Directors' Report & Consolidated Financial Statements

For the year ended 31 January 2013

Itinerant Resources Plc

Registered Number: 3156769

ITINERANT RESOURCES Plc – 2013 Annual Report

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COMPANY INFORMATION

Directors	Peter R Walsh Maurice O'Brien
Secretary/Registrar	Peter R Walsh
Company Number	3156769
Registered Office	Tower Bridge House St Katharine's Way London E1W 1DD United Kingdom
Dublin Office	34 North Frederick Street Dublin 1 Ireland
Auditors	Mazars Chartered Accountants & Registered Auditors Block 3 Harcourt Centre Harcourt Road Dublin 2 Ireland
Solicitors	Keystone Law 53 Davies Street London, W1K 5JH United Kingdom Chinawa Law Chambers 12th Floor Causeway Building Cnr Central Avenue & 3rd Street Harare Zimbabwe
Bankers	Bank of Ireland 6 Lower O'Connell Street Dublin 1 Ireland Bank of Ireland Global Markets Colvill House Talbot Street Dublin 1 Ireland
Consulting Geologist	Saint Barbara LLP 9 John Street London WC1N 2SE United Kingdom

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Group and the Company for the year ended 31st January 2013

Principal Activities
The Group's main activities are exploration and development of gold and copper in Zimbabwe Our mineral assets are owned and developed by Tinker Mining (Private) Limited, our wholly owned subsidiary, registered in Zimbabwe We are committed to building our mineral portfolio and to explore other resource opportunities in accordance with group policy

Results and Dividends
The Group loss for the year after providing for depreciation amounted to £26,667 (2012 loss £35,181)

Shareholders' funds increased by £9,333 (2012 decreased by £35,181) during the year

The Directors do not propose that a dividend be paid (2012 Nil)

Business Review

Review of performance and development during the year
In the year to 31st January 2013 the Montezuma gold property near Bulawayo and the Lovel copper and gold claims in the Chitomborwizi area have been on a care and maintenance basis Uncertainty about the Government's position on indigenisation and lack of finance shifted focus to protecting our principal asset, name the Montezuma gold property

The Board engaged St Barbara LLP, a leading geological consulting firm, to review the Competent Persons Report ("CPR") completed in September 2007 specifically in relation to resource findings and work programme recommended for Montezuma Since release of the CPR, The Joint Ore Reserves Committee ("JORC") revised their minimum standards, recommendations and guidelines for the public reporting of Exploration Results, Mineral Resources and Ore Reserves The JORC Code, 2012 Edition, became effective from 20th December 2012 and mandatory from 1st December 2013 This development challenges some assumptions within our CPR and part of St Barbara's assignment includes a resource estimate in accordance with current JORC standards

The western part of Zimbabwe hosts major coal fields that have generated much interest in the search for coal bed methane This prompted Tinker Mining in 2005 to apply to the Ministry of Mines and Mining Development for special grants covering an area of 410,000 hectares Two of three approval stages were achieved on 305,000 hectares The Zimbabwe Government subsequently changed their policy on awarding special grants Our applications were declined as Tinker Mining is not an established industry company The Group's cash investment in our CBM project was minimal

Zimbabwe Indigenisation
As previously reported to shareholders the Government of Zimbabwe published the Indigenisation and Economic Empowerment Act in 2007 which made provision for the indigenisation of up to 51% of all foreign owned businesses operating in Zimbabwe Regulations in support of the Indigenisation Act were published in February 2010 in preparation of the Act

On 25th March 2011 the Minister of Youth Development, Indigenisation and Empowerment published a formal notice, under the authority of a statutory instrument, setting out the requirements for the implementation of the Indigenisation Act and its supporting regulations relating to the mining sector These regulations include the requirement to transfer a minimum of 51% or a controlling interest to indigenous Zimbabweans under certain conditions The Act applies to all mining companies with a net asset value of US$1 or more Tinker Mining has claimed an exemption is it engages in exploration and development and that its net asset value is less than one US Dollar due to inter group financing

