

# Directors' Report & Consolidated Financial Statements

For the year ended 31 January 2020

**Itinerant Resources Plc**

Registered Number: 3156769

# ITINERANT RESOURCES Plc – 2020 Annual Report

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# ITINERANT RESOURCES Plc – 2020 Annual Report

## COMPANY INFORMATION

<b>Directors</b>	Peter R. Walsh Maurice O'Brien
<b>Secretary/Registrar</b>	Peter R. Walsh
<b>Company Number</b>	3156769
<b>Registered Office</b>	Kemp House, 160, City Road, London EC 1 V 2NX United Kingdom
<b>Dublin Office</b>	46A Upper Dorset Street Dublin 1 Ireland
<b>Auditors</b>	Mazars Chartered Accountants & Statutory Audit Firm Block 3 Harcourt Centre Harcourt Road Dublin 2 Ireland
<b>Solicitors</b>	Charles Russell Speechlys 5 Fleet Place London EC4M 7RD United Kingdom  Chinawa Law Chambers 12th Floor Causeway Building Cnr Central Avenue & 3rd Street Harare Zimbabwe
<b>Bankers</b>	Bank of Ireland 6 Lower O'Connell Street Dublin 1 Ireland  Bank of Ireland Global Markets Colvill House Talbot Street Dublin 1 Ireland
<b>Consulting Geologist</b>	BRG Limited Athy Business Campus Kilkenny Rd Woodstock South Athy Co. Kildare Ireland

# ITINERANT RESOURCES Plc – 2020 Annual Report

## DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Group and the Company for the year ended 31 January 2020.

The Company has not prepared a strategic report as it has taken advantage of the exemption afforded by Section 414B of the Companies Act 2006.

### Principal Activities

The Group's gold interests in Zimbabwe are held by Tinker Mining (Private) Limited, a locally registered and 100% owned subsidiary company. Building shareholder value is best achieved through defining a resource at economic grades and being in production. Actions taken by the board are focused on meeting these objectives.

### Directors of the Company

The following directors held office during the year:

Peter R. Walsh (Chairman)

Maurice O'Brien

### Interests of directors and secretary

The interest of the directors and secretary in the share capital of the group, at the beginning and end of the financial year were as follow:

	<b>Ordinary shares at £0.01 No.</b>
Peter Walsh	2,806,770
Maurice O'Brien	<u>2,550,000</u>

### Results and Dividends

The Group loss for the year amounted to £14,773 (2019: loss £37,711). Shareholders' funds increased by £15,062, (2019 decreased by £5,211) during the year. The Directors do not recommend the payment of a dividend. (2019: Nil).

### Business Review

Your board has considered how best to action Montezuma's work programme set out by BRG, Consulting Geologists, involving four phases and a US\$750,000 indicative budget. In our last Directors Report a £250,000 private placing was mooted to fund phases 1 and 2 with US\$500,000 coming from a joint venture partner.

We held discussions with potential partners who acknowledged that by Zimbabwean standards, Montezuma's 1,177 hectares is a large holding located within a recognised gold mining district. The GeoEye-1 structural interpretation of satellite imagery is a highly important study not just for the datasets generated but as 40 exploration targets were identified in the tenement. Your board and prospective partners agree that the exploration programme set out by BRG must be completed to determine Montezuma's resource prospects. Good results from sampling and shallow drilling will re-engage third party interest.

In September 2019 the board engaged a consulting geologist to remodel the BRG work plan but at a lower cost. A smaller exploration programme of sufficient scope to maintain third party interest has been developed. Our focus continues in key areas identified by past exploration results and GeoEye findings. Shallow drilling down to 50m at 6 targets is planned.

## DIRECTORS' REPORT (continued)

### Business Review (Continued)

In January 2020 we completed a small rock geochemical sampling programme. Sites were selected using historical exploration, newly identified inferred veins, artisanal mining pits and worked vein occurrences highlighted by GeoEye. Our Bulawayo based consulting geologist chose three sites in banded iron formation areas. The rock samples were analysed at Activation Laboratories, Ancaster, Canada and the results are very encouraging with 23.1 g/t taken from a quartz vein. The second highest assay result (3.46 g/t) was from a banded iron formation site. Many of the gold bearing samples were in the vicinity of overburden and bedrock sites reported from historical exploration studies. One sample reported silver at 3.29 g/t. The next steps in our exploration plan are outlined in Future Focus.

