REGISTERED NUMBER 06163193

HOT ROCKS INVESTMENTS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

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Directors	Brian Rowbotham Gavin J Burnell Charles J Vaughan
Company Secretary	Lorraine Elizabeth Young
Registered Office	6th Floor 60 Gracechurch Street London EC3V 0HR
Corporate Advisor	Peterhouse Corporate Finance Limited 31 Lombard Street London EC3V 9BQ
Solicitors	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Registrars	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Registered Number	06163193

Dear Shareholders,

I hereby present the financial results for the Company for the year ended 31 March 2018. The Company is an active investor primarily in junior natural resources companies. During the year and since the year end we have seen a recovery across much of our portfolio.

The Company made a pre-tax loss of £219,298 for the year, compared to a pre-tax loss of £16,191 in the prior year. The Company will not be paying a dividend at this stage (2017: £Nil).

Cash and cash equivalents as at the year end of 31 March 2018 were £16,710 (2017: £12,216).

We have seen a number of our investments appreciate in value and we are generally pleased with performance.

Of note, on 27 April 2017 Minergy Limited listed on the Botswana Stock Exchange. This week Minergy has been granted a mining licence in Botswana marking a significant milestone for the company, which aims to produce coal for sale in Botswana and South Africa, as well as further overseas. Minergy is the sole owner of the 390 million tonne Masama Coal Project in the Mmambula Coalfield, in the south-west of the country where pre-construction work has already commenced on site, with the mine expected to start producing its first saleable coal in February next year.

Medgold, listed on the TSXV which traded as low at 4cents per share in 2014 has recovered and is presently 34cents. Diamond drilling at the Tlamino Gold Project has recommenced for a minimum Phase 2 program of 2,400m. Also, preparation for 40 line-km of an IP-Resistivity program at the Karamanica Zone has commenced. The exploration and development of the Tlamino Gold Project is being conducted under programmes which are fully funded by Fortuna Silver Mines Inc. (NYSE: FSM) (TSX: FVI) ("Fortuna").

Post year end our investee company Block Energy plc was admitted to trading on AIM. We hold 3,222,501 ordinary shares.

We participated in the IPO of Predator Oil & Gas Holdings plc and have added to our holding since its flotation on the Standard List. We have an interest in 2,052,000 ordinary shares.

We hold stakes in the following entities:

- Block Energy plc (AIM: BLOE)
- Brazil Tungsten Holdings Limited
- Copper Bay plc
- Elephant Oil Limited
- Impact Oil & Gas Limited
- Mafula Energy Limited
- MedGold Resources Corp (TSXV:MED)
- Minergy Limited
- New Horizon Oil & Gas Limited
- N4 Pharma plc (AIM:N4P)
- Predator Oil & Gas Holdings plc (LSE:PRD)
- Rift Resources Limited
- Royal Road Minerals (previous Tigris Resources) (TSXV:RYR)

The Board of Directors will continue to introduce further equity positions to the Company to enable additional diversification of the portfolio. It is anticipated that these will continue to be primarily within the natural resources sector.

Brian Rowbotham
Non-Executive Chairman
31 August 2018

The Directors of the Company present their Strategic Report on the Company for the year ended 31 March 2018.

Principal Activities and Review of the Business

The principal activity of the Company is to invest in companies, or assets, in the natural resources sector. The Company has continued in this activity, managing the investments, as detailed in the Chairman's Statement. The Company will continue to seek to make investments primarily within this sector but the Directors will review other opportunities as they arise.

Financial Review

The loss for this year before taxation was £219,298 (2017: £16,191).

Cash in the bank at the end of March 2018 was £16,710 (2017: £12,216).

The Directors consider the results for the year to be satisfactory.

Key Performance Indictors ("KPI's")

The Directors consider the following to be the KPIs of the business:

	2018 £	**2017 £**	**% Increase/ (Decrease)**
Valuation of available for sale investments	811,206	836,126	(3%)
Cash	16,710	12,216	37%

The company performed in line with expectations.

