619
Total Assets	<u><u>\$ 266,637,852</u></u>
Liabilities, Class A Ordinary Shares Subject to Possible Redemption, and Shareholders' Deficit	
Accrued offering costs and expenses	\$ 604,474
Total current liabilities	<u>604,474</u>
Warrant liability	8,440,008
Deferred underwriting discount	9,280,173
Total Liabilities	<u>18,324,655</u>
Commitments and Contingencies	
Class A ordinary shares subject to possible redemption, 26,514,780 shares at redemption value	<u>265,147,800</u>
Shareholders' Deficit:	
Preference shares, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—
Class A ordinary shares, \$0.0001 par value; 200,000,000 shares authorized; none issued and outstanding (excluding 26,514,780 shares subject to possible redemption)	—
Class B ordinary shares, \$0.0001 par value; 20,000,000 shares authorized; 6,628,695 shares issued and outstanding	663
Additional paid-in capital	—
Accumulated deficit	<u>(16,835,266)</u>
Total shareholders' deficit	<u>(16,834,603)</u>
Total Liabilities, Class A Ordinary Shares Subject to Possible Redemption, and Shareholders' Deficit	<u><u>\$ 266,637,852</u></u>

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

METALS ACQUISITION CORP
STATEMENT OF OPERATIONS

	For the period from March 11, 2021 (Inception) to December 31, 2021
Formation and operating costs	\$ 1,122,004
Loss from operations	(1,122,004)
Other income/(expense)	
Change in fair value of warrants	14,982,447
Excess value of Private Placement Warrants	(1,066,666)
Offering expenses related to warrant issuance	(1,984,130)
Trust interest income	7,819
Bank fee	(2,448)
Total other income/(expense)	11,937,022
Net income	\$ 10,815,018
Basic and diluted weighted average shares outstanding, ordinary shares subject to redemption	13,451,926
Basic and diluted net income per share	\$ 0.55
Basic and diluted weighted average shares outstanding	6,403,525
Basic and diluted net income per ordinary share	\$ 0.54

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

METALS ACQUISITION CORP
STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE PERIOD FROM MARCH 11, 2021 (INCEPTION) THROUGH DECEMBER 31, 2021

	Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-In Capital	Accumulated Deficit	Shareholders' Deficit
	Shares	Amount	Shares	Amount			
Balance as of March 11, 2021 (Inception)	—	\$ —	—	\$ —	\$ —	\$ —	\$ —
Class B ordinary shares issued to Sponsor	—	—	7,187,500	719	24,281	—	25,000
Capital contribution for sale of Class B shares to Anchor Investors	—	—	—	—	11,107,653	—	11,107,653
Forfeiture of 558,805 founder shares	—	—	(558,805)	(56)	56	—	—
Change in Class A ordinary shares subject to possible redemption	—	—	—	—	(11,131,990)	(27,650,284)	(38,782,274)
Net loss	—	—	—	—	—	10,815,018	10,815,018
Balance as of December 31, 2021	<u>—</u>	<u>\$ —</u>	<u>6,628,695</u>	<u>\$ 663</u>	<u>\$ —</u>	<u>\$ (16,835,266)</u>	<u>\$ (16,834,603)</u>

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

METALS ACQUISITION CORP
STATEMENT OF CASH FLOWS

	For the period from March 11, 2021 (Inception) to December 31, 2021
Cash flows from Operating Activities:	
Net income	\$ 10,815,018
Adjustments to reconcile net income to net cash used in operating activities:	
Formation costs paid by sponsor in exchange for issuance of Class B ordinary shares	6,894
Offering expenses related to warrant issuance	1,984,130
Excess value of Private Placement Warrants	1,066,666
Interest earned on marketable securities held in Trust Account	(7,819)
Decrease in fair value of warrants	(14,982,447)
Changes in operating assets and liabilities:	
Prepaid expenses	(527,259)
Accrued offering costs and expenses	604,474
Net cash used in operating activities	(1,040,343)
Cash Flows from Investing Activities:	
Investment held in Trust Account	(265,147,800)
Net cash used in investing activities	(265,147,800)
Cash flows from Financing Activities:	
Proceeds from Initial Public Offering, net of underwriters' fees	259,844,844
Proceeds from private placement	8,302,958
Advances from related parties	150,000
Payments to related parties	(150,000)
Payments of offering costs	(1,004,685)
Net cash provided by financing activities	267,143,117
Net change in cash	954,974
Cash, beginning of the period	—
Cash, end of the period	\$ 954,974
Supplemental disclosure of noncash investing and financing activities:	
Deferred underwriting commissions charged to additional paid in capital	\$ 9,280,173
Fair value of capital contribution by Sponsor to Anchor Investors	\$ 11,107,653
Forfeiture of 558,805 founder shares	56
Deferred offering costs paid by Sponsor in exchange for issuance of Class B ordinary shares	\$ 18,104
Initial classification of warrant liability	\$ 23,422,455
Remeasurement of Class A ordinary shares subject to redemption	\$ 38,782,274

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

METALS ACQUISITION CORP
NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and Business Operations and Going Concern and Management's Plan

Metals Acquisition Corp (the "Company") is a blank check company incorporated as a Cayman Islands exempted company on March 11, 2021. The Company was incorporated for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the "Business Combination").

As of December 31, 2021, the Company had not commenced any operations. All activity for the period from March 11, 2021 (inception) through December 31, 2021, relates to the Company's formation, operating costs, and the initial public offering (the "IPO"), described below and activities related to seeking an acquisition target. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company generates non-operating income in the form of interest income on investments in the trust account derived from the IPO. The Company has selected December 31 as its fiscal year end.

