# Directors' Report & Consolidated Financial Statements

For the year ended 31 January 2017

**Itinerant Resources Plc**

Registered Number: 3156769

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## 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** | 46A Upper Dorset Street<br>Dublin 1<br>Ireland |
| **Auditors** | Mazars<br>Chartered Accountants & Statutory Audit Firm<br>Block 3 Harcourt Centre<br>Harcourt Road<br>Dublin 2<br>Ireland |
| **Solicitors** | Charles Russell Speechlys<br>5 Fleet Place<br>London EC4M 7RD<br>United Kingdom<br><br>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<br><br>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 2017.

## 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 exploration, evaluation and development of our gold projects. Significant added value arises where resource estimates can be increased and/or the resource classification upgraded, in our case from inferred to indicated, to JORC standards. We continue to seek other resource opportunities within our operational and financial capacities.

## Results and Dividends

The Group loss for the year amounted to (£44,044) (2016: loss £10,280). Shareholders' funds decreased by £405, (2016 increased by £4,934) during the year. The Directors do not recommend the payment of a dividend. (2016: Nil).

## Business Review

### Review of performance and development during the year

Your board's objectives in the year ended 31 January 2017 were to identify and engage with potential j/v partners for our Montezuma gold property and raise funds to meet regulatory obligations including renewal of our mining licence and EPO claims for our gold projects.

Your board continues to seek a joint venture partner who can provide, among other things, technical expertise, on the ground support and finance. A commitment to further development work at Montezuma is essential. This work will be carried out by reference to our data base and structural studies of the area, which we have had completed. The objective is to work on key exploration targets, upgrade our resource estimate and resource classification.

During the year under review the board approached two companies with major gold interests in Zimbabwe. Each acknowledged Montezuma's geological merit and the size of the potential opportunity. One party was committed to developing their own projects over the next 18 months so the proposal to look at Montezuma was deferred.

The second party is interested in an Option to Explore Agreement on "hot spots" that offer the best prospect for geological success. Matters could progress to a formal j/v arrangement and a possible property sale.

Availing of advances in satellite imagery since our Landsat study in July 2010, the board engaged Murphy Geological Services, Cork ("MGS") to undertake a GeoEye-1 structural study of the Montezuma licence and its immediate hinterland. Offering much higher resolution imagery, GeoEye-1 enables a detailed analysis of veins, third order structures, artisanal workings/areas of ground disturbance which were not visible on the Landsat data.

Completed in July 2017 the MGS report is a comprehensive and independent assessment of Montezuma's geological features, historic exploration by Tinker Mining and artisanal activity.

# DIRECTORS' REPORT

Key findings in the report on the Montezuma licence were:

- 7 vein systems, over 215 artisanal/old workings throughout the eastern and central parts of the property where 7 old gold mines are located.
- Based on priority rankings of 1 to 3 (determined by geological features and mining activity) 40 exploration targets were identified.
- 9 are priority 1 targets covering 51 hectares. 2 have potential for open pit development.
- 4 targets (priority 2 & 3) covering 34 hectares are banded iron formation locations.

MGS has produced maps at a scale of 1:5,000 metres that show the presence of major/second order shears, restraining bends along shears, converging shears, splays along shears, presence of old mines and/or artisanal workings, presence of veins and significant gold assays from past exploration.

The MGS report is a comprehensive and independent assessment of Montezuma's geological features, historic exploration by Tinker Mining and artisanal activity. The board is preparing a development programme on key priority 1 targets to present to an interested third party to secure an Option to Explore Agreement. We will reengage with our Zimbabwean mining group.

Last month, the board met with an Irish exploration company with gold interests in Ghana. They also have a drilling company, which is currently working in Zimbabwe. Having signed a confidentiality agreement, discussions centred on an option to explore arrangements linked to some drilling on a key priority 1 "hot spot". Matters are at an early stage. However, they are very positive about Zimbabwe having decided to locate several drill rigs there in response to winning a major contract there. They are also interested in acquiring a stake in proven gold exploration properties with a 5/7 year production life.