On 24<sup>th</sup> June 2019 Zimbabwe Government issued S.I. 142 which stated: “Zimbabwe dollar (RTGS\$) to be the sole currency for legal tender purposes for any transactions in Zimbabwe”. The new dollar was pegged at 25 to the US dollar but the current market rate is over 80. In May 2020 Zimbabwe agreed to a US\$500ml loan from Afreximbank using platinum production as collateral.

Delays in repatriation of US dollars have eased in the past year. Fidelity Printers (part of Reserve Bank of Zimbabwe) is the official buyer of gold and moves are afoot to appoint more gold agents. Small scale producers now receive 100% of gold sales in US dollars. FIDA enacted in February 2020 is aimed at attracting inward investment. The new law allows for the setting up of the Victoria Falls Stock Exchange (VFEX) enabling foreign companies to raise US dollars in a special economic zone area. Recently the Securities and Exchange Commission of Zimbabwe has licenced VFEX as a securities exchange. Once all modalities have been completed VFEX, owned by Zimbabwe Stock Exchange, will commence business.

Your board wants to improve communications with shareholders. The quickest way is by email. If you have not done so, you are urged to send your email address to [info@itinerant.ie](mailto:info@itinerant.ie). We update our website, Twitter (@itinerantgold) and LinkedIn pages from time to time but a direct email is more beneficial for all concerned. Please send on your email address as soon as you can.

### Future Focus

Your board has two objectives for 2020 namely to complete its next exploration programme and secondly to examine ways of starting small scale production at Montezuma. Discussions are ongoing with parties who could assist us deliver on both objectives.

### Next Exploration Programme

Terms are agreed with a leading operator for Drone Orthophotography & Aerial Magnetic Surveys that will provide data to map veins, artisanal workings, spoil heaps, etc. With high resolution the drone can delineate individual artisanal pits and examine the structures on which these pits are located. A 3D model of the target area can be presented. The surveys will be done in September 2020.

Findings are expected to define drill targets and bedrock sampling and trenching may be required to confirm the targets. Shallow drilling of 6 holes on mineralised structures down to 50m to test structures is planned by November 2020, subject to finance and COVID restrictions, by a contractor working close to Montezuma.

### Small Scale Mining Operation

The mining industry is a critical component of Zimbabwe's economy. The Mines and Mining Development Minister is urging mining title holders to get into production under threat of a “Use It or Lose It” directive.

The Mines and Minerals Act empowers the Government to repossess unused mining concessions to prevent speculative holding of valuable assets. In January and September 2020 idle mining concessions were repossessed in the first phase of the Use It or Lose It policy.

Tinker Mining can comply with Government policy if material processed on Montezuma is declared from gold sales made to Fidelity Printers. Our options are to set up and run a stamp mill operation or have a mill owner move to Montezuma lands in return for a fee. There are important commercial issues with either option. A stamp mill is estimated to cost US\$350,000. Montezuma has sufficient material to sustain a small operation for many

# ITINERANT RESOURCES Plc – 2019 Annual Report

## DIRECTORS' REPORT (continued)

### Small Scale Mining Operation (continued)

years. Bulawayo based geologists we engaged previously could run the operation with senior oversight from the Group's consulting geologist and your board.

### Financing

The next exploration work plan will cost US\$100,000 and is a scaled down version of the BRG programme. Its objective is to drill at best locations within key zones identified in earlier reports and confirmed by data from Drone Orthophotography & Aerial Magnetic Surveys. Geochemistry and geophysics work along with geological mapping will be completed and GIS referenced. Good results will enable the Company to re-engage with potential partners who are interested in Montezuma but want more information on its prospectivity. The board is hopeful of securing US\$100,000.

If a decision to start small scale production is taken your board will set out the business case for new capital through a private placing. As mentioned earlier your Company cannot risk forfeiture of its mining lease.

### Key Performance Indicators

Itinerant Resources is an exploration and development group without production or proven reserves. The Group's main key performance indicators include measuring:

- ability to raise finance; and
- execution of a work programme to enhance Montezuma's prospectivity; and
- feasibility to start gold production on a small scale initially.

Ongoing operating costs are controlled and mining lease renewal and other regulatory costs are discharged as they fall due provided adequate funding from shareholders is held. Your board is actively seeking potential partners to collaborate on Montezuma's potential for open cast mining and heap leach extraction.

