

Directors' Report & Consolidated Financial Statements

For the year ended 31 January 2014

Itinerant Resources Plc

Registered Number: 3156769

ITINERANT RESOURCES Plc – 2014 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

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DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Group and the Company for the year ended 31 January 2014.

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 £27,398 (2013: loss £26,667).

Shareholders' funds decreased by £1,198 (2013: increased by £9,333) during the year.

The Directors do not propose that a dividend be paid (2013: Nil).

Business Review

Review of performance and development during the year

Your board took steps to implement group strategy for 2014 as set out in last year's annual report. Funds raised in the October 2013 open offer allowed outstanding renewal fees on our Montezuma gold property to be brought up to July 2014. Renewal fees on our smaller Lovel property (copper and gold) will be regularised once funds are available.

As previously reported, we engaged Saint Barbara LLP, a leading London based geological consultancy firm, to review our Competent Person's Report issued in September 2007. The review's focus was on Montezuma given that a new JORC Code of standards became mandatory from 1 December 2013. Saint Barbara spent two days in Dublin in November 2013 going through our database. They issued an interim report in December 2013 reporting a resource estimate of 345,000 ozs JORC inferred (0.5 g/t cut off), 35% lower than 536,700 ozs JORC inferred (0.5 g/t cut off) stated in the Competent Person's Report. The latest figure reflects exploration work on 15.3% of our 1,177 hectares. Saint Barbara remarked that quartz veins and banded iron formation within the remaining 998 hectares unexplored areas offer good prospectivity.

Your board has actively pursued joint venture opportunities involving new exploration ground in Zimbabwe or through corporate partnering. Our primary aims are to attract external investment while adding to our mineral portfolio. A South African based company offered to relocate to Montezuma a 150 tonne/per day crush, mill and leach plant built for open cast mining subject to finance. They know Montezuma and consider it has excellent gold potential. This offer remains open to us to pursue.

Several gold exploration and near production ventures in Zimbabwe were put to us but unfortunately, each failed to meet our technical due diligence criteria. Appraising these opportunities would not have been possible without the considerable input from John W. Arthurs, EurGeol, CGeol, PGeo, MSc, DIC, DMS, MIMMM. The board thanks John for his valuable guidance and support.

Your directors continued dialogue with corporate finance houses and NOMADS in London that specialise in the junior exploration space. In April 2013 we met the Admissions Unit of GXG Market, a third tier listing platform based in London and directly regulated by the Danish Financial Supervisory Authority. GXG is a popular market for fledgling companies seeking a public listing at a competitive cost. We were pleased to learn that Itinerant Resources Plc can meet the admission criteria for an Introduction to the Main Market. This is important as we actively explore joint venture or merger opportunities with kindred explorers seeking an enlarged group and access to a public market.

For some months your board has been in discussions with a small UK registered private company with gold exploration interests in Zimbabwe. Fully indigenised their local subsidiary holds tailings dumps that can be put into production quickly subject to finance. Initial financial and technical due diligence has started and if successful could lead to a proposed merger. Shareholders will be kept informed.

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DIRECTORS' REPORT (*continued*)

Zimbabwe

The outcome of the general election in July 2013 lifted much of the political uncertainty that preceded it. Like the governments of many other countries dependent on primary products, Zimbabwe is aware of the need to foster mining and investment, at the same time being mindful of its responsibility to ensure that the local populace should share fairly in the fruits of their country's own resources. Tinker Mining (Pvt) Limited is currently not obliged to meet local indigenisation regulations which apply to a company in production and has a net asset value more than one US Dollar.

Current indigenisation regulations are hindering FDI. There appears to be a general acceptance by most Zimbabwean politicians that change is necessary to promote investment in Zimbabwe. The government has committed to introduce a new Mines and Minerals Act and is likely to happen in 2015. Anecdotal feedback is that a "use it or lose it" policy will be introduced. This would have significant implications for our care and maintenance position at Montezuma.

As things stand currently, Zimbabwe continues to be a high risk/high return environment. That said, in 2014 Caledonia Mining Plc committed to invest US\$23ml in its gold mine Freda Rebecca, Mwana Africa Plc will spend US\$26.5ml on a new nickel smelter plant in Zimbabwe and African Consolidated Resources Plc raised US\$6ml from Zimbabwean financiers to get Pickstone – Peerless into gold production.