Principal Risks and Uncertainties

The principal risks and uncertainties lie in the investments the Company holds. The nature of the natural resource sector means that returns are uncertain and resources may be unviable to extract. The Directors seek to mitigate this risk by monitoring the performance of the companies in which it holds investments so they can take action accordingly.

Given the nature of the business and activity of the Company, the Directors believe that the Company is exposed to the following risks:

Liquidity risk

The Company's continued future operations depend on the ability to hold sufficient working capital to be able to meet its financial obligations. The Directors are confident that there is adequate funding to finance future immediate working capital requirements.

Financial Risk Management

The Company's principal financial instruments comprise available-for-sale financial instruments, other receivables, other payables and cash and cash equivalents. No bank loans or other financing arrangements have been required. No borrowings have been required to finance working capital. Therefore, the Company's exposure to credit risk, liquidity risk and market risk is not deemed significant.

Political and country risk – including EU Referendum

The Company holds investments whose operations are based in a number of locations worldwide, some of which have a history of political uncertainty. The Directors routinely monitor political and regulatory developments in its countries of interest, in particular those developments which may indicate impairment to available-for-sale financial assets.

Political and country risk – including EU Referendum (continued)

The Company is quoted in the United Kingdom (UK) and operates in the UK and European Union (EU). As a result of the Referendum, the Company may be subject to the impact of the UK leaving the European Union. As a result, given the ongoing uncertainty surrounding the situation the Company is monitoring matters and seeking advice as to how to mitigate the risks arising.

Approved by the Board on 31 August 2018 and signed on its behalf by:

Gavin J Burnell

Director

The Directors present their report and the audited Financial Statements for the year ended 31 March 2018.

Results and Dividends

The loss for this year after taxation was £219,218 (2017: £16,191).

The Directors do not recommend the payment of a dividend (2017: £Nil).

Directors and Directors' Interests

The Directors who held office during the period to the date of approval of these Financial Statements had the following beneficial interests in the ordinary shares of the Company:

	Ordinary shares interest at end of period No.	**Warrants interest at end of period No.**	**Ordinary shares interest at start of period No.**	**Warrants interest at start of period No.**
Gavin J Burnell	32,956,666	15,000,000	29,290,000	-
Brian Rowbotham	4,200,000	1,000,000	4,200,000	-
Charles J Vaughan	2,150,000	1,000,000	2,150,000	-

These represent the following % shareholdings:

	% holding at end of period	**% holding at beginning of period**
Gavin J Burnell	18.98%	16.87%
Brian Rowbotham	2.42%	2.42%
Charles J Vaughan	1.24%	1.24%

Supplier Payment Policy

Whilst there is no formal code or standard, it is Company policy to settle terms of payment with creditors when agreeing the terms of each transaction and to abide by the creditors' terms of payment. There are no creditors subject to special arrangements outside of suppliers' terms and conditions.

Provision of Information to Auditor

The Directors at the time when this Directors' Report is approved have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that ought to have been taken as Directors in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Going concern

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. The Directors confirm that they consider that the going concern basis remains appropriate. Further details can be found in the accounting policies accompanying the financial statements.

Independent Auditor

PKF Littlejohn LLP has signified their willingness to continue in office as auditor.

Approved by the Board on 31 August 2018 and signed on its behalf by:

Gavin J Burnell
Director

The Directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the financial statements on a 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 and 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 company’s website and legislation in the United Kingdom governing the preparation and dissemination of financial statements which may differ from legislation in other jurisdictions.

Approved by the Board on 31 August 2018 and signed on its behalf by:

Gavin J Burnell
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOT ROCKS INVESTMENTS PLC

Opinion

We have audited the financial statements of Hot Rocks Investments plc for the year ended 31 March 2018 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

The materiality applied to the financial statements was £36,000 (2017: £35,000), based on a percentage blend of gross assets, net assets and net loss. We apply the concept of materiality both in planning and performing the audit, and evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of the audit and the extent of the sample sizes during the audit.