### Principal Risks and Uncertainties

The Group is exposed to resource risk, country risk, regulatory risk and financing risk.

The Montezuma licence is in a recognised gold mining region with active mines and a strong gold history. It has no proven reserves and the Group has not produced gold. Studies from consulting geologists and rock sampling and geochemistry undertaken in 2020 indicate that Montezuma has potential to host a significant gold deposit. Further exploration work, devised by consulting geologists, is needed to determine economic viability.

The commercial environment in Zimbabwe is challenging. Inflation has risen sharply since the introduction of the Zimbabwean dollar which has devalued considerably since. These are important considerations and can impact on the Group's ability to secure an overseas partner for the Montezuma project.

Under the Mines and Minerals Act claim and lease holders are expected to conduct work aimed at mineral production within specified timelines. Many owners have been holding on to gold rich fields for speculative purposes without getting into production. Implementing the Use It or Lose It policy is aimed at enhancing mineral production. Repossessions made in 2020 were primarily against owners who had not paid inspection fees. Our mining lease has been renewed until July 2021.

The Group acknowledges Tinker Mining's obligations under the mining lease and the board is actively assessing how best to comply with the Mines and Minerals Act.

Being without revenue the Company relies on shareholders to finance its business commitments. Regulatory and compliance aside, further exploration work must be completed to determine Montezuma's prospectivity and economic value. Potential partners and sector funders require a defined resource at good grades, mining longevity and cash generation. Findings from several high level technical reports have identified key targets and our current work programme is framed to investigate them using modern technology and methods. New capital is needed for more extensive drilling, operational capacity and working capital. Good results will

## DIRECTORS' REPORT (continued)

### Principal Risks and Uncertainties (Continued)

significantly enhance our chances of joint venture partnering. Successful capital raises against set objectives and hoped for outcomes are critical to your Company's future and shareholder value. Without continued funding, there is no future for Montezuma.

The board regularly monitors all of the above risks and where possible appropriate actions are taken to address those risks with financial backing from its shareholders.

### Corporate Governance

The board is committed to high standards of corporate governance. 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 with shareholder support have adequate resources to continue operations in the foreseeable future. The Directors note that Itinerant Resources Plc has raised finance for exploration work, regulatory costs and working capital as required.

### Charitable and Political Donations

The Company or the Group has not made a charitable or political donation during the year.

### Post Balance Sheet Events

#### Covid – 19

The Zimbabwean government has introduced measures that limit the movement of people and impacts on the Company several ways. A potential partner will want to visit the property for first hand assessment of the geology, artisanal activity and gold production operations within the hinterland. Zimbabwe plan to restart international flights on 1st October. Travel without restrictions must be possible to allow your board and consultants to visit Montezuma. The drilling programme must be overseen and small scale mining options examined in detail. Accordingly, the duration and effects of the COVID -19 pandemic are uncertain and could restrict or prevent us meeting our objectives in the coming year. The Group's priority is the safety and health of all its directors, associates and contractors on assignment at Montezuma.

### 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.

# ITINERANT RESOURCES Plc – 2019 Annual Report

## DIRECTORS' REPORT (continued)

### Auditors

A resolution to reappoint Mazars, Chartered Accountants and Statutory Audit Firm, Dublin, Ireland will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Peter R. Walsh  
Company Secretary

24 September 2020



## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102, (FRS 102) and applicable law comprising the Companies Act 2006.

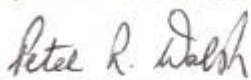
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the profit or loss of the Group for that year. In preparing these the directors are required 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 adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**By Order of the Board**



**Peter R. Walsh**  
Secretary



**Maurice O'Brien**  
Director

24 September 2020

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ITINERANT RESOURCES PLC

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Itinerant Resources Plc (the 'parent company') and its subsidiary (the 'group') for the year ended 31 January 2020, which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and related notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company and the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter – 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 a risk that estimates of mineral resources overstate their economic potential. These assets, which are carried in the group balance sheet at £801,605 may be overstated. Our opinion is not qualified in this respect.

#### *Material 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 group and the parent company by their providers of funds. In view of the significance of this we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

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

### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### *Opinions on other matters prescribed by the Companies Act 2006*

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

### *Matters on which we are required to report by exception*

In light of the knowledge and understanding of the group and the parent and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to claim the exemption from the requirement to prepare a strategic report.

We have nothing to report in this regard.

