# Directors' Report & Consolidated Financial Statements

For the year ended 31 January 2015

**Itinerant Resources Plc**

Registered Number: 3156769

## CONTENTS

**COMPANY INFORMATION**

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

**DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of the Group and the Company for the year ended 31 January 2015.

**Principal Activities**
The Group is engaged in the exploration for and development of gold and copper in Zimbabwe. Our mineral assets are held by Tinker Mining (Private) Limited, a wholly owned subsidiary, registered in Zimbabwe. We are committed to building shareholder value through exploration and evaluation of our gold and copper projects aimed at increasing resource estimates under JORC Code 2012. We continue 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 £23,619 (2014: loss £27,398).

Shareholders' funds reduced by £23,619 (2014 decreased by £1,198) during the year.

The Directors do not recommend the payment of a dividend. (2014: Nil).

## Business Review

### Review of performance and development during the year

Last year we reported on our negotiations with a UK registered private company with gold tailings dumps near Chinhoyi, some 80 km northwest of Harare. Initially we sought a joint venture for our Lovel gold and copper claims located in the Chitomborwizi/Chinhoyi area. Discussions quickly moved to a potential merger between our two companies linked to a £1.25ml raise to fund immediate production at the tailings dumps and exploration work at Montezuma gold mine. We want to explore some of the five "hot spots" identified in structural studies we commissioned in 2010.

The suitor is indigenised with their partner holding a 51% equity interest in the Zimbabwe company. The dumps have a 2 year production life and attractive ROI on a US$1,250 per oz gold price. Harare based mining consultants had done metallurgical testwork on the tailings dumps. The resource estimate was not JORC compliant. We have 345,000 ozs inferred resources (JORC Code 2012) at Montezuma. Within an enlarged group context becoming a gold producer quickly is a key selling point to new investors.

A valuation of US$5.3ml was agreed for the enlarged group with us taking a 60% equity interest and board control. In depth due diligence started in June 2014 to evaluate the gold output potential of the tailings dumps. The board is deeply indebted to Mike Storey, Mining Engineer and Gold Metallurgist with extensive international experience including Zimbabwe and to John Arthurs, a professional independent geologist with over 30 years experience including Zimbabwe who spent months reviewing and commenting on technical reports prepared by the suitors mining consultants. In early 2015 we withdrew from the proposed merger.

In June 2014 Hummingbird Resources Plc, an AIM listed mineral explorer and producer, acquired in situ gold interests in Mali at US$10 per oz for inferred JORC compliant resource. A leading London corporate finance house confirmed to us that US$10 per oz was the market price for in situ gold. On this basis our Montezuma property has a value of US$3.5ml or circa 4p for each ordinary share in the Company.

We engaged a senior geologist in Harare to appraise the geological potential of the Lovel gold claim (10 hectares). Official records show past production in the 1930's with 64.5kg of gold extracted at grades upwards of 6 g/t. Workings reached nearly 43m vertical depth in an incline shaft. Lovel gold claim stands out from others in a similar geological setting in the area because of the extent of ancient workings and the amount of gold produced. Anecdotally 1ml ozs has been put on Lovel's output potential.

We were offered but declined several gold exploration and production plays in Zimbabwe on a purchase or joint venture basis. Some projects had considerable geological merit and attractive ROI. We presented the Itinerant Resources story to a Corporate Advisor active in the junior exploration space. While Zimbabwe remains an area of focus, it is constrained by negative investor sentiment at present.

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

**Zimbabwe**

Economic growth slowed to around 3% in 2014 and only a marginal improvement is expected for 2015 and 2016 with persistent de-industrialisation and a growing informal economy. The African Development Bank further observed that there is a need to continue implementation of structural reforms to improve the business environment, achieve a sustainable current account balance, reform public enterprises and make growth more inclusive. While these are not new challenges for Zimbabwe old fiscal solutions are no longer available or are working. International financial support is tied to economic policy reforms. Indigenisation has reduced foreign inward investment. The government has committed to new reforms before the end of this year.

Mining made up 65.2% of export earnings in the period 2009 to 2013. All of the gold producers in Zimbabwe are indigenised, some through vendor financing deals. Many have invested further capital to boost production capacity and exploration reach.