The Company's sponsor is Green Mountain Metals LLC, a Cayman Islands limited liability company (the "Sponsor").

The registration statement for the Company's IPO was declared effective on July 28, 2021 (the "Effective Date"). On August 2, 2021, the Company consummated its IPO of 25,000,000 units (the "Units"). Each Unit consists of one Class A ordinary share of the Company, par value \$0.0001 per share (the "Class A Ordinary Shares"), and one-third of one redeemable warrant of the Company ("Warrant"), each whole Warrant entitling the holder thereof to purchase one Class A Ordinary Share for \$11.50 per share. The Units were sold at a price of \$10.00 per unit, generating gross proceeds to the Company of \$250,000,000, which is discussed in Note 3.

Simultaneously with the closing of the IPO, the Company completed the private sale of an aggregate of 5,333,333 warrants (the "Private Placement Warrants") to the Sponsor at a purchase price of \$1.50 per Private Placement Warrant, generating gross proceeds to the Company of \$8,000,000. The Private Placement Warrants (including the Class A ordinary shares issuable upon exercise of such warrants) are not transferable, assignable or salable until 30 days after the completion of the initial Business Combination. If the Private Placement Warrants are held by holders other than the Sponsor or its permitted transferees, the Private Placement Warrants are redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the warrants included in the Units being sold in the IPO.

The underwriter had a 45-day option from the date of the Company's IPO (August 2, 2021) to purchase up to an additional 3,750,000 Units to cover over-allotments, if any. On September 3, 2021, the Underwriter partially exercised the over-allotment option to purchase an additional 1,514,780 Units (the "Over-Allotment Units") generating aggregate gross proceeds of \$15,147,800 and incurring \$302,956 in cash underwriting fees (see Notes 3 and 8) and \$530,173 in deferred underwriting fees.

Simultaneously with the issuance and sale of the Over-Allotment Units, the Company consummated the private placement with the Sponsor for an aggregate of 201,971 warrants to purchase Class A Ordinary Shares for \$1.50 per warrant in a private placement with each whole warrant entitling the holder thereof to purchase one Class A Ordinary Share at \$11.50 per share, subject to adjustment (the "Additional Private Placement Warrants"), generating total proceeds of \$302,956 (the "Private Placement Proceeds" and, together with the Option Unit Proceeds, the "Proceeds") (see Note 5).

On September 16, 2021, the remaining amounts under the over-allotment option expired unused and 558,805 Class B ordinary shares were forfeited by the Sponsor to the Company for no consideration.

The Additional Private Placement Warrants (including the Class A ordinary shares issuable upon exercise of such warrants) are not transferable, assignable or salable until 30 days after the completion of the initial Business Combination. If the Private Placement Warrants are held by holders other than the Sponsor or its permitted transferees, the Private Placement Warrants are redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the warrants included in the Units being sold in the IPO.

Certain qualified institutional buyers or institutional accredited investors who are unaffiliated with the management team (“Anchor Investors”) purchased a total of 19,575,000 Units or 78.3% of the outstanding Units following the IPO (assuming no exercise of the over-allotment option). After the exercise of the Underwriter's over-allotment option, the percentage purchased by Anchor Investors has decreased from 78.3% to 73.8%.

In addition, the Sponsor sold membership interests representing an aggregate of 1,272,500 founder shares to all Anchor Investors combined.

The Company estimated the aggregate fair value of these founder shares attributable to Anchor Investors via their purchase of the membership interest to be \$11,107,653, or \$8.73 per share. The founder shares purchased by the Anchor Investors represent a capital contribution by the Sponsor for the benefit of the Company and are recorded as offering costs and reflected as a reduction in the proceeds from the offering and offering expenses in accordance with ASC 470 and Staff Accounting Bulletin Topic 5A.

As the IPO included two instruments, Class A ordinary shares and warrants, and as the warrants are classified as a financial liability, it was necessary to allocate the gross proceeds between Class A ordinary shares and warrants. The Company adopted the residual method to allocate the gross proceeds between Class A ordinary shares and warrants based on their relative fair values. The gross proceeds were first allocated to the fair value of the warrants and the residual amount was then allocated to Class A ordinary shares. The percentage derived from this allocation was then used to allocate deferred offering costs between Class A ordinary shares and warrants. Issuance costs of \$1,984,130 were allocated to the warrants and charged to the Company's current period statement of operations.

The purchase of 78.3% in aggregate of the Units sold in the IPO, or 19,575,000 Units and the sales of membership interest by the Sponsor are hereby referred to as the “Anchor Investment”.

Transaction costs of the IPO amounted to \$26,713,571 consisting of \$5,302,956 of underwriting discounts, \$9,280,173 of deferred underwriting discounts, fair value in the Anchor Investor shares of \$11,107,653, and \$1,022,789 of other offering costs. Of the transaction costs, \$1,984,130 is included in other expenses and \$24,729,441 is included in temporary equity.

A total of \$265,147,800 was placed in a U.S.-based trust account maintained by Continental Stock Transfer & Trust Company, acting as trustee, upon closing of the IPO and the underwriter partially exercising its over-allotment option.

The Company's management has broad discretion with respect to the specific application of the net proceeds of the IPO and the Private Placement Warrants, although substantially all of the net proceeds are intended to be generally applied toward consummating a Business Combination (less deferred underwriting commissions).