DIRECTORS' REPORT ***(continued)***

The Company has notified the Ministry of Youth Development, Indigenisation and Empowerment of Tinker Mining's exemption from the regulations while providing a response to the Indigenisation Plan within the deadline The Company will take the necessary steps to comply with the Indigenisation Regulations as it applies to the nature of our business and financial position

Presidential and national elections held in July 2013 saw Mr Robert Mugabe returned as President and ZANU PF holding a majority in Parliament President Mugabe promised economic growth, focusing on mining *"The mining sector will be the centre piece of our economic recovery and growth It should generate growth spurts across the sector, reignite that economic miracle which must now happen "* Current indigenisation regulations are hindering FDI and it is widely acknowledged that they need to be reassessed That said, many gold producers listed in the UK and Canada raised significant new capital in 2012 and 2013 prompted by record gold production and escalating profits

The new administration has announced that it is planning to propose new mining legislation to replace the current Mines and Minerals Act No details of proposed changes have been made public at this time However, a "use it or lose it" policy would have implications for mineral properties currently on a care and maintenance arrangement

Business Strategy
The Group's strategy over the coming year is to

1 Protect the Montezuma licence through the timely completion of renewal

2 Verify Montezuma's resource estimate under JORC 2012 standards

3 Maintain adequate cash for asset development and working capital needs

4 Seek a joint venture partner or a trade sale with parties operating in Zimbabwe

Without revenue, the Group relies on shareholders to fund expenditure essentially to protect and enhance its mineral assets and meet low operating costs annually The Open Offer made to shareholders in August 2012 and October 2013 brought £59,200 in new capital This helped working capital, allowed St Barbara to complete part of their assignment and paid outstanding licence fees

Knowing a JORC 2012 compliant resource figure for Montezuma will enable joint venture overtures to be pursued more aggressively and allow potential suitors to be approached The Directors accept that maintaining the status quo is not an option Shareholders rightly expect the Board to identify and if possible deliver strategic options within acceptable parameters and timelines This is a key objective in 2014 and is subject to adequate funds being available to complete the St Barbara assignment

Directors of the Company
The following directors held office during the year

Peter R Walsh (Chairman)
Maurice O'Brien

Principal Risks and Uncertainties
The principal risks and uncertainties to which the Group is exposed relate to resource risk, country and political risk and financing risk

There is a risk that estimates of mineral resources overstate their economic potential The Board manages this risk by engaging leading geological consultants to review our database and other materials to ensure compliance with internationally accepted standards, like the JORC 2012 Code

All of the Group's mineral assets are based in Zimbabwe All non indigenous companies operating in Zimbabwe are subject to the Indigenisation Act While current regulations exempt certain companies potentially this could change and if so Tinker Mining will have to cede 51% of its equity outside of the Group The current indigenisation policy must change to deliver higher FDI in to the mining sector

DIRECTORS' REPORT *(continued)*

Financing risk has a critical impact on the going concern of the Group and the Directors have already highlighted the need for continued financing to deliver the business strategy Some expenditure can be controlled but mineral licences fees can be politically driven Reducing our land holding would mitigate escalating fees However, we will need guidance from our geological consultants on what land to surrender should this become necessary Additionally, renewal of licences and claims must be completed promptly otherwise there is an increased risk of forfeiture

The Board regularly monitors all of the above risks and appropriate actions are taken to lessen those risks or address their potential adverse consequences

Key Performance Indicators
Itinerant Resources Plc is an exploration and development group without production or proven reserves Sector specific KPI's would not provide useful information for investors However, for 2013/2014 the management will focuses on

- Protection of licences
- Stronger independent validation of resource
- Resource growth through work programmes and acquisition
- Develop higher technical capability
- "In country" corporate compliance
- Capital raising
- Exploration and operating cost management
- Interface with corporate finance firms and NOMADS

The above action list is designed to meet the short term needs of the Group

Corporate Governance
The Board is committed to high standards of corporate governance and as the Group grows the Board will review their compliance policies and practices and will adopt such governance practices insofar as they are appropriate given the Group's size and stage of development

Supplier Payment Policy
It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the company's policy that payment is made accordingly