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

As the Group is operating on a pre revenue basis, the ability of your board to meet corporate objectives is heavily dependent on human and financial resources available. Securing a joint venture partner can assist if there is mutual benefit. Our continuing priority is to retain our Montezuma licence and the valuable 345,000 ozs JORC compliant inferred resource.

The Montezuma property is held on our books at exploration cost. In June 2014 Hummingbird Resources (AIM listed) acquired in situ gold interests in Mali at US\$10 per oz JORC inferred. This puts an implied valuation of US\$3.45ml on Montezuma ignoring further exploration merit of some 85% of the property. This valuation must be kept in perspective. Currently, the market caps of all junior exploration companies are well below in situ resource values. However, the benchmark is useful as we present your company as a prospective resource or corporate partner.

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

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DIRECTORS' REPORT *(continued)*

potentially this could change and if so Tinker Mining (Private) Limited will have to cede 51% of its equity outside of the Group.

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 2014/2015 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 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 2015.

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.

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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
Company Secretary

Date:

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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.

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 2014 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 £1,030,197, 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.

**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 2014 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

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

26 March 2015
26 March 2015

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CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 January 2014

	Notes	2014 £	2013 £
Turnover		-	-
Administrative expenses		(27,398)	(26,667)
Operating loss	3	(27,398)	(26,667)
Interest receivable		-	-
Loss on ordinary activities before taxation		(27,398)	(26,667)
Tax on loss from ordinary activities	6	-	-
Loss on ordinary activities after taxation		(27,398)	(26,667)

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.

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CONSOLIDATED AND COMPANY BALANCE SHEET as at 31 January 2014

Company number 3156769

	Notes	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Fixed Assets					
Intangible assets	7	1,030,197	960,767	-	-
Investments	8	-	-	418,341	418,341
		<u>1,030,197</u>	<u>960,767</u>	<u>418,341</u>	<u>418,341</u>
Current Assets					
Other debtors	9	-	-	1,030,197	960,767
Bank and Cash		24,085	35,864	24,085	35,864
		<u>24,085</u>	<u>35,864</u>	<u>1,054,282</u>	<u>996,631</u>
Creditors: amounts falling due within one year	10	(59,113)	(53,023)	(61,023)	(54,933)
Net Current (Liabilities)/Assets		<u>(35,028)</u>	<u>(17,159)</u>	<u>993,259</u>	<u>941,698</u>
Creditors: amounts falling due after one year	10	(805,451)	(752,692)	(805,451)	(752,692)
Total Assets Less Current Liabilities		<u><u>189,718</u></u>	<u><u>190,916</u></u>	<u><u>606,149</u></u>	<u><u>607,347</u></u>
Capital and Reserves					
Called up share capital	11	647,446	621,246	647,446	621,246
Share premium account	12	727,589	727,589	727,589	727,589
Profit and loss account	12	(1,185,317)	(1,157,919)	(768,886)	(741,488)
Equity Shareholders' Funds	13	<u><u>189,718</u></u>	<u><u>190,916</u></u>	<u><u>606,149</u></u>	<u><u>607,347</u></u>

The financial statements were approved by the Board on *26th MARCH 2015* and signed on its behalf by:



Peter R. Walsh
Secretary



Maurice O'Brien
Director

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CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 January 2014

	Notes	£	2014 £	£	2013 £
Net cash (outflow) from operating activities	15		(37,979)		(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			(37,979)		(136)
		=====		=====	
Financing Activities					
Issue of Share Capital		26,200		7,200	
Share Premium		-		28,800	
		=====			
Net cash inflow from financing activities			26,200		36,000
		=====		=====	
(Decrease)/Increase in cash in the year	15		(11,779)		35,864
		=====		=====	

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

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 2014. 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 £27,398 (2013: loss £26,667).

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.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

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 it appropriate to capitalise a portion of directors emoluments and operating expenses.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

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 (2013: £nil) and £3,320 (2013: £3,320) respectively.