The Company must complete one or more Business Combinations having an aggregate fair market value of at least 80% of the net assets held in the Trust Account (as defined below) (net of amounts previously disbursed to management for working capital purposes, if permitted, and excluding the amount of deferred underwriting discounts and commissions held in trust) at the time of signing an agreement to enter a Business Combination. However, the Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for so that the Company is not required to register as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”). There is no assurance that the Company will be able to successfully effect a Business Combination.

The net proceeds from the initial public offering are held in a trust account and are invested only in U.S. government treasury obligations with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U.S. government treasury obligations. Except with respect to interest earned on the funds held in the Trust Account that may be released to the Company to pay its income taxes, if any, the Company's amended and restated memorandum and articles of association, as discussed below and subject to the requirements of law and regulation, will provide that the proceeds from the IPO and the sale of the Private Placement Warrants held in the Trust Account will not be released from the Trust Account (1) to the Company, until the completion of the initial Business Combination, or (2) to the public shareholders, until the earliest of (a) the completion of the initial Business Combination, and then only in connection with those Class A ordinary shares that such shareholders properly elected to redeem, subject to the limitations described herein, (b) the redemption of any public shares properly tendered in connection with a (A) shareholder vote to amend the Company's amended and restated memorandum and articles of association to modify the substance or timing of the Company's obligation to provide holders of the Class A ordinary shares the right to have their shares redeemed in connection with the initial Business Combination or to redeem 100% of the public shares if the Company does not complete the initial Business Combination within 24 months from the closing of the IPO, or (B) with respect to any other provision relating to the rights of holders of the Class A ordinary shares or pre-initial Business Combination activity, and (c) the redemption of the public shares if the Company has not consummated the initial Business Combination within 24 months from the closing of the IPO. Public shareholders who redeem their Class A ordinary shares in connection with a shareholder vote described in clause (b) in the preceding sentence shall not be entitled to funds from the Trust Account upon the subsequent completion of an initial Business Combination or liquidation if the Company has not consummated an initial Business Combination within 24 months from the closing of the IPO, with respect to such Class A ordinary shares so redeemed.

The Company will provide the public shareholders with the opportunity to redeem all or a portion of their public shares upon the completion of the initial Business Combination either (i) in connection with a general meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a proposed Business Combination or conduct a tender offer will be made by the Company, solely in its discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would require the Company to seek shareholder approval under applicable law or stock exchange listing requirements. The public shareholders are entitled to redeem all or a portion of their public shares upon the completion of the initial Business Combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account calculated as of two business days prior to the consummation of the initial Business Combination, including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its income taxes, if any, divided by the number of the then-outstanding public shares, subject to the limitations described herein.

The ordinary shares subject to redemption are recorded at redemption value and have been classified as temporary equity upon the completion of the IPO, in accordance with Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and, if the Company seeks shareholder approval, a majority of the issued and outstanding shares voted are voted in favor of the Business Combination.

The Company will have only 24 months from the closing of the IPO (the "Combination Period") to complete the initial Business Combination. If the Company has not completed the initial Business Combination within the Combination Period, the Company will: (i) cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible, but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to the Company to pay its income taxes, if any (less up to \$100,000 of interest to pay dissolution expenses), divided by the number of the then-outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any); and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the Company's remaining shareholders and the board of directors, liquidate and dissolve, subject in the case of clauses (ii) and (iii), to the Company's obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law.

The Sponsor, officers and directors have agreed to (i) waive their redemption rights with respect to any founder shares and public shares they hold, (ii) to waive their redemption rights with respect to any founder shares and any public shares purchased during or after the IPO in connection with a shareholder vote to approve an amendment to the Company's amended and restated memorandum and articles of association (A) that would modify the substance or timing of the Company's obligation to provide holders of the Class A ordinary shares the right to have their shares redeemed in connection with the initial Business Combination or to redeem 100% of the public shares if the Company does not complete the initial Business Combination within the Combination Period, or (B) with respect to any other provision relating to the rights of holders of the Class A ordinary shares or pre-initial Business Combination activity and (iii) waive their rights to liquidating distributions from the Trust Account with respect to any founder shares they hold if the Company fails to consummate the initial Business Combination within the Combination Period (although they will be entitled to liquidating distributions from the Trust Account with respect to any public shares they hold if the Company fails to complete the initial Business Combination within the Combination Period).

The Company's Sponsor has agreed that it will be liable to the Company if and to the extent any claims by a third party (excluding the Company's independent registered public accounting firm) for services rendered or products sold to the Company, or a prospective target business with which the Company has entered into a transaction agreement, reduce the amounts in the Trust Account to below the lesser of (i) \$10.00 per public share and (ii) the actual amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account if less than \$10.00 per public share due to reductions in the value of the trust assets, in each case net of the interest that may be withdrawn to pay its tax obligations, provided that such liability will not apply to any claims by a third party or prospective partner business who executed a waiver of any and all rights to seek access to the Trust Account nor will it apply to any claims under the Company's indemnity of the underwriter of the IPO against certain liabilities, including liabilities under the Securities Act. In the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be liable for such third-party claims. However, the Company has not asked the Sponsor to reserve for such indemnification obligations, nor has the Company independently verified whether the Sponsor has sufficient funds to satisfy its indemnity obligations and the Company believes that the Sponsor's only assets are securities of the Company. Accordingly, the Sponsor may not be able to satisfy those obligations.