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

### *Responsibilities of directors*

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the group's and the parent 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 group's and the parent 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 group, the group's members, the parent company and the parent company's members as a body for our audit work, for this report, or for the opinions we have formed.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Bernard Barron**

**Senior Statutory Auditor  
For and on behalf of  
Mazars  
Chartered Accountants and Statutory Audit Firm  
Dublin 2  
Ireland**

**24 September 2020**

# ITINERANT RESOURCES Plc – 2020 Annual Report

## CONSOLIDATED INCOME STATEMENT for the year ended 31 January 2020

	Note	2020 £	2019 £
<b>Turnover</b>		-	-
Administrative expenses		(8,266)	(21,585)
Foreign exchange gain		12,079	771
<b>Operating loss</b>	6	<u>3,813</u>	<u>(20,814)</u>
Interest payable		(18,586)	(16,897)
<b>Loss on ordinary activities before taxation</b>		<u>(14,773)</u>	<u>(37,711)</u>
Tax on loss on ordinary activities	9	-	-
<b>Loss on ordinary activities after taxation</b>		<u><u>(14,773)</u></u>	<u><u>(37,711)</u></u>

The Group and the Company's turnover and expenses all relate to continuing operations. A statement of other comprehensive income has not been prepared as the group had no recognised gains and losses other than its reported loss for the current and prior year.

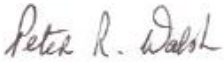
# ITINERANT RESOURCES Plc – 2020 Annual Report

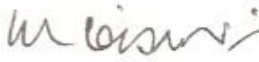
## CONSOLIDATED AND COMPANY BALANCE SHEETS

As at 31 January 2020

	Notes	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Fixed assets</b>					
Intangible assets	10	801,605	769,752	-	-
Investments	11	-	-	418,341	418,341
		<u>801,605</u>	<u>769,752</u>	<u>418,341</u>	<u>418,341</u>
<b>Current assets</b>					
Other debtors	12	-	-	801,605	769,752
Bank and Cash		7,672	1,788	7,672	1,788
		<u>7,672</u>	<u>1,788</u>	<u>809,277</u>	<u>771,540</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(158,471)</u>	<u>(141,670)</u>	<u>(158,471)</u>	<u>(141,670)</u>
<b>Net current (liabilities) /assets</b>		<u>(150,799)</u>	<u>(139,882)</u>	<u>650,806</u>	<u>629,870</u>
<b>Creditors: amounts falling due after one year</b>	13	<u>(416,477)</u>	<u>(410,603)</u>	<u>(416,477)</u>	<u>(410,603)</u>
<b>Net assets</b>		<u><b>234,329</b></u>	<u><b>219,267</b></u>	<u><b>652,670</b></u>	<u><b>637,608</b></u>
<b>Capital and reserves</b>					
Called up share capital	14	768,427	738,592	768,427	738,592
Share premium account		727,796	727,796	727,796	727,796
Income statement		<u>(1,261,894)</u>	<u>(1,247,121)</u>	<u>(843,553)</u>	<u>(828,780)</u>
<b>Equity shareholders' funds</b>		<u><b>234,329</b></u>	<u><b>219,267</b></u>	<u><b>652,670</b></u>	<u><b>637,608</b></u>

The financial statements were approved by the Board on 24 September 2020 and signed on its behalf by:

  
Peter R. Walsh  
Secretary

  
Maurice O'Brien  
Director

24 September 2020

**CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY**  
**As at 31 January 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**As at 31 January 2020**

	<b>Called up share capital</b>	<b>Share premium</b>	<b>Income statement</b>	<b>Total</b>
	£	£	£	£
<b>At 1 February 2019</b>	738,592	727,796	(1,247,121)	219,267
Loss for the year	-	-	(14,773)	(14,773)
Issue of shares	29,835	-	-	29,835
<b>At 31 January 2020</b>	<b>768,427</b>	<b>727,796</b>	<b>(1,261,894)</b>	<b>234,329</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
**As at 31 January 2020**

	<b>Called up share capital</b>	<b>Share premium</b>	<b>Income statement</b>	<b>Total</b>
	£	£	£	£
<b>At 1 February 2019</b>	738,592	727,796	(828,780)	637,608
Loss for the year	-	-	(14,773)	(14,773)
Issue of shares	29,835	-	-	29,835
<b>At 31 January 2020</b>	<b>768,427</b>	<b>727,796</b>	<b>(843,553)</b>	<b>652,670</b>