An overview of the scope of our audit

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation of Investments **The Company holds available for sale assets of £811,206 at fair value through profit and loss as at 31 March 2018.** **There is a risk that these investments are not valued correctly in accordance with IFRS 13 'Fair Value Measurement'.**	We confirmed ownership of each investments held. For investment categorised within level 1 of the fair value hierarchy, we confirmed the investment valuation to source. For investments categorised within Level 2 or 3 of the fair value hierarchy, we obtained management's assessment of the valuation of the investments held at year end and challenged the inputs and assumptions used. We ensured the disclosures made within the financial statements were in compliance with IFRS. We assessed whether management's assumptions were reasonable in light of the measurement objectives under IFRS 13.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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.

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. This description forms part of our auditor's report.

Use of our report

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.

Joseph Archer (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

31 August 2018

Continuing Operations	Note	2018 £	2017 £
Revenue		-	-
Foreign exchange gain/(loss) on available-for-sale financial assets		(20,656)	22,062
Operating expenses	1	(48,369)	(33,217)
Share based payments expense	10	(115,600)	-
Impairment of available-for-sale financial assets	6	(52,604)	(15,962)
Other gains/ – sale of available-for-sale financial assets		17,922	8,689
Operating (Loss)		(219,307)	(18,428)
Finance income		9	2,237
(Loss) before Income Tax		(219,298)	(16,191)
Income tax expense	4	-	-
(Loss) for the Year attributable to equity holders		(219,298)	(16,191)
Other Comprehensive Income			
Items that may be Reclassified Subsequently to Profit or Loss			
Reclassification of cumulative gains on available-for-sale financial asset due to disposal		-	(6,055)
Fair value change in value on available-for-sale financial assets		78,469	180,078
Total Comprehensive (loss)/Income for the Year attributable to equity holders		(140,829)	174,023
Earnings Per Share – Basic and Diluted (expressed in pence per share)	5	(0.1)	(0.0)

The Accounting Policies and Notes on pages 16 to 28 form part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2018

	Note	As at 31 March 2018 £	As at 31 March 2017 £
Assets			
Non-Current Assets			
Available-for-sale financial assets	6	811,206	836,126
		811,206	836,126
Current Assets			
Other receivables	7	-	721
Cash and cash equivalents		16,710	12,216
		16,710	12,937
Total Assets		827,916	849,063
Equity and Liabilities			
Equity Attributable to Shareholders			
Ordinary shares	9	173,602	173,602
Share premium account	9	1,174,631	1,174,631
Share options and warrants reserve	10	115,600	-
Other reserves	11	144,678	66,209
Retained loss		(886,173)	(666,875)
		722,338	747,567
Current Liabilities			
Trade and other payables	8	105,578	101,496
Total Equity and Liabilities		827,916	849,063

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 31 August 2018.

Gavin J Burnell
Director

The Accounting Policies and Notes on pages 16 to 28 form part of these Financial Statements.

	Attributable to Equity Shareholders					
	Ordinary shares £	Share premium £	Share options and warrants reserve £	Other reserves £	Retained loss £	Total £
Balance as at 1 April 2016	**173,602**	**1,174,631**	**29,738**	**(107,814)**	**(680,422)**	**589,735**
Loss for the year	-	-	-	-	(16,191)	(16,191)
Reclassifications of cumulative gains on available-for-sale financial assets	-	-	-	(6,055)	-	(6,055)
Fair value change in value on available-for-sale financial assets	-	-	-	180,078	-	180,078
Warrants expired or lapsed in the year	-	-	(29,738)	-	29,738	-
Total Comprehensive Income	-	-	(29,738)	174,023	13,547	157,832
Total Transactions with Owners	-	-	-	-	-	-
Balance as at 31 March 2017 and 1 April 2017	173,602	1,174,631	-	66,209	(666,875)	747,567
Loss for the year	-	-	-	-	(219,298)	(219,298)
Reclassifications of cumulative gains on available-for-sale financial assets	-	-	-	-	-	-
Fair value change in value on available-for-sale financial assets	-	-	-	78,469	-	78,469
Warrants issued in the year	-	-	115,600	-	-	115,600
Total Comprehensive Income	-	-	115,600	78,469	(219,298)	(25,229)
Total Transactions with Owners	-	-	-	-	-	-
Balance as at 31 March 2018	173,602	1,174,631	115,600	144,678	(886,173)	722,338

The Accounting Policies and Notes on pages 16 to 28 form part of these Financial Statements.