Going Concern and Management's Plan

The Company has incurred and expects to continue to incur significant costs in pursuit of its acquisition plans. In connection with the Company's assessment of going concern considerations in accordance with Accounting Standards Update ("ASU") 2014-15, "*Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern*," management has determined that the Company's business plan is dependent on the completion of a Business Combination and the Company's cash and working capital as of December 31, 2021 are not sufficient to complete its planned activities. There conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As of December 31, 2021, the Company had \$954,974 of cash and working capital of \$690,771, which are not sufficient to complete its planned activities. While the Company believes it has sufficient access to additional sources of capital if necessary, there is no current commitment on the part of any financing source to provide additional capital and no assurances can be provided that such additional capital will ultimately be available. These conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of time within one year after the date that the financial statements are issued. There is no assurance that the Company's plans to raise additional capital (to the extent ultimately necessary) or to consummate a Business Combination will be successful or successful within the Combination Period.

Risks and Uncertainties

Management is continuing to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that, while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of the Company's operations and/or its search for a target company, the specific impact is not readily determinable as of the date of this financial statement. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Liquidity and Capital Resources

As of December 31, 2021, the Company had \$954,974 of cash and working capital of \$690,771.

As of December 31, 2021, the Company's liquidity needs had been satisfied through a payment from the Sponsor of \$25,000 for the founder shares (see Note 5), borrowings under the promissory note of \$167,251 and proceeds from its IPO and private placements.

On August 2, 2021, the Company consummated its IPO and on September 3, 2021, the Underwriter partially exercised its over-allotment option to purchase additional Units. A total of \$265,147,800 was placed in a U.S.-based trust account maintained by Continental Stock Transfer & Trust Company, acting as trustee, upon closing of the IPO and the underwriter partially exercising its over-allotment option.

To finance transaction costs in connection with a Business Combination, the Company's Sponsor or an affiliate of the Sponsor or certain of the Company's officers and directors may, but are not obligated to, provide the Company with Working Capital Loans, as defined below (see Note 5). As of December 31, 2021, there were no amounts outstanding under any Working Capital Loans.

Based on the foregoing, management believes that the Company will have sufficient working capital and borrowing capacity to meet its needs through the earlier of the consummation of a Business Combination or one year from this filing. Over this period, the Company will be using these funds for paying existing accounts payable, paying for costs associated with identifying and evaluating prospective initial Business Combination candidates, performing due diligence on prospective target businesses, paying for travel expenditures associated with due diligence, selecting the target business to merge with or acquire, and structuring, negotiating, and consummating the Business Combination.

Note 2 — Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Company are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). In the opinion of management, all adjustments (consisting of normal recurring adjustments) have been made that are necessary to present fairly the financial position, and the results of its operations and its cash flows.

Emerging Growth Company Status

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"). The Company may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and qualifying for exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but that any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates. Significant estimates made by management include an estimate for private warrant liabilities and an estimate of the fair value of founder shares purchased by Anchor Investors.

Cash and Cash Equivalents

The Company had \$954,974 of cash as at December 31, 2021. The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2021.

Investments Held in Trust Account

At December 31, 2021, funds held in the Trust Account included \$265,155,619 of investments held in a money market fund characterized as Level 1 investments within the fair value hierarchy under ASC 820 (as defined below).

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under the Financial Accounting Standards Board ("FASB") ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the balance sheet.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Corporation limit of \$250,000. As at December 31, 2021, the Company has not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Promissory Note - Related Party

As of December 31, 2021, the Company had no borrowings under the promissory note. During the period from March 11, 2021 (inception) through December 31, 2021, the Company borrowed \$167,251 under the promissory note. The Company fully repaid the outstanding amount at the closing of the IPO on August 2, 2021.

Advances from Related Parties

As of December 31, 2021, the Company had no advances from related parties. During the period from March 11, 2021 (inception) through December 31, 2021, the Company had advances from related parties of \$150,000 and subsequently repaid the amount due. These advances were non-interest bearing and due on demand.

Offering Costs Associated with IPO

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin (“SAB”) Topic 5A—“Expenses of Offering”. Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to the IPO. Offering costs are charged to shareholders’ equity or the statement of operations based on the relative value of the Warrants to the proceeds received from the Units sold upon the completion of the IPO. Accordingly, as of December 31, 2021, offering costs totaling \$26,713,571 (consisting of \$5,302,956 of underwriting fees, \$9,280,173 of deferred underwriting fees, \$11,107,653 of fair value of founder shares sold to Anchor Investors, and \$1,022,789 of other offering costs) were recognized. Of the \$26,713,571 offering costs \$1,984,130 were allocated to the Public and Private Warrants and included in other expenses for the period and \$24,729,441 included in temporary equity.

Fair Value of Financial Instruments

The fair value of the Company’s assets and liabilities, which qualify as financial instruments under FASB ASC 820, “Fair Value Measurements and Disclosures,” approximates the carrying amounts represented in the balance sheet, primarily due to its short-term nature.

Derivative Financial Instruments

The Company evaluates its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives in accordance with ASC Topic 815, “Derivatives and Hedging”. The Company’s derivative instruments are recorded at fair value as of the IPO (August 2, 2021) and re-valued at each reporting date, with changes in the fair value reported in the statement of operations. Derivative assets and liabilities are classified on the balance sheet as current or non-current based on whether net-cash settlement or conversion of the instrument could be required within 12 months of the balance sheet date. The Company has determined the warrants are derivative instruments. As the warrants meet the definition of a derivative, the warrants are measured at fair value at issuance and at each reporting date in accordance with ASC 820, “Fair Value Measurement”, with changes in fair value recognized in the statement of operations in the period of change.