Mwana Africa Plc (AIM) operates the Freda Rebecca gold mine in Zimbabwe which sold 58,700 ozs in fiscal 2015. Earlier this year US$20ml was raised in a first time corporate bond to finance its new smelter operation. Caledonia Mining Corporation Plc (AIM) runs the Blanket mine which is producing over 10,000 ozs per quarter. Other gold producers in the country are similarly successful.

**Business Strategy**

The Group's strategy over the coming year continues to be to:

1.Protect the Montezuma licence through the timely completion of renewal

2.Maintain adequate cash for asset development and working capital needs

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

With adequate funds from shareholders our mineral assets can be retained and the Group will continue to operate. Your board is actively pursuing both external investment and strategic partners to financially and technically assist with our Montezuma gold project. It is of a sufficient size and geologically interesting to hopefully attract partners. Our focus is on successful gold producers comfortable with jurisdiction risk and want to add proven JORC compliant properties to their exploration portfolio.

**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 Code 2012.

All of the Group's mineral assets are based in Zimbabwe. Most non indigenous companies operating in Zimbabwe are subject to the Indigenisation legislation. While currently exempt, changes in legislation and/or regulations could require Tinker Mining (Private) Limited to cede 51% of its equity outside of the Group. This would mean that the Company would own 49% of its gold and copper mineral interests.

Financing risk has a critical impact on the going concern of the Group. As an exploration company no revenue is earned while costs have to be met. Licences and renewal claims must be renewed on a timely basis or risk their forfeiture. The Montezuma property has a value of over US$3.5ml provided the terms of its mining lease are honoured. The Lovel gold claim with an anecdotal potential of 1ml ozs is another important group asset. Without adequate funding the Group cannot retain these mineral interests and meet essential corporate and regulatory costs annually. The Board regularly monitors all of the above risks and appropriate actions are taken to lessen those risks or address their potential adverse consequences.

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

## 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 2015/2016 the management will focus 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 and corporate advisory firms

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 2015 and 2016.

**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.

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

Peter R. Walsh

By Order of the Board
Peter R. Walsh
Company Secretary

23 October 2015

## 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.

M 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 31 January 2015 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 7, 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 £1,091,542 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.

MAZARS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

**ITINERANT RESOURCES PLC (continued)**

**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 31 January 2015 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.

**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

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

23 October 2015

**23 October 2015**

## CONSOLIDATED PROFIT AND LOSS ACCOUNT
**for the year ended 31 January 2015**

| | Notes | 2015 £ | 2014 £ |
|---|---|---|---|
| **Turnover** | | - | - |
| Administrative expenses | | (23,619) | (27,398) |
| **Operating loss** | 3 | (23,619) | (27,398) |
| Interest receivable | | - | - |
| **Loss on ordinary activities before taxation** | | **(23,619)** | **(27,398)** |
| Tax on loss from ordinary activities | 6 | - | - |
| **Loss on ordinary activities after taxation** | | **(23,619)** | **(27,398)** |

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.

## CONSOLIDATED AND COMPANY BALANCE SHEET
**as at 31 January 2015**

Company number 3156769

| | Notes | Group 2015 £ | Group 2014 £ | Company 2015 £ | Company 2014 £ |
|---|---|---|---|---|---|
| **Fixed Assets** | | | | | |
| Intangible assets | 7 | 1,091,542 | 1,030,197 | - | - |
| Investments | 8 | - | - | 418,341 | 418,341 |
| | | 1,091,542 | 1,030,197 | 418,341 | 418,341 |
| **Current Assets** | | | | | |
| Other debtors | 9 | - | - | 1,091,542 | 1,030,197 |
| Bank and Cash | | 18 | 24,085 | 18 | 24,085 |
| | | 18 | 24,085 | 1,091,560 | 1,054,282 |
| **Creditors: amounts falling due within one year** | 10 | (33,785) | (59,113) | (35,695) | (61,023) |
| **Net Current (Liabilities)/Assets** | | (33,767) | (35,028) | 1,055,865 | 993,259 |
| **Creditors: amounts falling due after one year** | 10 | (891,676) | (805,451) | (891,676) | (805,451) |
| **Total Assets Less Current Liabilities** | | **166,099** | **189,718** | **582,530** | **606,149** |
| **Capital and Reserves** | | | | | |
| Called up share capital | 11 | 647,446 | 647,446 | 647,446 | 647,446 |
| Share premium account | 12 | 727,589 | 727,589 | 727,589 | 727,589 |
| Profit and loss account | 12 | (1,208,936) | (1,185,317) | (792,505) | (768,886) |
| **Equity Shareholders' Funds** | 13 | **166,099** | **189,718** | **582,530** | **606,149** |