	2018 £	2017 £
Cash Flows from Operating Activities		
(Loss) before income tax	(219,298)	(16,191)
Finance income	(9)	(2,237)
Unrealised foreign exchange loss/(gain)	20,656	(22,062)
Share based payments	115,600	-
Bad debts	-	2,997
Gain on disposal of available-for-sale financial assets	(17,922)	(8,689)
Impairment of available-for-sale financial asset	52,604	15,962
Decrease in other receivables	720	2,130
Increase in trade and other payables	4,082	10,425
Cash Used in Operations	(43,567)	(17,665)
Interest paid	-	-
Income tax paid	-	(82)
Net Cash Used in Operations	(43,567)	(17,747)
Cash Flows from Investing Activities		
Purchases of available-for-sale financial assets	(5,869)	(33,984)
Proceeds from disposal of available-for-sale financial assets	53,930	50,242
Net Cash Generated from Investing Activities	48,061	16,258
Increase/(decrease) in Cash and Cash Equivalents	4,494	(1,489)
Cash and cash equivalents at the beginning of the year	12,216	13,705
Cash and Cash Equivalents at the End of the Year	16,710	12,216

The Accounting Policies and Notes on pages 16 to 28 form part of these Financial Statements.

General Information

Hot Rocks Investments Plc is a limited company incorporated and domiciled in the United Kingdom. Its registered office is disclosed on page 2 and details of its principal activities on page 4.

Summary of Significant Accounting Policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have also been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed later in these accounting policies.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

Changes in accounting policies and disclosures

a) New and amended standards and interpretations adopted by the Company

The standards which applied for the first time this year have been adopted and have not had a material impact.

The International Accounting Standards Board (IASB) has issued the following new and revised standards, amendments and interpretations to existing standards that are not effective for the financial year ending 31 March 2018 and have not been adopted early. Other than the impact of IFRS 9, he Company is currently assessing the impact of the standards and based on the Company's current operations do not expect them to have a material impact on the financial statements.

New Standards	Effective Date
IFRS 9 - Financial Instruments	1 January 2018
IFRS 15 - Revenue from Contracts with Customers	1 January 2018
IFRS 16 - Leases	1 January 2019

IFRS 9 'Financial Instruments' (continued)

The standard replaces all phases of the financial instruments project and IAS 39 'Financial Instruments: Recognition and Measurement'. The standard is effective from periods beginning on or after 1 January 2018 and introduces:

- *Classification and measurement* – financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The standard introduces a fair value through other comprehensive income category for certain debt instruments. Financial liabilities are classified in a similar manner to that under IAS 39 however there are differences in the requirements applying to the measurement of an entity's own risk.
- *Impairment* – The standard introduces an expected credit loss model for the measurement of the impairment of financial assets. so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- *Hedge accounting* – The standard introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- *Derecognition* – the requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The Directors are currently assessing the impact of the adoption of IFRS 9 on the results of the Company.

Changes in accounting policies and disclosures

b) New and amended standards and interpretations issued but not yet effective and not early adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements, that could potentially impact the Financial Statements, are disclosed below. The Directors are assessing the possible impact of the following standards on the Company's Financial Statements:

Standard	**Effective Date**
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)*	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration*	1 January 2018
Annual Improvements to IFRSs (2014-2016 Cycle)	1 January 2018
IFRIC 23 Uncertainty over Income Tax Treatments*	1 January 2019
Annual Improvements to IFRSs (2015-2017 Cycle)*	1 January 2019
Amendments to IFRS 0 Prepayment Features with Negative Compensation*	1 January 2019
Amendments to References to the Conceptual Framework in IFRS Standards*	1 January 2020

**Subject to EU endorsement*

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Segmental Reporting

The Company has only one operating segment being the investment in companies, or assets, in the natural resource sector. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. Therefore, the Financial Statements of the single segment is the same as that set out in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Change in Equity and the Statement of Cash Flows.