Warrant Instruments

The Company accounts for the 13,666,666 warrants issued in connection with the IPO and Private Placement and the additional 504,927 public warrants and 201,971 private placement warrants associated with the exercise of the over-allotment, in accordance with the guidance contained in FASB ASC 815 “Derivatives and Hedging” under which the warrants do not meet the criteria for equity treatment and must, thereby, be recorded as a liability. Accordingly, the Company classifies the warrant instrument as a liability at fair value and adjusts the instrument to fair value at each reporting period. This liability will be re-measured at each balance sheet date until the warrants are exercised or expire, and any change in fair value will be recognized in the Company’s statement of operations. The fair value of warrants will be estimated using either observable market inputs or an internal valuation model. The valuation model utilizes inputs and other assumptions and may not be reflective of the price at which they can be settled. Such warrant classification is also subject to re-evaluation at each reporting period.

Fair Value Measurements

Fair value is defined as the price that would be received for the sale of an asset that would be paid for the transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Ordinary Shares Subject to Possible Redemption

The Company accounts for its ordinary shares subject to possible redemption in accordance with the guidance in ASC Topic 480 “Distinguishing Liabilities from Equity.” Ordinary shares subject to mandatory redemption (if any) are classified as a liability instrument and measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, ordinary shares are classified as shareholder’s equity. The Company’s ordinary shares feature certain redemption rights that are considered to be outside of the Company’s control and subject to the occurrence of uncertain future events. Accordingly, ordinary shares subject to possible redemption are presented at redemption value as temporary equity, outside of the shareholders’ equity section of the Company’s balance sheet.

All of the Class A ordinary share sold as part of the Units in the IPO contain a redemption feature which allows for the redemption of such public shares in connection with the Company’s liquidation, if there is a shareholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Company’s certificate of incorporation. In accordance with ASC 480-10-S99, redemption provisions not solely within the control of the Company require ordinary share subject to redemption to be classified outside of permanent equity.

If it is probable that the equity instrument will become redeemable, the Company has the option to either accrete changes in the redemption value over the period from the date of issuance (or from the date that it becomes probable that the instrument will become redeemable, if later) to the earliest redemption date of the instrument or to recognize changes in the redemption value immediately as they occur and adjust the carrying amount of the instrument to equal the redemption value at the end of each reporting period. The Company recognizes changes in redemption value immediately as they occur. Immediately upon the closing of the IPO, the Company recognized the remeasurement adjustment from initial carrying amount to redemption book value and subsequently adjusted the redemption book value as of the IPO date for the earnings in the Trust Account. The change in the carrying value of redeemable ordinary share resulted in charges against additional paid-in capital and accumulated deficit.

As of December 31, 2021, the ordinary shares subject to possible redemption reflected on the balance sheet are reconciled in the following table:

Gross proceeds from IPO	\$ 265,147,800
Less:	
Proceeds allocated to Public Warrants, net of offering costs	(14,052,833)
Ordinary share issuance costs	(24,729,441)
Plus:	
Remeasurement adjustment of carrying value to redemption value	38,782,274
Ordinary shares subject to possible redemption	\$ 265,147,800

Net Income Per Share

The Company has two classes of ordinary shares, which are referred to as Class A ordinary shares and Class B ordinary shares. Earnings and losses are shared pro rata between the two classes of shares. Private and public warrants to purchase 14,373,564 Class A ordinary shares at \$11.50 per share were issued on August 2, 2021, and September 3, 2021. No warrants were exercised during the period from March 11, 2021 (inception) through December 31, 2021. The calculation of diluted income per common share does not consider the effect of the warrants issued in connection with the (i) IPO, (ii) exercise of over-allotment, or (iii) Private Placement since the exercise of the warrants is contingent upon the occurrence of future events. As a result, diluted net income per ordinary share is the same as basic net income per ordinary share for the periods. Accretion associated with the redeemable Class A ordinary shares is excluded from earnings per share as the redemption value approximates fair value.

	For the period from March 11, 2021 (inception) through December 31, 2021	
	Class A	Class B
Basic and diluted net income per share		
Numerator:		
Allocation of net income	\$ 7,354,212	\$ 3,460,806
Denominator		
Weighted-average shares outstanding	13,451,926	6,403,525
Basic and diluted net income per share	\$ 0.55	\$ 0.54

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, "Income Taxes" ("ASC 740"). Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company's management determined that the Cayman Islands is the Company's major tax jurisdiction. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. As of December 31, 2021, there were no unrecognized tax benefits and no amounts accrued for interest and penalties. The Company is currently not aware of any issues under review that could result in significant payments, accruals, or material deviation from its position. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next 12 months.

The Company is considered to be an exempted Cayman Islands company with no connection to any other taxable jurisdiction and is presently not subject to income taxes or income tax filing requirements in the Cayman Islands or the United States. As such, the Company's tax provision was zero for the period presented.

Recent Accounting Pronouncements

In August 2020, the FASB issued Accounting Standards Update (“ASU”) No. 2020-06, Debt -- Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging -- Contracts on an Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity (“ASU 2020-06”), which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU also removes certain settlement conditions that are required for equity-linked contracts to qualify for the derivative scope exception, and it simplifies the diluted earnings per share calculation in certain areas. The Company adopted ASU 2020-06 on August 2, 2021. Adoption of the ASU did not impact the Company’s financial position, results of operations or cash flows.