**Zimbabwe**

In 2016 Zimbabwe growth more than halved to 0.5%. The government responded to the challenging environment by instituting a raft of measures including a temporary ban on imports, issuance of bond notes and introduction of a command agriculture system. The country's GDP growth is projected to increase by 1.3% in 2017 spurred mainly be agriculture in view of favourable rains, tourism, manufacturing, construction and financial sectors. Stimulating entrepreneurship and industrialisation will require deep reforms to improve the business environment and promote employment creation.

Gold remains one of Zimbabwe's major exports. Gold deliveries to Fidelity Printers and Refiners went up almost 16% to close 2016 at 21.4 tonnes, mainly due to high contribution of small-scale miners.

Presidential and Parliamentary elections will take place next year. Employment, exports and exchequer receipts are linked to greater business confidence. International reaction has signalled that a more favourable regulatory environment concerning indigenisation is needed to attract foreign direct investment.

**Business Strategy**

As outlined in previous years our business strategy has not changed and our focus is centred on:

1. Protecting the mining licence
2. Having sufficient working capital
3. Enhancing our gold interests through further development work
4. Securing an operating partner through a j/v or similar deal that could result in the sale of Montezuma.

Monies raised in July 2016 met renewal fees and allowed the GeoEye-1 structural study to be commissioned. Both events enhanced our gold interests.

# DIRECTORS' REPORT

## Directors of the Company

The following directors held office during the year:
Peter R. Walsh (Chairman)
Maurice O'Brien

## Principal Risks and Uncertainties

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

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. The board manages this risk by engaging independent geological consultants to review our database and technical materials. We rely on their expertise and credibility to advise us on a resource estimate in accordance with internationally accepted reporting standards.

As the Group's mineral assets are in Zimbabwe they are subject to local legislation and regulation. As matters now stand Tinker Mining (Private) Limited is not subject to indigenisation legislation. If this changes, 51% of Tinker Mining's share capital must be ceded to indigenous parties as prescribed by law. The Mines and Minerals Amendment Act 2015 will be introduced when the draft Bill has been approved by the legislature and the President. Presently, the draft Bill is with the Parliamentary Legal Committee (legal screening agency). Their approval is required before it goes to the Assembly for discussion and decision. The draft Bill sets out a "use or lose it" policy on all exploration and former mining properties. All companies must adhere to the new legislation. Failure to do so adequately could have serious implications for the retention of the Montezuma mining lease and related matters.

Montezuma is our flagship property that underwrites shareholder value. Financing has a critical impact on the going concern of the Group. As the Company is pre revenue the board relies on shareholder support to meet regulatory obligations in Ireland, UK and Zimbabwe. Delays in meeting these obligations on due dates greatly increase the risk of fines or property forfeiture. Cash calls in the future are inevitable. Exploration expenditure can only be met from investor funds or through a j/v arrangement which the Group is actively seeking.

In the past the board has successfully raised funds to meet essential corporate and regulatory costs. Future funding must come from a wider shareholder base and in a timely manner.

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 2017/2018 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.

# DIRECTORS' REPORT

## 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 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 provision of working capital as required.

## 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 Statutory Audit Firm, Dublin, Ireland will be proposed at the forthcoming Annual General Meeting.

**By Order of the Board**

Peter R. Walsh

**Peter R. Walsh**
**Company Secretary**

**Date: 21 July 2017**

# 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 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.

**By Order of the Board**

Peter R. Walsh

**Peter R. Walsh**
**Secretary**

**Maurice O Brien**
**Director**

# 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 2017 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement, and related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council.

## 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 17 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 £733,654 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 17 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.