3. Operating loss

	2014	2013
	£	£
Operating loss is stated after charging:		
Auditors' Remuneration - Parent Company element of Group	3,000	3,000
	<u> </u>	<u> </u>

4. Employee information

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

	2014	2013
	No	No
Management	2	2
	<u> </u>	<u> </u>

5. Directors' emoluments

	2014	2013
	£	£
Emoluments	<u>60,000</u>	<u>60,000</u>

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

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% (2013: 23%) are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(27,398)	(26,667)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 23%)	(6,302)	(6,133)
Effects of:		
Creation of tax losses	6,302	6,133
Other timing differences	-	-
	<hr/>	<hr/>
Current tax charge for the year (see (a) above)	-	-
	<hr/> <hr/>	<hr/> <hr/>

(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.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

7. Intangible assets

Group	Exploration & Evaluation Assets	Total
	£	£
Cost		
At 1 February 2013	960,767	960,767
Expenditure During the year		
-Directors Remuneration	50,000	50,000
- Consultancy Fees	4,058	4,058
- Other Costs and Expenses	15,372	15,372
	1,030,197	1,030,197
Amortisation		
At 1 February 2013	-	-
Charge for the year	-	-
	-	-
At 31st January, 2014	-	-
Net Book Value		
At 31 January 2013	960,767	960,767
At 31 January 2014	1,030,197	1,030,197

8. Investments

Company	2014	2013
	£	£
Subsidiary at Cost (Shares and Loans)		
At 1 February 2013 and 31 January 2014	418,341	418,341

Subsidiary Undertakings

The wholly owned subsidiary of the Company at 31 January 2014 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

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

9. Other Debtors

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Intercompany	-	-	1,030,197	960,767
Other	-	-	-	-
	-	-	1,030,197	960,767

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 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Amounts due to shareholders (other than directors)	3,340	3,340	3,340	3,340
Accruals and Other Creditors	37,158	26,068	35,748	24,658
Trade Creditors	18,615	23,615	18,615	23,615
Amounts owed to Related Parties	-	-	3,320	3,320
	59,113	53,023	61,023	54,933

Creditors: amount falling due after one year

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
Amounts due to directors	454,678	418,239	454,678	418,239
Amounts due to shareholders (other than directors)	213,282	213,282	213,282	213,282
Amounts due to Related Parties	137,491	121,171	137,491	121,171
	805,451	752,692	805,451	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.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

11. Share capital

	2014 £	2013 £
Authorised equity		
500,000,000 (2013: 500,000,000) Ordinary shares of £0.01p each	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid equity		
64,744,550 (2013: 62,124,550) Ordinary shares of £0.01p each	647,446	621,246
	<u>647,446</u>	<u>621,246</u>

12. Equity reserves

Group

	Share capital £	Share premium £	Profit and loss £	Total £
At 1 February 2013	621,246	727,589	(1,157,919)	190,916
Issue of Shares	26,200	-	-	26,200
Loss for Year	-	-	(27,398)	(27,398)
	<u>647,446</u>	<u>727,589</u>	<u>(1,185,317)</u>	<u>189,718</u>
At 31 January 2014	<u>647,446</u>	<u>727,589</u>	<u>(1,185,317)</u>	<u>189,718</u>

Company

	Share capital £	Share premium £	Profit and loss £	Total £
At 1 February 2013	621,246	727,589	(741,488)	607,347
Issue of Shares	26,200	-	-	26,200
Loss for the year	-	-	(27,398)	(27,398)
	<u>647,446</u>	<u>727,589</u>	<u>(768,886)</u>	<u>606,149</u>
At 31 January 2014	<u>647,446</u>	<u>727,589</u>	<u>(768,886)</u>	<u>606,149</u>

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

13. Reconciliation of movements in shareholders' funds

	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
At 1 February	190,916	181,583	607,374	598,014
Loss for the year	(27,398)	(26,667)	(27,398)	(26,667)
Share Issue	26,200	7,200	26,200	7,200
Share Premium	-	28,800	-	28,800
	189,718	190,916	606,149	607,347
At 31 January	189,718	190,916	606,149	607,347

14. Related party transactions

During the year £4,250 (2013: £3,550) 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 £55,065 (2013: £50,815) was included within accruals for the Group and Company.

During the year, £12,070 (2013: £7,452) 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 £8,050 (2013: £17,064). 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 £6,998 (2013: £7,207) 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

	2014 £	2013 £
Reconciliation of operating loss to operating cash flows		
Operating loss	(27,398)	(26,667)
Decrease in debtors	-	142
(Decrease)/Increase in creditors	(10,581)	26,389
	(37,979)	(136)
	(37,979)	(136)

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 January 2014

15. Cash Flow Statement (Continued)

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

	2014 £	2013 £
Movement in cash in the year		
Change in net funds resulting from cash flows	(11,779)	35,864
Net funds at 1 February 2013	35,864	-
Net funds at 31 January 2014	24,085	35,864

15.2. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	35,864	(11,779)	24,085
Net funds	35,864	(11,779)	24,085

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 £1,030,197 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 26 March 2015.