The Company’s management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

Note 3 — Initial Public Offering

Units

On August 2, 2021, the Company consummated its IPO of 25,000,000 units (the “Units”). Each Unit consists of one Class A ordinary share of the Company, par value \$0.0001 per share (the “Class A Ordinary Shares”), and one-third of one redeemable warrant of the Company (“Warrant”), each whole Warrant entitling the holder thereof to purchase one Class A Ordinary Share for \$11.50 per share. The Units were sold at a price of \$10.00 per unit, generating gross proceeds to the Company of \$250,000,000. The warrants will become exercisable 30 days after the completion of the initial Business Combination. The warrants will expire five years after the completion of the initial Business Combination or earlier upon redemption or liquidation.

The underwriter had a 45-day option from the date of the Company’s IPO (August 2, 2021) to purchase up to an additional 3,750,000 Units to cover over-allotments.

On September 3, 2021, the underwriter partially exercised the over-allotment option to purchase an additional 1,514,780 Units (the “Over-Allotment Units”) generating aggregate gross proceeds of \$15,147,800 and incurring \$302,956 in cash underwriting fees (see Note 1) and \$530,173 of deferred underwriting fees.

On September 16, 2021, the remaining amounts under the over-allotment option expired unused and 558,805 Class B ordinary shares were forfeited by the Sponsor to the Company for no consideration.

Warrants

Each whole warrant entitles the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to adjustment. In addition, if (x) the Company issues additional Class A ordinary shares or equity linked securities for capital raising purposes in connection with the closing of the initial Business Combination at an issue price or effective issue price of less than \$9.20 per Class A ordinary share (with such issue price or effective issue price to be determined in good faith by the board of directors and, in the case of any such issuance to the Sponsor or its affiliates, without taking into account any founder shares held by the Sponsor or such affiliates, as applicable, prior to such issuance), or the Newly Issued Price; (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the initial Business Combination on the date of the consummation of the initial Business Combination (net of redemptions); and (z) the volume-weighted average trading price of the ordinary shares during the 20 trading day period starting on the trading day prior to the day on which the Company consummates the initial Business Combination (such price, the “Market Value”) is below \$9.20 per share, the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the \$10.00 and \$18.00 per share redemption trigger prices described below under “Redemption of warrants when the price per Class A ordinary share equal or exceed \$10.00” and “Redemption of warrants when the price per Class A ordinary share equals or exceeds \$18.00” will be adjusted (to the nearest cent) to be equal to 100% and 180% of the higher of the Market Value and the Newly Issued Price, respectively.

The warrants cannot be exercised until 30 days after the completion of the initial Business Combination, and will expire at 5:00 p.m., New York City time, five years after the completion of the initial Business Combination, or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any Class A ordinary shares pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the Class A ordinary shares underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company's satisfying its obligations described below with respect to registration, or if a valid exemption from registration is available. No warrant will be exercisable, and the Company will not be obligated to issue a Class A ordinary share upon exercise of a warrant unless the Class A ordinary share issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. If the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will the Company be required to net cash settle any warrant. If a registration statement is not effective for the exercised warrants, the purchaser of a Unit containing such warrant will have paid the full purchase price for the Unit solely for the Class A ordinary share underlying such Unit.

Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds \$18.00

Once the warrants become exercisable, the Company may redeem the outstanding warrants (except as described herein with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption (the "30-day redemption period"); and
- if, and only if, the last reported sales price (the "Closing Price") of the Class A ordinary shares equals or exceeds \$18.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like and certain issuances of Class A ordinary shares and equity linked securities) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders (the "Reference Value").

Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds \$10.00

Once the warrants become exercisable, the Company may redeem the outstanding warrants:

- in whole and not in part;
- at \$0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table set forth under "Description of Securities — Warrants — Public Shareholders' Warrants" based on the redemption date and the "fair market value" of the Class A ordinary shares (as defined below); and
- if, and only if, the closing price of the Class A ordinary shares equals or exceeds \$10.00 per public share (as adjusted per share subdivisions, share dividends, reorganizations, recapitalizations, and the like) on the trading day before the Company sends the notice of redemption to the warrant holders.

The "fair market value" of the Class A ordinary shares shall mean the volume-weighted average price of the Class A ordinary shares for the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants. The Company will provide the warrant holders with the final fair market value no later than one business day after the 10-day trading period described above ends. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 Class A ordinary shares per warrant (subject to adjustment).

Note 4 — Private Placement

Simultaneously with the closing of the IPO, the Company's Sponsor purchased an aggregate of 5,333,333 Private Placement Warrants, each exercisable to purchase one Class A ordinary share at \$11.50 per share, at a price of \$1.50 per warrant, or \$8,000,000 in the aggregate.

Simultaneously with the issuance and sale of the Over-Allotment Units, the Company consummated the private placement with the Sponsor for an aggregate of 201,971 warrants to purchase Class A Ordinary Shares for \$1.50 per warrant in a private placement with each whole warrant entitling the holder thereof to purchase one Class A Ordinary Share at \$11.50 per share, subject to adjustment (the "Additional Private Placement Warrants"), generating total proceeds of \$302,956 (the "Private Placement Proceeds" and, together with the Option Unit Proceeds, the "Proceeds") (see Note 1).

On September 16, 2021, the remaining amounts under the over-allotment option expired unused.

The Private Placement Warrants (including the Class A ordinary shares issuable upon exercise of such warrants) are not transferable, assignable, or salable until 30 days after the completion of the initial Business Combination. If the Private Placement Warrants are held by holders other than the Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company in all redemption scenarios and exercisable by the holders on the same basis as the warrants included in the Units being sold in the IPO.