# ITINERANT RESOURCES Plc – 2017 Annual Report

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

### 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 2017 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 Statutory Audit Firm**
**Block 3 Harcourt Centre**
**Harcourt Road**
**Dublin 2**
**Ireland** 21 July 2017

**Date: 21 July 2017**

## CONSOLIDATED INCOME STATEMENT
## for the year ended 31 January 2017

| | Notes | 2017<br>£ | 2016<br>£<br>(as restated) |
|---|---|---|---|
| **Turnover** | | - | - |
| Administrative expenses | | (44,044) | (10,280) |
| **Operating loss** | 6 | (44,044) | (10,280) |
| Interest receivable | | - | - |
| **Loss on ordinary activities before taxation** | | **(44,044)** | **(10,280)** |
| Tax on loss from ordinary activities | 9 | - | - |
| **Loss on ordinary activities after taxation** | | **(44,044)** | **(10,280)** |

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.

# CONSOLIDATED AND COMPANY BALANCE SHEETS
## As at 31 January 2017

| | Notes | Group 2017 £ | Group 2016 £ (as restated) | Company 2017 £ | Company 2016 £ (as restated) |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 10 | 733,654 | 710,436 | - | - |
| Investments | 11 | - | - | 418,341 | 418,341 |
| | | 733,654 | 710,436 | 418,341 | 418,341 |
| **Current assets** | | | | | |
| Other debtors | 12 | - | - | 733,654 | 710,436 |
| Bank and Cash | | 19,641 | 804 | 19,641 | 804 |
| | | 19,641 | 804 | 753,295 | 711,240 |
| **Creditors: amounts falling due within one year** | 13 | (249,573) | (402,027) | (249,573) | (402,027) |
| **Net current (liabilities) /assets** | | (229,932) | (401,223) | 503,722 | 309,213 |
| **Creditors: amounts falling due after one year** | 13 | (254,417) | (59,503) | (254,417) | (59,503) |
| **Net assets** | | **249,305** | **249,710** | **667,646** | **668,051** |
| **Capital and reserves** | | | | | |
| Called up share capital | 14 | 706,092 | 662,446 | 706,092 | 662,446 |
| Share premium account | | 727,796 | 727,803 | 727,796 | 727,803 |
| Income statement | | (1,184,583) | (1,140,539) | (766,242) | (722,198) |
| **Equity shareholders' funds** | | **249,305** | **249,710** | **667,646** | **668,051** |

The financial statements were approved by the Board on 21 July 2017 and signed on its behalf by:

Peter R. Walsh

**Peter R. Walsh**
**Secretary**

**Maurice O Brien**
**Director**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## As at 31 January 2017

| | Called up share capital | Share premium | Income statement | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **At 1 February 2016** | 662,446 | 727,803 | (1,229,216) | 161,033 |
| Prior year adjustment (Note 18) | - | - | 88,677 | 88,677 |
| Loss for the year | - | - | (44,044) | (44,044) |
| Issue of shares | 43,646 | (7) | - | 43,639 |
| **At 31 January 2017** | **706,092** | **727,796** | **(1,184,583)** | **249,305** |

## COMPANY STATEMENT OF CHANGES IN EQUITY
## As at 31 January 2017

| | Called up share capital | Share premium | Income statement | Total |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **At 1 February 2016** | 662,446 | 727,803 | (810,875) | 579,374 |
| Prior year adjustment (Note 18) | - | - | 88,677 | 88,677 |
| Loss for the year | - | - | (44,044) | (44,044) |
| Issue of shares | 43,646 | (7) | - | 43,639 |
| **At 31 January 2017** | **706,092** | **727,796** | **(766,242)** | **667,646** |

## CONSOLIDATED CASH FLOW STATEMENT
## for the year ended 31 January 2017

| | Notes | 2017<br>£ | 2016<br>£<br>(as restated) |
|---|---|---|---|
| **Net cash flow from operating activities** | **16** | (1,584) | (2,151) |
| **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** | | - | - |
| Capitalisation of intangible assets | | (23,218) | (12,277) |
| **Net cash outflow for capital expenditure and financial investments** | | **(23,218)** | **(12,277)** |
| **Net cash (outflow) before financing** | | **(24,802)** | **(14,428)** |
| **Financing Activities** | | | |
| Issue of Share Capital | | 43,646 | 15,000 |
| Share Premium | | (7) | 214 |
| **Net cash inflow from financing activities** | | **43,639** | **15,214** |
| **Increase in cash in the year** | **16** | **18,837** | **786** |

# NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

### 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 2017. 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 company for the year was £ 44,044 (2016: loss 10,280).