**CONSOLIDATED CASH FLOW STATEMENT**  
**for the year ended 31 January 2020**

	2020	2019
	£	£
<b>Loss before tax</b>	<b>(14,773)</b>	<b>(37,711)</b>
Impairment of intangible assets	-	13,716
Increase in creditors	22,675	13,829
<b>Net cash inflow/(outflow) from operating activities</b>	<b>7,902</b>	<b>(10,166)</b>
<b>Cash flow from investing activities</b>		
Capitalisation of intangible assets	(31,853)	(26,781)
<b>Net cash outflow from investing activities</b>	<b>(31,853)</b>	<b>(26,781)</b>
<b>Cash flows from financing activities</b>		
Issue of shares	29,835	32,500
<b>Net cash inflow from financing activities</b>	<b>29,835</b>	<b>32,500</b>
<b>Increase/(Decrease) in cash in the year</b>	<b>5,884</b>	<b>(4,447)</b>
Cash and cash equivalents at the start of the year	1,788	6,235
<b>Cash and cash equivalents at the end of the year</b>	<b>7,672</b>	<b>1,788</b>



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2020

### 1. General Information

Itinerant Resources Plc is incorporated in England and Wales as a public company for the purpose of acquiring, defining and developing quality mineral projects in Zimbabwe. It is unlisted and has 276 shareholders. The Group's gold interests in Zimbabwe are held by Tinker Mining (Private) Limited, a locally registered and 100% owned subsidiary company.

### 2. Statement of Compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102") and Company Act 2006.

### 3. Principal Accounting Policies

The significant accounting policies adopted by the company are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### *(a) Basis of Preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102") and Company Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

#### *(b) Basis of Consolidation*

The Group consolidates the financial statements of the Company and its subsidiary undertaking made up to 31 January 2020. The subsidiary undertaking is accounted for using the acquisition method of accounting.

No income statement is presented for the Company as permitted by Section 408 of the Companies Act 2006. The loss for the group for the year was £14,773 (2019: £37,711).

#### *(c) Intangible Assets – Mining Interest*

The Company accounts for mineral expenditure as follows:

##### 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 2020

### 3. Principal Accounting Policies (continued)

#### (c) *Intangible Fixed Assets (continued)*

##### 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.

#### (d) *Debtors*

Short term debtors are measured at transaction price, less any impairment.

#### (e) *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

#### (f) *Financial Instruments*

##### *Financial assets*

Basic financial assets, including cash and bank balances and amounts due from group and related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the

carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled; or substantially all the risks and rewards of the ownership of the asset are transferred to another party; or control of the asset has been transferred to another party who has the practical ability

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2020**

**3. Principal Accounting Policies (continued)**

*(g) Financial Instruments*

to unilaterally sell the asset to an unrelated third party without imposing additional restrictions on transfer.

*Financial liabilities*

Basic financial liabilities, including trade payables and amounts due to group companies and related parties are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

*Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

*(h) Creditors*

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the cost effective method.

*(i) 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 income statement.

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

*(j) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2020**

**3. Principal Accounting Policies (continued)**

*(k) Finance costs*

Finance costs are charged to the Consolidated Income Statement over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

**4. Critical Accounting Estimates and Judgements**

*(a) 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):

*(b) 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 it appropriate to capitalise a portion of directors' emoluments and operating expenses.

*(c) 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.

**5. Segmental Information**

The elements of loss before taxation and net current assets relating to Zimbabwe were £nil (2019: £nil) and £nil (2019: £nil) respectively.

**6. Operating Loss**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Auditors' Remuneration - Parent Company element of Group	3,294	3,444
Impairment of intangible assets	-	13,716
FX gain	(12,079)	(771)
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2020**

**7. Employee Information**

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

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
Management	2	2
	<u>          </u>	<u>          </u>

**8. Directors' Emoluments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Emoluments	-	-
	<u>          </u>	<u>          </u>

**9. Taxation**

*(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 19% (2019: 19%) are explained below:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(14,773)	(37,711)
	<u>          </u>	<u>          </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(2,807)	(7,165)
Effects of:		
Creation of tax losses	2,807	7,165
	<u>          </u>	<u>          </u>
Current tax charge for the year (see (a) above)	-	-
	<u>          </u>	<u>          </u>