Foreign Currency Translation

(a) **Functional and Presentation Currency**

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (“functional currency”).

The Financial Statements are presented in Pounds Sterling (£), which is the Company’s functional and presentation currency.

(b) **Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments and on a trade date basis. A financial asset is derecognised when the Company’s contractual rights to future cash flows from the financial asset expire or when the Company transfers the contractual rights to future cash flows to a third party. A financial liability is derecognised only when the liability is extinguished.

(a) Available for Sale Investments

Available-for-sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables. After initial recognition, available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of comprehensive income.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the closure of business on the statement of financial position date. For investments where there is no active market, fair value is determined using appropriate valuation techniques.

(b) Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(c) Cash and cash equivalents

The Company considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents. At the reporting date management believes that the carrying amount of cash and cash equivalents approximates fair value because of the short maturity of these financial instruments.

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less, all of which are available for use by the company unless otherwise stated. Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at the reporting date.

(d) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company’s financial liabilities include trade and other payables. All financial liabilities, except for derivatives, are recognised initially at their fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability and subsequently measured at amortised cost.

Share Capital

Ordinary shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly to the issue of shares are accounted for as a deduction from share premium, otherwise they are charged to the Income Statement.

Share Based Payments

The Company operates a number of equity-settled, share-based schemes, under which it receives services from employees or third party suppliers as consideration for equity instruments (options and warrants) of the Company. The Company may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised, if material, as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

In the case of warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable, the warrants are valued by reference to the fair value of the warrants granted as described previously.

Non-market vesting conditions are included in assumptions about the number of options or warrants that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement or equity as appropriate, with a corresponding adjustment to a separate reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

Critical Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

(i) Available For Sale Investments

Available for sale financial assets have a carrying value of £811,206 at 31 March 2018 following an impairment charge of £52,604 (2017: £15,962) and additional equity share acquisitions and disposals in the period.

The Company follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired. This involves a review of the fair value of its equity investments at each statement of financial position date. This requires management to make an estimate of the fair value of the securities in the absence of an active market. Uncertainty also exists due to the early stage of development of certain of the investments. Further details are given in Note 6.

This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow.

Management has concluded that an impairment charge should be recognised in respect of the carrying value of available for sale financial assets based on its valuation of the equity instruments held. The impairment review carried out in the previous year concluded that no impairment was necessary.

(ii) Share based payments (Note 10)

The Company has made awards of warrants over its unissued capital. The valuation of these warrants involves making a number of estimates relating to price volatility, future dividend yields, expected life and forfeiture rates.

(iii) Going Concern

The Directors have prepared the Financial Statements on a going concern basis, despite the Company having net current liabilities at 31 March 2018 of £88,868 (2017: £88,559). The Directors believe that the Company has sufficient funds, through its ability to liquidate its investments, to undertake its operating activities over the next 12 months, including any additional payments required in relation to its working capital requirements.

The Company has financial resources which, the Directors believe, will be sufficient to fund the Company's operational expenditure and this has been considered through Director prepared forecasts which have included considering the valuation of investments post year end and the liquidity of investments held.

The Directors have also confirmed that they have deferred their rights to the amounts owed to them by the Company, as disclosed under Note 13, until such time as the Company has net current assets.

Given the above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

(iv) **Fair Value Estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels are defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's assets that were measured at fair value as at 31 March 2018 and 31 March 2017. The Company does not have any liabilities measured at fair value.

	Level 1	**Level 2**	**Level 3**	**Total**
31 March 2018:				
Available-for-sale financial assets	£	£	£	£
- Equity holdings	284,778	-	526,428	811,206
31 March 2017:				
Available-for-sale financial assets				
- Equity holdings	255,565	139,594	440,969	836,126

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the Statement of Financial Position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily of equity investments quoted on the AIM, London Stock Exchange, TSX, Toronto Stock Exchange, and TSXV, TSX Venture Exchange, and classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available, and rely as little possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has valued all level 3 financial instruments at cost. The Directors perform an annual impairment assessment in for all level three inputs and recognise any impairment charge due.

The following table presents the changes in Level 3 instruments for the year ended 31 March 2018 and 31 March 2017:

	2018	**2017**
	£	**£**
Opening balance	440,969	472,706
Transfers into level 3	139,594	-
Transfers into level 1	-	(12,249)
Gains (and losses) recognised in profit or loss	(1,531)	(19,488)
Impairment	(52,604)	-
Closing Balance	526,428	440,969

1. **Loss from Operations**

	2018 £	2017 £
Loss from operations is stated after charging:		
Auditor's remuneration (see below)	14,283	15,950
Corporate finance fee	4,500	2,250
NEX Fee	6,500	7,800
Foreign exchange differences	-	(22,062)
Impairment of available-for-sale financial asset	-	15,962

During the year the Company obtained the following services from the Company's auditor and its associates:

	2018 £	2017 £
Fees payable to Company's auditor and its associates for the audit of Company Financial Statements.	12,483	13,034
Fees payable to company's auditor and its associates for other services:		
Tax compliance service	1,800	2,916
	14,283	15,950

2. **Employee Benefit Expense (including Directors)**

	2018 £	2017 £
Wages and salaries	-	-
	-	-

3. **Directors**

Key management includes Directors (executive and non-executive).

The fees, remuneration paid or payable to key management for employee services is shown below:

	2018 £	2017 £
Salaries and other short term employee benefits	-	-

	No.	No.
The average number of persons (including Directors) employed by the Company was:		
Directors	3	3

4. **Income Tax Expense**

	2018	2017
Current tax:		
Income tax expense	-	-

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the Company as follows:

Factors Affecting the Tax Charge for the Year

	2018	2017
Profit/Loss for the year before taxation	(219,307)	(16,191)
Tax on profit/(loss) for the year before tax multiplied by the UK companies corporation tax rate of 19% (2017: 20%):	(41,668)	(3,238)
Tax losses carried forward	41,668	3,238
	-	-

Tax losses available to be carried forward by the Company at 31 March 2018 against future profits are approximately £323,000 (2017 - £104,000). A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty as to the level of future taxable profits and as a result this amount has not been disclosed above.

5. **Earnings Per Share**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year:

	2018	2017
Loss for the year	(219,307)	(16,191)
Weighted average number of ordinary shares	173,602,222	173,602,222
Potential diluted weighted average number of shares	175,302,222	173,602,222
Basic earnings per share (expressed in pence)	(0.1)	(0.0)
Fully diluted earnings per share (expressed in pence)	(0.1)	(0.0)

6. Available for Sale Financial Assets

	2018 £	2017 £
At 1 April	836,126	648,330
Additions	23,801	48,984
Disposal	(53,930)	(50,486)
Impairment	(52,604)	(15,962)
Foreign exchange movements recognised in profit or loss	(20,656)	22,062
Net gains/(losses) transferred to equity	78,469	183,198
	811,206	836,126

Available-for-sale financial assets are denominated in the following currencies:

	2018 £	2017 £
Pound	582,455	526,939
Canadian Dollar	207,265	233,568
US Dollar	21,486	24,060
Euros	-	51,560
	811,206	836,126

The Company intends to hold these assets until such time as their disposal represents a return for shareholders which, due to the depressed natural resource market, is expected to be more than one year from the date of the Financial Statements hence their classification as non-current assets. A 10% increase / decrease in the foreign exchange would have led to a £28,341/£25,764 increase/decrease in the carrying value of the assets.

Impairment Review

An impairment review of the investments is carried out on an annual basis. The recoverable amount of the investments held by the Company has been determined based on value-in-use calculations. Management compares the recoverable amount resulting from the calculations to the carrying value of investments to determine whether an impairment charge is necessary. In the year under review, this resulted in an impairment charge of £52,604 (2017 - £15,962).

7. Other Receivables

	2018 £	2017 £
Prepayments	-	721
	-	721

8. Trade and Other Payables

	2018 £	2017 £
Trade payables	15,676	9,856
Other creditors	60,656	60,656
Accruals	29,246	30,984
	105,578	101,496

9. Ordinary Shares

Issued	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 April 2017	173,602,222	173,602	1,174,631	1,348,233
At 31 March 2017	173,602,222	173,602	1,174,631	1,348,233
At 31 March 2018	173,602,222	173,602	1,174,631	1,348,233

10. Share Based Payments

On 31 May 2017, the Company issued warrants to directors of the Company, using the Black Scholes method, as follows:

Gavin Burnell – 15,000,000
Charles Vaughan – 1,000,000
Brian Rowbotham – 1,000,000

The key inputs into the Black Scholes model were Volatility as 50% and the Risk Free Interest Rate as 1%.

The warrants are exercisable at 1p per new ordinary share and expire on 1 June 2027.

	Weighed average exercise Price £	Warrants Number
At 31 March 2017		-
Expired during the year	0.01	17,000,000
At 31 March 2018	**0.01**	**17,000,000**

11. Reserves

Share capital comprises amount subscribed for share capital at nominal value.

Share premium comprises amount subscribed for share capital in excess of nominal value.

Share options and warrants reserve consists of the fair value of options and warrants outstanding at the year end.

Other reserves represent the changes in fair value of available-for-sale financial assets.

Retained loss comprises cumulative net gains and losses recognised in the statement of comprehensive income.

12. Capital Commitments

There were no capital commitments authorised by the Directors or contracted for at 31 March 2018 or 31 March 2017.

13. Related Party Transactions

Mountbeach Associates Limited, which is controlled by Brian Rowbotham, did not invoice the Company for the services of Brian Rowbotham as non-executive Chairman during the year. As at 31 March 2018, a balance of £10,000 (2017: £10,000) remains outstanding.

Charles Vaughan, a Director of the Company, did not invoice for his Director services during the year. At 31 March 2018, a balance of £11,250 (2017: £11,250) remains outstanding.

Gavin Burnell, a Director of the Company, did not invoice the Company for his Director services during the year. At 31 March 2018, a balance £60,656 remains outstanding to Gavin Burnell (2017: £60,656).

The Directors have deferred their right to the amounts owed to them by the Company, until such time as the Company has additional funds.

14. Ultimate Controlling Party

The Directors consider that there is no ultimate controlling party.

15. Treasury Policy

The Company operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company intends to finance its activities by the raising of funds through the placing of shares.

16. **Financial Risk Management objectives and policies**

The Company has sought to minimise its exposure as follows:

(a) Financial Risk Factors

The Company's principal financial instruments comprise both listed and unlisted investments, other receivables, other payables and cash. The main purpose of these financial instruments is to raise finance for the Company's operations.

The Company's activities expose it to a variety of financial risks. The Company's Board monitors and manages the financial risks relating to the operations of the Company. The Board provides written policies for overall risk management, as well as written policies covering specific areas.

Market risk

Price risk

The Company is exposed to equity securities price risk because of investments held by the Company, classified as available-for-sale. The Company is not directly exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

Diversification of the portfolio is done in accordance with the limits set by the Board.

Interest risk

The Company is not exposed to interest rate risk on financial liabilities.

The Company has no other borrowing facilities available to it.

Foreign Exchange risk

The Company is exposed to foreign exchange risk on the investments it holds on foreign exchanges which are traded in non GBP currency. The Company does not hedge against these investments but does monitor exchange rate movements to ensure that set exchange rate movements are not exceeded.

Liquidity Risk

The Company's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital, generate a return on its investments to meet its future obligations and the potential settlement of the convertible loan.

The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

17. **Capital Risk Management**

The Company is subject to capital requirements set by the NEX capital market on which the Company's securities are traded. At 31 March 2018, the minimum share capital required by the regulated market was £50,000 (2017 - £50,000). The Company has remained within the required limits throughout the year.

The capital structure primarily consists of equity attributable to the owners – comprising issued capital, reserves and retained losses – as well as cash and cash equivalents. The Company manages its capital by making adjustments to its composition in light of the economic conditions, with the aim of ensuring that it will be able to continue as a going concern while maximising the return to stakeholders.