Going Concern
The Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements Having made appropriate enquiries, the Directors are of the opinion that the Company and Group have adequate resources to continue operations in the foreseeable future The Directors note that Itinerant Resources plc has raised finance for exploration and development and working capital as and when required Additional funding is required if the business strategy is to be delivered in 2014

Charitable and Political Donations
The Company or the Group has not made a charitable or political donation during the year

Disclosure of Information to Auditors
The Directors who held office at the date of approval of this Directors' Report confirm that, as far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware The Directors further confirm that they have taken all necessary steps as directors that they ought to have as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

DIRECTORS' REPORT ***(continued)***

Auditors
A resolution to reappoint Mazars, Chartered Accountants and Registered Auditors, Dublin, Ireland will be proposed at the forthcoming Annual General Meeting

By Order of the Board

Peter R Walsh

Peter R Walsh
Company Secretary

28 January 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the profit or loss of the Group for that year In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements based on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

MAZARS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ITINERANT RESOURCES PLC

We have audited the financial statements of Itinerant Resources Plc for the year ended 31st January 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, and related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Financial Reporting Council (FRC's) Ethical Standards for Auditors This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's web-site at www frc org uk/apb/scope/UKNP

Fundamental Uncertainty – valuation of assets

In forming our opinion, we have considered the adequacy of the disclosures made in note 16 of the financial statements concerning the carrying value of the mining interests and investments in Zimbabwe There is currently political uncertainty about the future ability of foreign owned companies to attract finance in Zimbabwe If the Company is not able to trade in Zimbabwe, these assets, which are carried in the Group balance sheet at £960,767, may be overstated The directors are unable to estimate the value of these assets in these circumstances Our opinion is not qualified in this respect

Fundamental Uncertainty – going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 16 of the financial statements concerning the uncertainty as to the continued support for the Company and the Group by their providers of funds In view of the significance of this we consider that it should be drawn to your attention but our report is not qualified in this respect

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's and the Group's affairs as at 31st January 2013 and of the Group's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements

MAZARS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ITINERANT RESOURCES PLC (continued)

Opinion on the other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Bernard Barron
Senior Statutory Auditor

For and on behalf of Mazars
Chartered Accountants and
Registered Auditors
Block 3 Harcourt Centre
Harcourt Road
Dublin 2
Ireland

28 January 2014
28 January 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 January 2013

	Notes	2013 £	2012 £
Turnover		-	-
Administrative expenses		(26,667)	(35,181)
Operating loss	3	(26,667)	(35,181)
Interest receivable		-	-
Loss on ordinary activities before taxation		**(26,667)**	**(35,181)**
Tax on loss from ordinary activities	6	-	-
Loss on ordinary activities after taxation		**(26,667)**	**(35,181)**

The Group and the Company's turnover and expenses all relate to continuing operations

The Company had no recognised gains or losses other than its reported loss for the year

ITINERANT RESOURCES Plc – 2013 Annual Report

CONSOLIDATED AND COMPANY BALANCE SHEET
as at 31 January 2013

Company number 3156769

	Notes	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Fixed Assets					
Intangible assets	7	960,767	887,315	-	-
Investments	8	-	-	418,341	418,341
		960,767	887,315	418,341	418,341
Current Assets					
Other debtors	9	-	142	960,767	887,457
Bank and Cash		35,864	-	35,864	-
		35,864	142	996,631	887,457
Creditors: amounts falling due within one year	10	(53,023)	(705,874)	(54,933)	(707,784)
Net Current Assets/ (Liabilities)		(17,159)	(705,732)	941,698	179,673
Creditors: amounts falling due after one year	10	(752,692)	-	(752,692)	-
Total Assets Less Current Liabilities		**190,916**	**181,583**	**607,347**	**598,014**
Capital and Reserves					
Called up share capital	11	621,246	614,046	621,246	614,046
Share premium account	12	727,589	698,789	727,589	698,789
Profit and loss account	12	(1,157,919)	(1,131,252)	(741,488)	(714,821)
Equity Shareholders' Funds	13	**190,916**	**181,583**	**607,347**	**598,014**

The financial statements were approved by the Board on 28th January 2014 and signed on its behalf by

Peter R Walsh

Peter R Walsh
Secretary

M O'Brien

Maurice O Brien
Director

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 January 2013

	Notes	£	2013 £	£	2012 £
Net cash (outflow) from operating activities	15		(136)		-
Returns on investment and servicing of finance					
Interest received		-		-	
Net cash inflow from returns on investment and servicing of finance			-		-
Capital expenditure and financial investments					
Increase in mining interest		-		-	
Net cash outflow for capital expenditure and financial Investments					-
Net cash (outflow) before financing			**(136)**		-
Financing Activities					
Issue of Share Capital		7,200			
Share Premium		28,800			
Net cash inflow from financing activities			**36,000**		
Increase in cash in the year	15		**35,864**		-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

1. Principal Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom A summary of the more important accounting policies, which have been applied consistently, is set out below

1.1. Basis of accounting

The financial statements are prepared in accordance with the historical cost convention and are denominated in sterling They are also prepared on a going concern basis

1.2. Basis of Consolidation

The Group consolidates the financial statements of the Company and its subsidiary undertaking made up to 31 January 2013 The subsidiary undertaking is accounted for using the acquisition method of accounting

No profit and loss account is presented for the Company as permitted by Section 408 of the Companies Act 2006 The loss for the year was £26,667 (2012 loss £35,181)

1.3. Intangible Assets – Mining Interest

The Company accounts for mineral expenditure in accordance with Financial Reporting Standard 10 – Intangible Assets

(i) Capitalisation

Certain costs (other than payments to acquire the legal rights to explore) incurred prior to acquiring the rights to explore are charged directly to the income statement Exploration, appraisal and development expenditure incurred on exploring and testing exploration prospects are accumulated and capitalised as intangible exploration and evaluation (E&E) assets Capitalised costs include geological and geophysical costs and other direct costs of exploration (drilling, trenching, sampling and technical feasibility and commercial viability activities) In addition, capitalised costs includes an allocation from operating expenses including directors remuneration and consultancy fees, all such costs which are deemed by management to be directly related to exploration and evaluation activities

E&E costs are not amortised prior to the conclusion of appraisal activities At completion of appraisal activities if technical feasibility is demonstrated and commercial reserves are discovered, then the carrying amount of the relevant E&E asset will be reclassified as a development and production asset, once the carrying value of the asset has been assessed for impairment

If following completion of appraisal activities in an area, it is not possible to determine technical feasibility and commercial viability, or the right to explore expires, then the costs of such unsuccessful exploration and evaluation are written off to the income statement in the period in which the event occurred

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

1.3. Intangible Fixed Assets (Continued)

(ii) Impairment

If facts and circumstances indicate that the carrying value of an E&E asset may exceed its recoverable amount, an impairment review is performed The following are indicators of impairment.

- The right to explore in an area has expired, or will expire in the near future, without renewal
- No further exploration or evaluation is planned or budgeted for
- A decision has been made to discontinue exploration and evaluation in an area, because of the absence of commercial reserves
- Sufficient data exists to indicate that the carrying amount will not be fully recovered from future development and production

1.4. Foreign currencies

Assets and liabilities in foreign currencies are translated at the rate ruling at the balance sheet date Transactions are translated at the rate ruling at the date of the transactions Exchange differences are dealt with in the profit and loss account

For the purposes of consolidation the profit and loss account and balance sheet of the foreign subsidiary are translated at the closing rate and any translation gain or loss is transferred directly to reserves

1.5. Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

1.6. Critical accounting judgements

Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies above, management has identified the judgemental areas that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below)

Exploration and evaluation

The assessment of whether operating expenses and directors emoluments are capitalised or expensed involves judgement Management consider the nature of each cost incurred and whether it is deemed appropriate to capitalise it within exploration and evaluation assets Given the activity of the directors and resultant operating costs are primarily focused on the company's mining prospects, the directors consider is appropriate to capitalise a portion of directors emoluments and operating expenses

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

1.6. Critical accounting judgements (Continued)

Going concern
The preparation of the financial statements requires an assessment on the validity of the going concern assumption The validity of the going concern assumption is dependent on the successful further development and ultimate production of the mineral reserves and the availability of sufficient finance to bring the reserves to economic maturity and profitability The realisation of the intangible assets depends on the successful discovery and development of economic reserves The directors have reviewed the proposed programme for exploration and evaluation assets and on the basis of the capital funding achieved to date and the cash requirements of the company for the forthcoming year, consider it appropriate to prepare financial statements on the going concern basis

2. Segmental Information

The elements of loss before taxation and net current assets relating to Zimbabwe were £nil (2012 £nil) and £3,320 (2012 £3,320) respectively

3. Operating loss

	2013 £	2012 £
Operating loss is stated after charging		
Auditors' Remuneration - Parent Company element of Group	3,000	3,000

4. Employee information

The average monthly numbers of persons, including executive directors, employed by the Group during the year were

	2013 No	2012 No
Management	2	3

5. Directors' emoluments

	2013 £	2012 £
Emoluments	60,000	30,000

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

6. Tax on loss on ordinary activities

(a) Analysis of charge in year

There has been no tax charged for the current or prior year as the Company has not made taxable profits in either of these periods

(b) Factors affecting tax charge for year

The differences between the tax assessment for the year and the standard rate of corporation tax in the UK 23% (2012 26%) are explained below.

	2013 £	2012 £
Loss on ordinary activities before tax	(26,667)	(35,181)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2012 26%)	(6,133)	(9,147)
Effects of		
Creation of tax losses	6,133	9,147
Other timing differences	-	-
Current tax charge for the year (see (a) above)	-	-

(c) Deferred taxation (not recognised)

A deferred tax asset in respect of trading losses has not been recognised on the grounds that there is insufficient evidence that the amounts can be utilised in the future

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

7. Intangible assets

	Exploration & Evaluation Assets	Total
Group	£	£
Cost		
At 1 February 2012	887,315	887,315
Expenditure During the year		
-Directors Remuneration	50,000	50,000
- Consultancy Fees	7,452	7,452
- Other Costs and Expenses	16,000	16,000
At 31 January 2013	**960,767**	**960,767**
Amortisation		
At 1 February 2012	-	-
Charge for the year	-	-
At 31st January, 2013	-	-
Net Book Value		
At 31 January 2012	887,315	887,315
At 31 January 2013	960,767	960,767

8. Investments

	2013	2012
Company	£	£
Subsidiary at Cost (Shares and Loans)		
At 1st February 2012 and 31st January 2013	418,341	418,341

Subsidiary Undertakings

The wholly owned subsidiary of the Company at 31 January 2013 which has been consolidated is

Company	Total Allocated Capital	Percentage held	Country of Incorporation & Operations	Nature of Business
Tinker Mining (Pvt) Limited	50 Ordinary Shares of US$1	100%	Zimbabwe	Mineral Exploration

Note Tinker Mining's issued share capital is 50 ordinary shares of US$1 each following capital redenomination per Special Resolution passed dated 1st July 2010

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

9. Other Debtors

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Intercompany	-	-	960,767	887,315
Other	-	142	-	142
	-	**142**	**960,767**	**887,457**

The intercompany balance relates to funding provided to Tinker Mining (Pvt) Ltd to engage in exploration and evaluation activities

10. Creditors: amounts falling due within one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts due to directors	-	459,057	-	459,057
Amounts due to shareholders (other than directors)	3,340	91,720	3,340	91,720
Accruals and Other Creditors	26,068	131,482	24,658	133,392
Trade Creditors	23,615	23,615	23,615	23,615
Amounts owed to Related Parties	-	-	3,320	-
	53,023	**705,874**	**54,933**	**707,784**

Creditors: amount falling due after one year

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
Amounts due to directors	418,239	-	418,239	-
Amounts due to shareholders (other than directors)	213,282	-	213,282	-
Amounts due to Related Parties	121,171	-	121,171	-
	752,692	**-**	**752,692**	**-**

The increase in total amounts due to directors in the current year relates to directors remuneration and expenses paid on behalf of the company Also certain creditors have agreed to receive their balances in a period greater than one year after the year end