Note 5 — Related Party Transactions

Founder Shares

In March 2021, the Company's Sponsor paid \$25,000, or approximately \$0.003 per share, to cover certain of the offering and formation costs in exchange for an aggregate of 7,187,500 Class B ordinary shares, par value \$0.0001 per share, of which 937,500 shares were subject to forfeiture depending on the extent to which the underwriter's over-allotment option was exercised.

On September 3, 2021, the Underwriter partially exercised the over-allotment option to purchase an additional 1,514,780 Units. On September 16, 2021, the remaining amounts under the over-allotment option expired unused. Consequently, 558,805 shares were forfeited by the Sponsor for no consideration.

The Company's initial shareholders have agreed not to transfer, assign or sell any of their founder shares and any Class A ordinary shares issuable upon conversion thereof until the earlier to occur of: (A) one year after the completion of the initial Business Combination and (B) subsequent to the initial Business Combination, (x) if the closing price of the Class A ordinary shares equals or exceeds \$12.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination, or (y) the date on which the Company completes a liquidation, merger, share exchange, reorganization or other similar transaction that results in all of the public shareholders having the right to exchange their ordinary shares for cash, securities or other property.

Promissory Note — Related Party

The Sponsor has agreed to loan the Company up to \$300,000 to be used for a portion of the expenses of the IPO. These loans were non-interest bearing, unsecured and due at the earlier of December 31, 2021, or the closing of the IPO. As of December 31, 2021, there was no amount owing on the promissory note.

Advances from Related Parties

The Sponsor or an affiliate of the Sponsor occasionally incurs expenses on behalf of the Company. The liability is non-interest bearing and due on demand; as of December 31, 2021, there was no amount payable. During the period from March 11, 2021 (inception) through December 31, 2021, the Company received advances from related parties of \$150,000. These advances which were non-interest bearing and due on demand, were fully repaid on December 31, 2021.

Working Capital Loans

To finance transaction costs in connection with an intended initial Business Combination, the Sponsor or an affiliate of the Sponsor or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required (the "Working Capital Loans"). If the Company completes the initial Business Combination, the Company will repay the Working Capital Loans. If the initial Business Combination does not close, the Company may use a portion of the working capital held outside the Trust Account to repay the Working Capital Loans but no proceeds from the Trust Account would be used to repay the Working Capital Loans. Up to \$1,500,000 of such Working Capital Loans may be convertible into Private Placement Warrants of the post Business Combination entity at a price of \$1.50 per warrant, at the option of the lender. Such warrants would be identical to the Private Placement Warrants. At December 31, 2021, there were no Working Capital Loans outstanding.

Note 6 — Recurring Fair Value Measurements

As at December 31, 2021, the Company's warrant liability was valued at \$8,440,008. Under the guidance in ASC 815-40 the warrants do not meet the criteria for equity treatment. As such, the warrants must be recorded on the balance sheet at fair value. This valuation is subject to re-measurement at each balance sheet date. With each re-measurement, the warrant valuation will be adjusted to fair value, with the change in fair value recognized in the Company's statement of operations.

The Company's warrant liability for the Private Placement Warrants is based on a valuation model utilizing inputs from observable and unobservable markets with less volume and transaction frequency than active markets. The fair value of the Private Placement Warrant liability units is classified within Level 3 of the fair value hierarchy.

On September 20, 2021, the Company's Public Warrants began trading on the New York Stock Exchange. As such, the Company's warrant liability for the Public Warrants is based on unadjusted quoted prices in an active market (the New York Stock Exchange) for identical assets or liabilities that the Company can access. The fair value of the Public Warrant liability is classified within Level 1 of the fair value hierarchy.

All of the Company's trust assets on the balance sheet consist of U. S. Money Market funds which are classified as cash equivalents. Fair values of these investments are determined by Level 1 inputs utilizing quoted prices (unadjusted) in active markets for identical assets.

The following table presents information about the Company's assets and liabilities that were measured at fair value on a recurring basis as of December 31, 2021 and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value.

	Level 1	Level 2	Level 3
Assets:			
U.S. Money Market held in Trust Account	\$ 265,155,619	\$ —	\$ —
	<u>265,155,619</u>	<u>\$ —</u>	<u>\$ —</u>
Liabilities:			
Public Warrants	\$ 5,214,574	\$ —	\$ —
Private Placement Warrants	\$ —	\$ —	\$ 3,265,830
	<u>\$ 5,214,574</u>	<u>\$ —</u>	<u>\$ 3,265,830</u>

The Company established the initial fair value for the Warrants on August 2, 2021, the date of the consummation of the Company's IPO and September 3, 2021, the date of the Underwriter's partial exercise of its over-allotment option, respectively. The Company used a Black-Scholes model to value the Public and Private Warrants.

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The following table provides quantitative information regarding Level 3 fair value measurements:

	December 31, 2021	August 2, 2021
Share price	\$ 9.69	\$ 10.00
Strike price	\$ 11.50	\$ 11.50
Term (in years)	5.50	5.84
Volatility	10.7 %	24.0
Risk-free rate	1.30 %	1.01
Dividend yield	0 %	0

The following table provides a reconciliation of changes in fair value liability of the beginning and ending balances for the Company's Warrants as Level 3:

Fair value at March 11, 2021 (inception)	\$ —
Initial fair value	23,422,455
Public Warrants reclassified to level 1 ⁽¹⁾	(6,196,163)
Change in fair value	(13,960,462)
Fair Value at December 31, 2021	\$ 3,265,830

(1) Assumes the Public Warrants were reclassified on September 30, 2021.