*(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 2020**

**10. Intangible Assets**

<u>Group</u>	<b>Exploration &amp; Evaluation Assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 Feb 2019	769,752	769,752
Expenditure during the year		
- Consultancy Fees	8,418	8,418
- License Renewal	9,253	9,253
- Other Costs and Expenses	14,182	14,182
<b>At 31 Jan 2020</b>	<b><u>801,605</u></b>	<b><u>801,605</u></b>
<b>Amortisation</b>		
At 1 Feb 2019	-	-
Charge for Year	-	-
<b>At 31 Jan 2020</b>	<b>-</b>	<b>-</b>
<b>Net Book Value 2020</b>	<b><u>801,605</u></b>	<b><u>801,605</u></b>
<b>Net Book Value 2019</b>	<b><u>769,752</u></b>	<b><u>769,752</u></b>

**11. Investments**

<b>Company</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Subsidiary at Cost (Shares and Loans)</b>		
At 1 February 2019 and 31 January 2020	<b><u>418,341</u></b>	<b><u>418,341</u></b>

Investments (continued)

**Subsidiary Undertakings**

The wholly owned subsidiary of the Company at 31 January 2020 which has been consolidated is:

<b>Company</b>	<b>Total Allocated Capital</b>	<b>Percentage held</b>	<b>Country of Incorporation &amp; Operations</b>	<b>Nature of Business</b>
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 2020**

**12. Other Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Intercompany	-	-	801,605	769,752
	<u>-</u>	<u>-</u>	<u>801,605</u>	<u>769,752</u>

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

**13. Creditors**

**Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Accruals and other creditors	29,006	23,065	29,006	23,065
Amounts owed to shareholders (other than directors)	3,340	3,339	3,340	3,339
Amounts due to related parties	<u>126,125</u>	<u>115,266</u>	<u>126,125</u>	<u>115,266</u>
	<b><u>158,471</u></b>	<b><u>141,670</u></b>	<b><u>158,471</u></b>	<b><u>141,670</u></b>

**Amount falling due after one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Amounts due to related parties	<u>416,477</u>	<u>410,603</u>	<u>416,477</u>	<u>410,603</u>
	<b><u>416,477</u></b>	<b><u>410,603</u></b>	<b><u>416,477</u></b>	<b><u>410,603</u></b>

**14. Share Capital Presented as Equity**

	<b>2020 £</b>	<b>2019 £</b>
<b>Authorised equity</b>		
500,000,000 (2019: 500,000,000) Ordinary shares of £0.01p each	<u>5,000,000</u>	<u>5,000,000</u>

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 January 2020****14. Share Capital Presented as Equity (continued)****Allotted, called up and fully paid equity**

76,842,700 (2019: 70,609,150) Ordinary shares of £0.01p each	768,427	738,592
	<u>          </u>	<u>          </u>

**15. Related Party Transactions**

During the year £2,500 (2019: £2,500) 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 £70,064 (2019: £67,565) was included within creditors for the Group and Company. During the year, £8,418 (2019: £8,741) 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. At the year-end an amount of £133,131 (2019: £129,756) was included within creditors for the Group and Company. The company accrues interest at a rate of 16.5% per annum on certain amounts owed to a related party. The current year interest of £18,586 (2019: £16,897) is included in administration expenses. This related party 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.

**16. Material Uncertainties**

Material uncertainties exist regarding the following:

1. the carrying value of mining interests and investments in Zimbabwe. There is a risk that estimates of mineral resources overstate their economic potential. The Group is especially vulnerable as it has no production or proven reserves. These assets, which are carried in the Group balance sheet at £801,605 may be overstated; 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 uncertainty referred to above could lead to those providers being unwilling to continue their support. We note that during the 2019/2020 financial year there was an issue of shares of £29,835 which has increased the share capital.

The Directors believe that the uncertainty 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 continuing as a going concern.

**17. Events Since the End of the Year**

As described in the Directors' Report, in March 2020, a global pandemic was declared regarding the spread of the Covid-19 virus. Due to this pandemic, the Zimbabwean Government took measures to safeguard the public's health to stop the spread of the virus. The duration and effects of the Covid -19 pandemic are uncertain and could restrict or prevent the group from meeting its objectives in the coming year. The group's priority is the safety and health of all its directors, associates and contractors on assignment at Montezuma. Management are continuing to monitor the situation as it evolves.

There are no other events affecting the group since the year-end that require disclosure in or adjustment to the financial statements.

**18. Approval of the Financial Statements**

The board approved the financial statements on 24 September 2020.