The financial statements were approved by the Board on 23/10/15 and signed on its behalf by:

Peter R. Walsh

Peter R. Walsh
Secretary

Maurice O Brien
Director

**CONSOLIDATED CASH FLOW STATEMENT**
**for the year ended 31 January 2015**

| | Notes | 2015 £ | 2015 £ | 2014 £ | 2014 £ |
|---|---|---|---|---|---|
| **Net cash (outflow) from operating activities** | 15 | | (24,067) | | (37,979) |
| **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** | | | **(24,067)** | | **(37,979)** |
| **Financing Activities** | | | | | |
| Issue of Share Capital | | - | | 26,200 | |
| Share Premium | | - | | - | |
| **Net cash inflow from financing activities** | | | - | | **26,200** |
| **(Decrease)/Increase in cash in the year** | 15 | | **(24,067)** | | **(11,779)** |

## NOTES TO THE FINANCIAL STATEMENTS
**for the year ended 31 January 2015**

### 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 2015. 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 £23,619(2014: loss £27,398).

### 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 2015

**1.4. 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 2015**

### 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 (2014: £nil) and £nil (2014: £3,320) respectively.

### 3. Operating loss

| | 2015<br>£ | 2014<br>£ |
|---|---|---|
| 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:

| | 2015<br>No | 2014<br>No |
|---|---|---|
| Management | 2 | 2 |

### 5. Directors' emoluments

| | 2015<br>£ | 2014<br>£ |
|---|---|---|
| Emoluments | 60,000 | 60,000 |

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 January 2015**

### 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 20% (2014: 23%) are explained below:

| | 2015<br>£ | 2014<br>£ |
|---|---|---|
| Loss on ordinary activities before tax | (23,619) | (27,398) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014: 23%) | (4,724) | (6,302) |
| Effects of: | | |
| Creation of tax losses | 4,724 | 6,302 |
| 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 2015**

## 7. Intangible assets

| | Exploration & Evaluation Assets | Total |
|---|---|---|
| **Group** | | |
| | £ | £ |
| **Cost** | | |
| At 1 February 2014 | 1,030,197 | 1,030,197 |
| Expenditure During the year | | |
| -Directors Remuneration | 50,000 | 50,000 |
| - Consultancy Fees | 2,118 | 2,118 |
| - Other Costs and Expenses | 9,227 | 9,227 |
| At 31 January 2015 | 1,091,542 | 1,091,542 |
| **Amortisation** | | |
| At 1 February 2014 | - | - |
| Charge for the year | - | - |
| At 31st January 2015 | - | - |
| **Net Book Value** | | |
| At 31 January 2014 | **1,030,197** | **1,030,197** |
| At 31 January 2015 | **1,091,542** | **1,091,542** |

## 8. Investments

| | 2015 | 2014 |
|---|---|---|
| **Company** | £ | £ |
| **Subsidiary at Cost (Shares and Loans)** | | |
| At 1 February 2014 and 31 January 2015 | **418,341** | **418,341** |

**Subsidiary Undertakings**

The wholly owned subsidiary of the Company at 31 January 2015 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 |

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 January 2015**

## 9. Other Debtors

| | Group 2015 £ | Group 2014 £ | Company 2015 £ | Company 2014 £ |
|---|---|---|---|---|
| Intercompany | - | - | 1,091,542 | 1,030,197 |
| Other | - | - | - | - |
| | **-** | **-** | **1,091,542** | **1,030,197** |

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 2015 £ | Group 2014 £ | Company 2015 £ | Company 2014 £ |
|---|---|---|---|---|
| Amounts due to shareholders (other than directors) | 3,340 | 3,340 | 3,340 | 3,340 |
| Accruals and Other Creditors | 11,830 | 37,158 | 13,740 | 35,748 |
| Trade Creditors | 18,615 | 18,615 | 18,615 | 18,615 |
| Amounts owed to Related Parties | - | - | - | 3,320 |
| | **33,785** | **59,113** | **35,695** | **61,023** |

**Creditors: amount falling due after one year**

| | Group 2015 £ | Group 2014 £ | Company 2015 £ | Company 2014 £ |
|---|---|---|---|---|
| Amounts due to directors | 821,694 | 454,678 | 821,694 | 454,678 |
| Amounts due to shareholders (other than directors) | 57,565 | 213,282 | 57,565 | 213,282 |
| Amounts due to Related Parties | 12,417 | 137,491 | 12,417 | 137,491 |
| | **891,676** | **805,451** | **891,676** | **805,451** |

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 year ended 31 January 2015**

## 11. Share capital

| | 2015 £ | 2014 £ |
|---|---|---|
| **Authorised equity** | | |
| 500,000,000 (2014: 500,000,000) Ordinary shares of £0.01p each | 5,000,000 | 5,000,000 |
| **Allotted, called up and fully paid equity** | | |
| 64,744,550 (2014: 64,744,550) Ordinary shares of £0.01p each | 647,446 | 647,446 |

## 12. Equity reserves

**Group**

| | Share capital £ | Share premium £ | Profit and loss £ | Total £ |
|---|---|---|---|---|
| **At 1 February 2014** | 647,446 | 727,589 | (1,185,317) | 189,718 |
| Issue of Shares | - | - | - | - |
| Loss for Year | - | - | (23,619) | (23,619) |
| **At 31 January 2015** | **647,446** | **727,589** | **(1,208,936)** | **166,099** |

**Company**

| | Share capital £ | Share premium £ | Profit and loss £ | Total £ |
|---|---|---|---|---|
| **At 1 February 2014** | 647,446 | 727,589 | (768,886) | 606,149 |
| Issue of Shares | - | - | - | - |
| Loss for the year | - | - | (23,619) | (23,619) |
| **At 31 January 2015** | **647,446** | **727,589** | **(792,505)** | **582,530** |

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 January 2015**

## 13. Reconciliation of movements in shareholders' funds

| | Group 2015 £ | Group 2014 £ | Company 2015 £ | Company 2014 £ |
|---|---|---|---|---|
| **At 1 February** | 189,718 | 190,916 | 606,149 | 607,374 |
| Loss for the year | (23,619) | (27,398) | (23,619) | (27,398) |
| Share Issue | - | 26,200 | - | 26,200 |
| Share Premium | - | - | - | - |
| **At 31 January** | **166,099** | **189,718** | **582,530** | **606,149** |

## 14. Related party transactions

During the year £2,500 (2014: £4,250) was charged by Derivan & Co. Chartered Accountants, for professional fees and out of pocket expenses incurred on behalf of the Company. Peter R. Walsh, a director of the Company, is also a principal of Derivan & Co. At the year-end an amount of £57,565 (2014: £55,065) was included within accruals for the Group and Company.

During the year, £12,418 (2014: £12,070) was charged by Flagstone Consultants Ltd, for business advisory service fees. Maurice O'Brien, a director and shareholder of the Company, is also a director of Flagstone Consultants Ltd.

A director/shareholder made payments on behalf of the Group in the year totalling £3,864 (2014: £8,050). The company accrues interest at a rate of 16.5% per annum on certain amounts owed to this director/shareholder. The current year interest of £7,413 (2014: £6,998) is included in administration expenses. The director/shareholder has a charge over the intellectual property, files, records and geographical studies relating to the intangible assets of the group as security over these payments.

## 15. Cash Flow Statement

| **Reconciliation of operating loss to operating cash flows** | 2015 £ | 2014 £ |
|---|---|---|
| Operating loss | (23,619) | (27,398) |
| Decrease/ (Increase) in debtors | - | - |
| (Decrease)/Increase in creditors | (448) | (10,581) |
| | **(24,067)** | **(37,979)** |

**NOTES TO THE FINANCIAL STATEMENTS**
**for the year ended 31 January 2015**

## 15. Cash Flow Statement (Continued)

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

| | 2015 £ | 2014 £ |
|---|---|---|
| **Movement in cash in the year** | | |
| Change in net funds resulting from cash flows | (24,067) | (11,779) |
| Net funds at 1 February 2014 | 24,085 | 35,864 |
| **Net funds at 31 January 2015** | **18** | **24,085** |

### 15.2. Analysis of changes in net funds

| | Opening balance £ | Cash flows £ | Closing balance £ |
|---|---|---|---|
| Cash at bank and in hand | 24,085 | (24,067) | 18 |
| Net funds | **24,085** | **(24,067)** | **18** |

## 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 £1,091,542 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 £26,200 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 23 October 2015