Except for the transfer from Level 3 to Level 1 for the Public Warrants, there were no other transfers between Levels 1, 2 or 3 during the period from March 11, 2021 (inception) to December 31, 2021.

Note 7 — Commitments

Registration Rights

The holders of the (i) founder shares (which were issued in a private placement prior to the closing of the IPO), (ii) Private Placement Warrants (which were issued in a private placement simultaneously with the closing of the IPO) and (iii) Private Placement Warrants (that may be issued upon conversion of Working Capital Loans) will have registration rights to require the Company to register a sale of any of the securities held by them pursuant to a registration rights agreement to be signed prior to or on the effective date of the IPO. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed after the completion of the initial Business Combination. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriter's Agreement

The underwriter had a 45-day option from the date of the IPO to purchase up to an additional 3,750,000 Units to cover over-allotments, if any.

On September 3, 2021, the underwriter partially exercised its over-allotment option to purchase an additional 1,514,780 Units (the "Over-Allotment Units") generating aggregate gross proceeds of \$15,147,800 and incurring \$302,956 in cash underwriting fees (see Note 4).

On September 16, 2021, the remaining amounts under the over-allotment option expired unused.

The underwriter was paid a cash underwriting discount of two percent (2%) of the gross proceeds of the IPO (including the Over-Allotment Units), or \$5,302,956. Additionally, the underwriter will be entitled to a deferred underwriting discount of 3.5% or \$9,280,173 of the gross proceeds of the IPO (including the Over-Allotment Units) held in the Trust Account upon the completion of the Company's initial Business Combination subject to the terms of the underwriting agreement.

Note 8 — Shareholders' Equity

Preference Shares— The Company is authorized to issue a total of 1,000,000 preference shares at par value of \$0.0001 each. At December 31, 2021, there were no preference shares issued or outstanding.

Class A Ordinary Shares— The Company is authorized to issue a total of 200,000,000 Class A ordinary shares at par value of \$0.0001 each. At December 31, 2021, there were no Class A ordinary shares issued or outstanding, excluding 26,514,780 shares subject to possible redemption reflected as temporary equity.

Class B Ordinary Shares—The Company is authorized to issue a total of 20,000,000 Class B ordinary shares at par value of \$0.0001 each. In March 2021, the Company issued 7,187,500 Class B ordinary shares, par value \$0.0001 per share, of which 937,500 were subject to forfeiture depending on the extent to which the underwriter's over-allotment option is exercised. On September 3, 2021, with the partial exercise of the over-allotment option, the Sponsor forfeited 558,805 of the Class B ordinary shares. Accordingly, as of December 31, 2021, the Company had issued 6,628,695 Class B ordinary shares to its Sponsor for \$25,000, or approximately \$0.004 per share.

Pursuant to the Anchor Investment, the Sponsor sold 1,272,500 founder shares to the Anchor Investors at the same price the Sponsor purchased the founder shares from the Company (approximately \$0.003 per share).

The founder shares are designated as Class B ordinary shares and will automatically convert into Class A ordinary shares on the first business day following the consummation of the initial Business Combination at a ratio such that the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, on an as-converted basis, 20% of the sum of the total number of ordinary shares issued and outstanding upon the consummation of the IPO, plus the sum of the total number of Class A ordinary shares issued or deemed issued or issuable upon conversion or exercise of any equity-linked securities (as defined herein) or rights issued or deemed issued, by the company in connection with or in relation to the consummation of the initial Business Combination (net of any redemptions of Class A ordinary shares by public shareholders), excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, deemed issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor, members of the team or any of their affiliates upon conversion of Working Capital Loans. Any conversion of Class B ordinary shares described herein will take effect as a compulsory redemption of Class B ordinary shares and an issuance of Class A ordinary shares as a matter of Cayman Islands law. In no event will the Class B ordinary shares convert into Class A ordinary shares at a rate of less than one-to-one.

With respect to any other matter submitted to a vote of the shareholders, including any vote in connection with the initial Business Combination, except as specified in the Company's amended and restated memorandum and articles of association or as required by law or the applicable rules of the NYSE then in effect, holders of the founder shares and holders of the public shares will vote together as a single class, with each share entitling the holder to one vote.

Note 9 — Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through the date that the financial statements were available to be issued.

On March 17, 2022, the Company, Metals Acquisition Corp. (Australia) Pty Ltd ("MAC-Sub") and Glencore Operations Australia Pty Limited ("Glencore") entered into a Share Sale Agreement (the "SSA").

Under the terms of the SSA, MAC-Sub (a newly formed, wholly owned subsidiary of the Company) will acquire from Glencore 100% of the issued share capital of Cobar Management Pty. Limited ("CMPL"). CMPL owns and operates the Cornish, Scottish and Australian mine (the "CSA Mine") in Cobar, New South Wales, Australia.

In consideration for the acquisition of CMPL, MAC and MAC-Sub will: (a) pay US\$1,050,000,000 to Glencore (subject to a customary closing accounts adjustments to reflect the working capital, net debt and tax liabilities of CMPL at the time of closing under the SSA (the “Closing”)), (b) issue US\$50,000,000 (5,000,000 shares) worth of MAC Class A ordinary shares, \$0.0001 par value (the “Common Stock”) to Glencore, and (c) enter into a net smelter royalty pursuant to which after the Closing, CMPL will pay to Glencore a royalty of 1.5% of all net smelter copper concentrate produced from the mining tenure held by CMPL at the time of the Closing.

The business combination has been approved by the boards of directors of the Company and Glencore.

Other than as described in these financial statements, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements