

**REGISTERED NUMBER 06163193**

**HOT ROCKS INVESTMENTS PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2020**

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<b>Directors</b>	Brian Rowbotham Gavin J Burnell Charles J Vaughan
<b>Company Secretary</b>	Ben Harber
<b>Registered Office</b>	6 <sup>th</sup> Floor 60 Gracechurch Street London EC3V 0HR
<b>Corporate Advisor</b>	Peterhouse Corporate Finance Limited 31 Lombard Street London EC3V 9BQ
<b>Solicitors</b>	Edwin Coe LLP 2 Stone Buildings Lincoln's Inn London WC2A 3TH
<b>Independent Auditor</b>	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
<b>Registrars</b>	Share Registrars Limited Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
<b>Registered Number</b>	06163193

Dear Shareholders,

I hereby present the financial results for the Company for the year ended 31 March 2020. The Company is an active investor primarily in junior natural resources companies.

The Company made a profit for the year of £75,050 for the year, compared to a pre-tax loss of £35,376 in the prior year. The Company will not be paying a dividend at this stage (2019: £Nil).

Cash and cash equivalents as at the year end of 31 March 2020 were £19,868 (2019: £46,745).

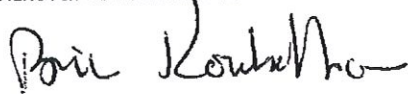
Interest has recently resumed in exploration companies and we are generally pleased with performance and are working on a number of new projects to continue to add value to the portfolio. We are particularly excited about a new Africa-focused copper and gold exploration company where we will be a founder shareholder and where we plan to float such company on a stock exchange in 2021.

We hold cash at bank today of £84,000 though we will be investing some of these funds in a further gold exploration company with interests in Brazil.

We currently hold stakes in the following entities:

- Bermele plc (LSE:BERM)
- Block Energy plc (AIM: BLOE)
- Brazil Tungsten Holdings Limited
- Copper Bay Limited
- Elephant Oil Limited
- Impact Oil & Gas Limited
- Mafula Energy Limited
- MedGold Resources Corp (TSXV:MED)
- Minergy Limited
- New Horizon Oil & Gas Limited (trading as T5)
- Predator Oil & Gas Holdings plc (LSE:PRD)
- Rift Resources Limited
- Royal Road Minerals Limited (previously Tigris Resources) (TSXV:RYR)
- TAG Oil (TSX:TAO)
- Trigon Metals Inc (TSXV:TM)

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  
14 December 2020

The Directors of the Company present their Strategic Report on the Company for the year ended 31 March 2020.

### 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 profit for this year before taxation was £75,050 (2019: loss of £35,376).

Cash in the bank at the end of March 2020 was £19,868 (2019: £46,745).

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

### Key Performance Indicators ("KPI's")

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

	2020 £	2019 £	% Increase/ (Decrease)
Valuation of financial assets at fair value through profit and loss	913,213	770,235	18.5%
Cash	19,868	46,745	(57.5%)

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 financial assets at fair value through profit and loss, 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 a movement in fair value to financial assets through profit and loss.

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.

**Section 172 Statement**

Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole. This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the Company's employees,
- c) the need to foster the Company's business relationship with suppliers, customers and others,
- d) the impact of the Company's operations on the community and environment,
- e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the Company.

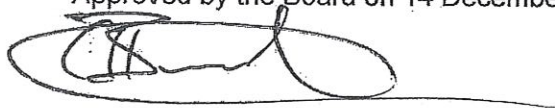
The Board of Directors is collectively responsible for formulating the Company's strategy, which is to invest in businesses where prospects appear to be exceptional and deliver growth to its shareholders.

Some key decisions were taken by the Board since April 2019 which were aimed to deliver on this strategy, being the point in time when the Board invests and disposes in its key investments throughout the year, and which Company's to invest in.

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of a listed company. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service, ("RNS"). We also provide an environment where shareholders can interact with the Board and management, ask questions and raise their concerns.

The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole, as required by Section 172 (1) of the Companies Act 2006.

Approved by the Board on 14 December 2020 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 2020.

### General Information

Hot Rocks Investments plc is a public limited company incorporated in England and Wales under the Companies Act (Registered number 06163193). The company is domiciled in the United Kingdom and its registered office is 6<sup>th</sup> Floor, 60 Gracechurch Street, London, EC3V 0HR.

### Results and Dividends

The Profit for the year after taxation was £75,050 (2019: loss of £35,376).

The Directors do not recommend the payment of a dividend (2019: £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	41,789,999	15,000,000	38,789,999	15,000,000
Brian Rowbotham	5,366,666	1,000,000	5,366,666	1,000,000
Charles J Vaughan	2,900,000	1,000,000	2,900,000	1,000,000

These represent the following % shareholdings:

	% holding at end of period	% holding at beginning of period
Gavin J Burnell	24.07%	22.34%
Brian Rowbotham	3.09%	3.09%
Charles J Vaughan	1.67%	1.67%

**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 having reviewed the Company's plans, taking into account reasonably possible changes in the value of investments, including any impact from the COVID-19 pandemic and Brexit, and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore 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**

So far as the directors are aware, there is no relevant audit information on which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

PKF Littlejohn LLP has signified their willingness to continue in office as auditor and will be proposed for reappointment at the next Annual General Meeting.

Approved by the Board on 14 December 2020 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.

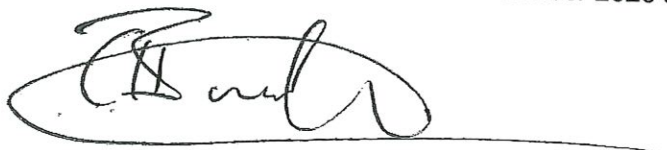
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors 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 14 December 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Gavin J Burnell', is written over a horizontal line.

**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 2020 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 2020 and of its profit 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 as applied to listed entities, 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 £31,000 (2019: £37,000), based on 5% of net assets. This was considered an appropriate measure given that the value of the Company is derived from its assets held. 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. Performance materiality was set at 80% of total materiality.

We agreed with the board that we would report to the committee all individual differences identified during the course of our audit in excess of £1,550, (2019 £1,850). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds

**An overview of the scope of our audit**

In 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 including the fair value of the level 2 and 3 investments held at fair value through profit and loss. 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
<p><b>Valuation of Investments (Note 6)</b></p> <p><b>The Company holds financial assets at fair value through profit and loss of £913,213 as at 31 March 2020, as outlined in Note 6 of the financial statements.</b></p> <p><b>There is a risk that these investments are not valued correctly in accordance with IFRS 9 'Financial Instruments' and IFRS 13 'Fair Value Measurement'.</b></p> <p><b>This is a key audit matter due to the material value of the balance and the significant estimates and judgements required in their valuation.</b></p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>• Confirming ownership of each investments held.</li> <li>• For investment categorised within level 1 of the fair value hierarchy, we confirmed the investment valuation to source.</li> <li>• 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.</li> <li>• We confirmed the disclosures made within the financial statements were in compliance with IFRS.</li> <li>• We assessed whether management's assumptions were reasonable in light of the measurement objectives under IFRS 13.</li> </ul>

### 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 statement of Directors Responsibilities, 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.

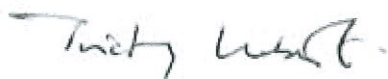
**Auditor's responsibilities for the audit of the financial statements**

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](http://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.



**Timothy Herbert (Senior statutory auditor)**  
For and on behalf of PKF Littlejohn LLP  
Statutory auditor

15 Westferry Circus  
Canary Wharf  
London E14 4HD

15 December 2020

	Note	2020 £	2019 £
<b>Continuing Operations</b>			
<b>Revenue</b>		-	-
Foreign exchange gain on financial assets at fair value through profit and loss	6	-	20,897
Operating expenses	1	(71,886)	(50,060)
Share based payments expense	10	-	-
Movement in fair value of financial assets through profit and loss	6	76,374	(31,796)
Other gains – sale of financial assets at fair value through profit and loss		70,555	35,572
Impairment		-	(10,000)
<b>Operating Profit/Loss</b>		<u>75,043</u>	<u>(35,387)</u>
Finance income		<u>7</u>	<u>11</u>
<b>Profit/(Loss) before Income Tax</b>		<u>75,050</u>	<u>(35,376)</u>
Income tax expense	4	-	-
<b>Profit/Loss for the Year attributable to equity holders</b>		<u>75,050</u>	<u>(35,376)</u>
<b>Other Comprehensive Income</b>			
<b>Items that may be Reclassified Subsequently to Profit or Loss</b>			
Fair value change in value on available-for-sale financial assets		-	-
<b>Total Comprehensive income/(loss) for the Year attributable to equity holders</b>		<u>75,050</u>	<u>(35,376)</u>
<b>Earnings Per Share – Basic and Diluted (expressed in pence per share)</b>	5	<u>0.0</u>	<u>(0.0)</u>

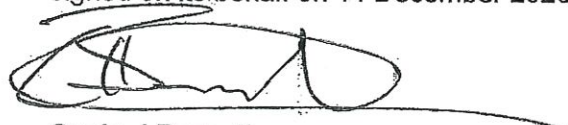
The Accounting Policies and Notes on pages 17 to 31 form part of these Financial Statements.

**HOT ROCKS INVESTMENTS PLC**  
**REGISTERED NUMBER 06163193**

**STATEMENT OF FINANCIAL POSITION**  
**AT 31 MARCH 2020**

	Note	As at 31 March 2020 £	As at 31 March 2019 £
<b>Assets</b>			
<b>Non-Current Assets</b>			
Financial assets at fair value through profit and loss	6	188,672	421,521
		<hr/>	<hr/>
		188,672	421,521
		<hr/>	<hr/>
<b>Current Assets</b>			
Financial assets at fair value through profit and loss	6	724,442	348,714
Cash and cash equivalents		19,868	46,745
		<hr/>	<hr/>
		744,310	395,459
		<hr/>	<hr/>
<b>Total Assets</b>		<b>932,982</b>	<b>816,980</b>
		<hr/>	<hr/>
<b>Equity and Liabilities</b>			
<b>Equity Attributable to Shareholders</b>			
Ordinary shares	8	173,602	173,602
Share premium account	8	1,174,631	1,174,631
Share options and warrants reserve	9	115,600	115,600
Retained loss		(701,821)	(776,871)
		<hr/>	<hr/>
		762,012	686,962
		<hr/>	<hr/>
<b>Current Liabilities</b>			
Trade and other payables	7	170,970	130,018
		<hr/>	<hr/>
<b>Total Equity and Liabilities</b>		<b>932,982</b>	<b>816,980</b>
		<hr/>	<hr/>

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 14 December 2020.



**Gavin J Burnell**  
Director

The Accounting Policies and Notes on pages 17 to 31 form part of these Financial Statements.

	Attributable to Equity Shareholders					
	Ordinary shares £	Share premium £	Share options and warrants reserve £	Other reserves £	Retained loss £	Total £
<b>Balance as at 1 April 2018</b>	173,602	1,174,631	115,600	144,678	(886,173)	722,338
Reclassification on implementation of IFRS 9			-	(144,678)	144,678	-
Loss for the year		-	-	-	(35,376)	(35,376)
<b>Total Comprehensive Income</b>	-	-	-	(144,678)	109,302	(35,376)
<b>Total Transactions with Owners</b>	-	-	-	-	-	-
<b>Balance as at 31 March 2019 and 1 April 2019</b>	173,602	1,174,631	115,600	-	(776,871)	686,962
Profit for the year	-	-	-	-	75,050	75,050
<b>Total Comprehensive Income</b>	-	-	-	-	75,050	75,050
<b>Total Transactions with Owners</b>	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	173,602	1,174,631	115,600	-	(701,821)	762,012

The Accounting Policies and Notes on pages 17 to 31 form part of these Financial Statements.

	2020 £	2019 £
<b>Cash Flows from Operating Activities</b>		
Profit / (Loss) before income tax	75,050	(35,376)
Finance income	(7)	(11)
Unrealised foreign exchange (gain)	-	(20,897)
Impairment	-	10,000
Share based payments	-	-
Gain on disposal of financial assets through profit and loss	(70,555)	(35,572)
Movement in fair value of financial assets through profit and loss	(76,374)	31,796
Decrease in other receivables	-	-
Increase in trade and other payables	41,219	24,337
	<hr/>	<hr/>
<b>Cash Used in Operations</b>	(30,667)	(25,723)
Interest paid	-	-
Income tax paid	-	-
	<hr/>	<hr/>
<b>Net Cash Used in Operations</b>	(30,667)	(25,723)
	<hr/>	<hr/>
<b>Cash Flows from Investing Activities</b>		
Purchases of financial assets through profit and loss	(173,039)	(62,340)
Proceeds from disposal of financial assets through profit and loss	176,829	118,098
	<hr/>	<hr/>
<b>Net Cash Generated from Investing Activities</b>	3,790	55,758
	<hr/>	<hr/>
<b>(Decrease / Increase in Cash and Cash Equivalents</b>	(26,877)	30,035
Cash and cash equivalents at the beginning of the year	46,745	16,710
	<hr/>	<hr/>
<b>Cash and Cash Equivalents at the End of the Year</b>	19,868	46,745
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The Accounting Policies and Notes on pages 17 to 31 form part of these Financial Statements.

**General Information**

Hot Rocks Investments Plc is a public 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 (IFRS IC) 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 financial assets at fair value through profit and loss.

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*

There have been no new standards which were applied for the first time this year which have had a material impact on these financial statements.

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

There are no IFRSs or IFRIC interpretations that are not yet effective that the directors expect 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) Financial Assets at fair value through profit and loss**

Financial assets at fair value through profit or loss are financial assets held for trading and include both listed and unlisted equity investments. Details of these assets and their fair value is included in critical accounting estimates Note i.

**(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.

**(e) 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.

**(f) 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.

**(g) Income tax**

Income tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is calculated on the results shown in the Financial Statements and according to local tax rules, using tax rates enacted or substantially enacted by the Statement of Financial Position date.

Tax losses available to be carried forward as well as other income tax credits due to the Company are assessed for recognition as deferred tax assets. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the asset can be recognised and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(h) Going Concern**

The financial statements have been prepared under the going concern assumption. Under the going concern assumption an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor necessity of liquidation, ceasing trading or seeking protection from creditors.

In making their assessment the Directors have considered their net annual cash spend and the ability of the company to service such payments through its cash resources and liquid, tier 1 investments.

On this basis, the Directors have formed a judgement, at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements. For this reason they have prepared the financial statements on the going concern basis.

**(i) Critical Accounting Estimates and Assumptions**

The Company makes estimates and assumptions concerning the future. The resulting estimates will by definition, seldom equal the actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**Fair value of financial assets – level 3**

The Company reviews the fair value of its unquoted equity instruments at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted securities in the absence of an active market.

**(a) Critical judgements in applying the entity's accounting policies**

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. The most critical judgements as applied to these financial statements are as follows:

**Financial assets held at fair value through profit or loss**

Level 3 financial assets held at fair value through profit or loss have a carrying value of £188,672 at 31 March 2020. An impairment charge of £Nil (2019: £10,000) has been recognised in the year.

The Company follows the guidance of IFRS 9 to determine when an investment at fair value through profit or loss is impaired. 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 also consider external indicators such as commodity prices, investment performance and demand for the underlying commodity. As per note 2, financial assets held at fair value through profit or loss are assessed individually. Details of the assessment of each investment is included in note J.

**(j) 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 2020 and 31 March 2019. The Company does not have any liabilities measured at fair value.

	Level 1	Level 2	Level 3	Total
<b>31 March 2020:</b>				
Financial assets through profit and loss	£	£	£	£
- Equity holdings	679,442	45,000	188,672	913,114
<b>31 March 2019:</b>				
Financial assets through profit and loss				
- Equity holdings	348,714	67,500	354,022	770,235

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, Botswana stock 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 2020 and 31 March 2019:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Opening balance	354,021	526,428
Transfers into level 2	-	(25,000)
Transfers into level 1	(165,349)	(139,595)
Gains (and losses) recognised in profit or loss	-	2,186
Impairment	-	(10,000)
	<hr/>	<hr/>
<b>Closing Balance</b>	<b>188,672</b>	<b>354,021</b>
	<hr/>	<hr/>

1. <b>Loss from Operations</b>	2020 £	2019 £
Loss from operations is stated after charging:		
Auditor's remuneration (see below)	8,000	5,000
Exchange Fee	8,160	9,460
	<hr/>	<hr/>

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

Fees payable to Company's auditor and its associates for the audit of Company Financial Statements.	8,000	5,000
Fees payable to company's auditor and its associates for other services:	-	-
Tax compliance service	-	1,800
	<hr/>	<hr/>
	8,000	6,800
	<hr/>	<hr/>

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

Wages and salaries	35,000	35,000
	<hr/>	<hr/>
	35,000	35,000
	<hr/>	<hr/>

## 3. **Directors**

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

The fees, remuneration paid or payable to key management for employee services all related to salaries and short term benefits. Gavin Burnell £25,000 (2019: £25,000), Brian Rowbotham £5,000 (2019: £5,000) and Charles Vaughan £5,000 (2019: £5,000).