***(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 2017

***(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) 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.

***(e) 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.

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

# NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

**4. Critical Accounting Estimates and Judgements (continued)**

*(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 (2016: £nil) and £nil (2016: £nil) respectively.

**6. Operating Loss**

| | 2017<br>£ | 2016<br>£ |
|---|---|---|
| Operating loss is stated after charging: | | |
| Auditors' Remuneration - Parent Company element of Group | 3,444 | 3,056 |

**7. Employee Information**

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

| | 2017<br>No | 2016<br>No |
|---|---|---|
| Management | 2 | 2 |

**8. Directors' Emoluments**

| | 2017<br>£ | 2016<br>£<br>(as restated) |
|---|---|---|
| Emoluments | - | - |

# NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

### 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 20% (2016: 20%) are explained below:

| | **2017**<br>**£** | **2016**<br>**£**<br>**(as restated)** |
|---|---|---|
| Loss on ordinary activities before tax | (44,044) | (10,280) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%) | (8,809) | (2,056) |
| Effects of: | | |
| Creation of tax losses | 8,809 | 2,056 |
| 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 2017

### 10. Intangible Assets

| | Exploration & Evaluation Assets | Total |
|---|---|---|
| **Group** | | |
| | £ | £ |
| **Cost** | | |
| At 1 February 2016 (as restated) | 710,436 | 710,436 |
| Expenditure During the year | | |
| - Consultancy Fees | 9,588 | 9,588 |
| - License Renewals | 10,176 | 10,176 |
| - Other Costs and Expenses | 3,454 | 3,454 |
| At 31 January 2017 | 733,654 | 733,654 |
| **Amortisation** | | |
| At 1 February 2016 | - | - |
| Charge for the year | - | - |
| At 31 January 2017 | - | - |
| **Net Book Value** | | |
| At 31 January 2017 | **733,654** | **733,654** |
| At 31 January 2016 (as restated) | **710,436** | **710,436** |

### 11. Investments

| | 2017 | 2016 |
|---|---|---|
| **Company** | £ | £ |
| **Subsidiary at Cost (Shares and Loans)** | | |
| At 1 February 2016 and 31 January 2017 | **418,341** | **418,341** |

# NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

### 11. Investments (continued)

**Subsidiary Undertakings**

The wholly owned subsidiary of the Company at 31 January 2017 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 |

### 12. Other Debtors

| | Group 2017 £ | Group 2016 £ | Company 2017 £ | Company 2016 £ (as restated) |
|---|---|---|---|---|
| Intercompany | - | - | 733,654 | 710,436 |
| Other | - | - | - | - |
| | - | - | **733,654** | **710,436** |

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**

| | Group 2017 £ | Group 2016 £ (as restated) | Company 2017 £ | Company 2016 £ (as restated) |
|---|---|---|---|---|
| Accruals and Other Creditors | 10,261 | 12,004 | 10,261 | 12,004 |
| Trade Creditors | 19,425 | 19,425 | 19,425 | 19,425 |
| Amounts owed to shareholders (other than directors) | 216,622 | 216,622 | 216,622 | 216,622 |
| Amounts due to Related Parties | - | 150,711 | - | 150,711 |
| Amounts due to directors | 3,265 | 3,265 | 3,265 | 3,265 |
| | **249,573** | **402,027** | **249,573** | **402,027** |

## NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

**Amount falling due after one year**

| | Group 2017 £ | Group 2016 £ (as restated) | Company 2017 £ | Company 2016 £ (as restated) |
|---|---|---|---|---|
| Amounts due to Related Parties | 175,071 | - | 175,071 | - |
| Amounts due to Shareholder | 79,346 | 59,503 | 79,346 | 59,503 |
| | **254,417** | **59,503** | **254,417** | **59,503** |

Amounts due to Shareholder relates to an outstanding loan. Interest accrues at 16.5% per annum compound. The loan is repayable in a period great than 12 months.