NOTES TO THE FINANCIAL STATEMENTS
for the yeaı ended 31 January 2013

11. Share capital

	2013 £	2012 £
Authorısed equity		
500,000,000 (2012 500,000,000) Oıdınary shares of £0 01p each	5,000,000	5,000,000
Allotted, called up and fully paid equıty		
62,124,550 (2012 61,404,550) Ordınary shares of £0 01p each	621,246	614,046

12. Equıty reserves

Group

	Share capital £	Share premium £	Profit and loss £	Total £
At 1 February 2012	614,046	698,789	(1,131,252)	181,583
Issue of Shares	7,200	28,800	-	36,000
Loss for Year	-	-	(26,667)	(26,667)
At 31 January 2013	**621,246**	**727,589**	**(1,157,919)**	**190,916**

Company

	Share capıtal £	Share premium £	Pıofit and loss £	Total £
At 1 Februaıy 2012	614,046	698,789	(714,821)	598,014
Issue of Shaıes	7,200	28,800	-	36,000
Loss foı the yeaı	-	-	(26,667)	(26,667)
At 31 January 2013	**621,246**	**727,589**	**(741,488)**	**(607,347)**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

13. Reconciliation of movements in shareholders' funds

	Group 2013 £	Group 2012 £	Company 2013 £	Company 2012 £
At 1st February 2012	181,583	216,764	598,014	633,195
Loss foi the yeai	(26,667)	(35,181)	(26,667)	(35,181)
Share Issue	7,200	-	7,200	-
Share Premium	28,800	-	28,800	-
At 31st January 2013	**190,916**	**181,583**	**607,374**	**598,014**

14. Related party transactions

Dui ing the yeai £3,550 (2012 £3,665) was charged by Dei ivan & Co , Charteied Accountants, for piofessional fees and out of pocket expenses incurred on behalf of the Company Petei R Walsh, a director of the Company, is also a principal of Derivan & Co At the year-end an amount of £50,815 (2012 £47,265) was included within creditoi s for the Gi oup and Company

During the year, £7,452 (2012 £9,869) was charged by Flagstone Consultants Ltd, foi business advisory service fees Maurice O'Bi ien, a dii ector and shareholder of the Company, is also a director of Flagstone Consultants Ltd

A dii ectoi/shai eholder made payments on behalf of the Group in the year totalling £15,422 (2012 £3,690), on which the company accrues inteiest at a iate of 16 5% pei annum The cui ent yeai interest of £7,207 (2012 £4,775) is included in administration expenses The dii ectoi/shareholdei has a charge ovei the intellectual pi operty, files, records and geographical studies i elating to the intangible assets of the gi oup as security ovei these payments

15. Cash Flow Statement

Reconciliation of operating loss to operating cashflows	**2013 £**	**2012 £**
Operating loss	(26,667)	(35,181)
Decrease in debtors	142	-
Increase in creditors	26,389	35,181
	(136)	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 January 2013

15. Cash Flow Statement (Continued)

15.1. Reconciliation of Net Cash Flow Movement to Movement in Net Funds

	2013	2012
	£	£
Movement in cash in the year		
Change in net funds resulting from cash flows	35,864	-
Net funds at 1st February 2012	-	-
Net funds at 31st January 2013	**35,864**	**-**

15.2. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	-	35,864	35,864
Net funds	**-**	**35,864**	**35,864**

16. Fundamental uncertainties

There is currently considerable political uncertainty about the future ability of foreign owned companies to attract finance in Zimbabwe This uncertainty gives rise to the following fundamental uncertainties regarding

1 the carrying value of mining interests and investments in Zimbabwe If the Group is not able to trade in Zimbabwe, these assets, which are carried in the Group balance sheet at £960,767 may be overstated The Directors are unable to estimate the value of these assets in these circumstances, and

2 whether the Group, and the Company, will remain a going concern The Company and the Group are dependent upon their providers of funds to enable them to continue to trade The political uncertainty referred to above could lead to those providers being unwilling to continue their support We note that in October 2013 shareholders contributed £23,200 in new capital

The Directors believe that the political uncertainty in Zimbabwe will reduce in the future and thus the Group will be able to continue to trade The financial statements do not include any adjustments that would result from the Group not being able to trade in Zimbabwe in the future

17. Approval of Financial Statements

The board approved the financial statements on 28 January 2014