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

**4. Income Tax Expense**

	2020	2019
<b>Current tax:</b>		
	<u>          </u>	<u>          </u>
<b>Income tax expense</b>	<u>          </u>	<u>          </u>
	-	-

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**

	2020	2019
Profit for the year before taxation	75,050	(35,376)
	<u>          </u>	<u>          </u>
Tax on loss for the year before tax multiplied by the UK companies corporation tax rate of 19% (2019: 19%):	14,260	(41,668)
Tax losses carried forward	-	41,668
Tax losses utilised	(14,260)	-
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

Tax losses available to be carried forward by the Company at 31 March 2020 against future profits are approximately £498,000 (2019 - £573,000). 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:

	2020	2019
Profit/(Loss) for the year	75,050	(35,376)
Weighted average number of ordinary shares	173,602,222	173,602,222
Potential diluted weighted average number of shares	173,602,222	173,602,222
Basic earnings per share (expressed in pence)	0.0	0.0
Dilutive earnings per share (expressed in pence)	0.0	0.0

## 6. Financial Assets at fair value through profit and loss

	2020 £	2019 £
At 1 April	770,235	811,206
Additions	173,039	61,935
Disposal	(176,989)	(82,007)
Movement in fair value	146,829	(31,796)
Foreign exchange movements recognised in profit or loss	-	20,897
Impairment	-	(10,000)
	<hr/>	<hr/>
	913,114	770,235
	<hr/>	<hr/>

Financial assets through profit and loss are denominated in the following currencies:

GB Pound	814,901	548,514
Canadian Dollar	69,542	193,043
US Dollar	23,672	23,673
Euro	5,000	5,000
	<hr/>	<hr/>
	913,114	770,235
	<hr/>	<hr/>

A 10% increase / decrease in the foreign exchange would have led to a £9,821/(£9,821) increase/decrease in the carrying value of the assets.

## 7. Trade and Other Payables

	2020 £	2019 £
Trade payables	4,636	4,636
Other creditors	135,050	95,758
Accruals	31,282	29,624
	<hr/>	<hr/>
	170,968	130,018
	<hr/>	<hr/>

## 8. Ordinary Shares

Issued	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 April 2019	173,602,222	173,602	1,174,631	1,348,233
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2019</b>	173,602,222	173,602	1,174,631	1,348,233
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 March 2020</b>	173,602,222	173,602	1,174,631	1,348,233
	<hr/>	<hr/>	<hr/>	<hr/>

## 9. 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.

	Weighted average exercise Price £	Warrants Number
At 31 March 2019	0.01	17,000,000
		<hr/>
<b>At 31 March 2020</b>	<b>0.01</b>	<b>17,000,000</b>
		<hr/>

**10. 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.

**11. Capital Commitments**

There were no capital commitments authorised by the Directors or contracted for at 31 March 2020 or 31 March 2019.

**12. Related Party Transactions**

An amount of £5,000 has been accrued in respect of Mountbeach Associates Limited, which is controlled by Brian Rowbotham, for the services of Brian Rowbotham as non-executive Chairman during the year. As at 31 March 2020, a balance of £15,000 (2019 - £10,000) remains outstanding.

An amount of £5,000 has been accrued relating to Charles Vaughan, a Director of the Company, for his Director services during the year. At 31 March 2020, a balance of £16,250 (2019 - £11,250) remains outstanding.

An amount of £25,000 has been accrued relating to Gavin Burnell, a Director of the Company, for his Director services during the year. At 31 March 2020, a balance £110,656 remains outstanding to Gavin Burnell (2019 - £85,656).

**13. Ultimate Controlling Party**

The Directors consider that there is no ultimate controlling party.

**14. 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.

**15. 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.

**Price risk**

The Company is exposed to equity securities price risk because of investments held by the Company, classified as financial assets through profit and loss. 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.

**16. Capital Risk Management**

The Company is subject to capital requirements set by the AQUIS capital market on which the Company's securities are traded. At 31 March 2020, the minimum share capital required by the regulated market was £50,000 (2019 - £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.