### 14. Share Capital Presented as Equity

| | 2017 £ | 2016 £ |
|---|---|---|
| **Authorised equity** | | |
| 500,000,000 (2015: 500,000,000) Ordinary shares of £0.01p each | 5,000,000 | 5,000,000 |
| **Allotted, called up and fully paid equity** | | |
| 70,609,150 (2016: 66,244,550) Ordinary shares of £0.01p each | 706,092 | 662,446 |

### 15. Related Party Transactions

During the year £2,500 (2016: £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 £62,565 (2016: £60,065) was included within creditors for the Group and Company.

During the year, £9,588 (2016: £4,856) 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 £112,506 (2016: £90,646) was included within creditors for the Group and Company.

A related party made payments on behalf of the Group in the year totalling £nil (2016: £nil). The company accrues interest at a rate of 16.5% per annum on certain amounts owed to this party. The current year interest of £11,996 (2016: £8,994) 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.

# NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

### 16. Cash Flow Statement

**Reconciliation of operating loss to operating cash flows**

| | 2017 £ | 2016 £ (as restated) |
|---|---|---|
| Operating loss | (44,044) | (10,280) |
| Increase in creditors | 42,460 | 8,129 |
| | **(1,584)** | **(2,151)** |

**Reconciliation of Net Cash Flow Movement to Movement in Net Funds**

| | 2017 £ | 2016 £ |
|---|---|---|
| **Movement in cash in the year** | | |
| Change in net funds resulting from cash flows | 18,837 | 786 |
| Net funds at 1 February | 804 | 18 |
| **Net funds at 31 January** | **19,641** | **804** |

**Analysis of changes in net funds**

| | Opening balance £ | Cash flows £ | Closing balance £ |
|---|---|---|---|
| Cash at bank and in hand | 804 | 18,837 | 19,641 |
| Net funds | **804** | **18,837** | **19,641** |

### 17. 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 £733,654 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 during the 2017 financial year shareholders contributed £43,639 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.

# NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

### 18. Prior year adjustment

A prior year adjustment has been reflected in the comparative amounts included in these financial statements in respect of a write back of amounts owing to Directors, and a reclassification of amounts payable within one year and after one year. The impact of which is outlined below:

**Impact on opening reserves:**

| | Group Profit and loss account for the year ended 31 January 2016 | Group Capital and reserves as at 1 February 2015 | Group Total capital and reserves as at 31 January 2016 | Company Capital and reserves as at 1 February 2015 | Company Total capital and reserves as at 31 January 2016 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| As previously reported | (20,280) | 166,099 | 161,033 | 582,530 | 579,374 |
| Prior year adjustment | 10,000 | 78,677 | 88,677 | 78,677 | 88,677 |
| **As restated** | (10,280) | 244,776 | 249,710 | 661,207 | 668,051 |

**Impact on prior year comparatives:**

*Consolidated Income Statement*

| | As previously stated | Effect of adjustment | As restated |
|---|---|---|---|
| | £ | £ | £ |
| Administrative expenses | (20,280) | 10,000 | (10,280) |

*Consolidated Balance Sheet*

| | As previously stated | Effect of adjustment | As restated |
|---|---|---|---|
| | £ | £ | £ |
| Intangible assets | 1,153,819 | (443,383) | 710,436 |
| Creditors: amounts falling due within one year | (34,769) | (367,258) | (402,027) |
| Creditors: amounts falling due after one year | (958,821) | 899,318 | (59,503) |

# NOTES TO THE FINANCIAL STATEMENTS
## for the year ended 31 January 2017

### 18. Prior year adjustment (continued)

*Company Balance Sheet*

| | As previously stated | Effect of adjustment | As restated |
|---|---|---|---|
| | £ | £ | £ |
| Other debtors | 1,153,819 | (443,383) | 710,436 |
| Creditors: amounts falling due within one year | (34,769) | (367,258) | (402,027) |
| Creditors: amounts falling due after one year | (958,821) | 899,318 | (59,503) |

### 19. Approval of the Financial Statements

The board approved the financial statements on 21 July 2017.