REGISTERED NUMBER 06163193

HOT ROCKS INVESTMENTS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2016

CONTENTS

Directors	Brian Rowbotham Gavin J Burnell Charles J Vaughan
Company Secretary	Lorraine Young
Registered Office	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 2016. The Company is an active investor in natural resources companies and, whilst it has been a difficult year generally for the sector, tough times do provide our Company with new opportunities to invest and diversify our portfolio of interests.

The Company made a pre-tax profit of £8,129 for the year, compared to a pre-tax loss of £496,541 in the prior year. The Company will not be paying a dividend at this stage.

Cash and cash equivalents as at the year end of 31 March 2016 were £13,705 (2015 - £39,984).

During the year our investee company Taoudeni Resources Limited, a West African copper and gold explorer, was acquired by another investee company Goldcrest Resources plc, as a result increasing our position in Goldcrest. This was for an an initial consideration of 193,496,625 shares in Goldcrest Resources plc at a value of 0.05p per share. As part of the share purchase agreement, the company is also entitled to a deferred consideration of 320,839,661 shares and 43,220,791 warrants in Goldcrest Resources plc, which would be valued based on the market value of the Goldcrest shares at the point of issuance. The deferred consideration has currently been recognised in these financial statements at a fair value of £2, as it is currently considered unlikely that the conditions for issuance will be met.

Also, Upland Resources Limited in which we held 3.86million shares was admitted to the main market by way of a Standard Listing raising £1.3m at a 40% premium to our entry level. The shares have since traded at more than 1.5p and we have disposed of some of our holding.

We hold stakes in the following entities:

- Brazil Tungsten Holdings Limited
- Copper Bay plc
- Elephant Oil Limited
- Goldcrest Resources plc (ISDX:GCRP)
- Impact Oil & Gas Limited
- Mafula Energy Limited
- MedGold Resources Corp (TSXV:MED)
- Minergy Limited
- New Horizon Oil & Gas Limited
- Onzima Ventures plc (AIM:ONZ)
- Prospex Oil & Gas plc (AIM:PXOG)
- Rift Resources Limited
- Royal Road Minerals (previous Tigris Resources) (TSXV:RYR)
- Upland Resources Limited (AIM:UPL)

The Board of Directors will continue to introduce further equity positions to the Company to enable additional diversification of the portfolio.

Brian Rowbotham
Non-Executive Chairman
31 August 2016

The Directors of the Company present their Strategic Report on the Company for the year ended 31 March 2016.

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 future developments are discussed in the Chairman's Statement.

Financial Review

The profit for this year before taxation was £8,129 (2015 loss before taxation - £496,541).

Cash in the bank at the end of March 2016 was £13,705 (2015 - £39,984).

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:

	2016	**2015**	**% Increase/ (Decrease)**
Valuation of available for sale investments	722,794	780,083	(7%)
Cash	13,705	39,984	(66%)

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.

Approved by the Board on 31 August 2016 and signed on its behalf by:

Gavin J Burnell

The Directors present their report and the audited Financial Statements for the year ended 31 March 2016.

Results and Dividends

The profit for this year after taxation was £8,129 (2015 loss after taxation – £512,958).

The Directors do not recommend the payment of a dividend (2015 – 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	29,290,000	9,027,500	29,290,000	9,027,500
Brian Rowbotham	4,200,000	500,000	4,200,000	500,000
Charles J Vaughan	2,150,000	500,000	2,150,000	500,000

Events after the Reporting Period

The events after the reporting date are set out in Note 18 to the Financial Statements.

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.

Independent Auditor

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

Approved by the Board on 31 August 2016 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 2016 and signed on its behalf by:

Gavin J Burnell
Director

Independent Auditor's Report to the Members of Hot Rocks Investments Plc

We have audited the Financial Statements of Hot Rocks Investments Plc for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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.

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.

Respective responsibilities of Directors and Auditor

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. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

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.

We have nothing to report in respect of the above matters.

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 2016

Continuing Operations	**Note**	**2016 £**	**2015 £**
Revenue		-	-
Operating expenses	1	(41,049)	(98,182)
Impairment of available-for-sale financial assets	6	-	(402,651)
Other gains – sale of available-for-sale financial assets		46,136	482
Operating Profit/(Loss)		5,087	(500,351)
Finance income		3,042	4,002
Finance costs		-	(192)
Profit/(Loss) before Income Tax		8,129	(496,541)
Income tax expense	4	-	(16,417)
Profit/(Loss) for the Year		8,129	(512,958)
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		(19,014)	(3,021)
Fair value change in value on available-for-sale financial assets		(71,445)	(154,628)
Total Comprehensive Income for the Year		(82,330)	(670,607)
Earnings Per Share – Basic and Diluted (Pence)	5	(0.00)	(0.00)

The Accounting Policies and Notes on pages 13 to 26 form part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2016

	Note	As at 31 March 2016 £	As at 31 March 2015 £
Assets			
Non-Current Assets			
Available-for-sale financial assets	6	722,794	780,083
		722,794	780,083
Current Assets			
Other receivables	7	18,617	25,172
Cash and cash equivalents		13,705	39,984
		32,322	65,156
Total Assets		755,116	845,239
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 to be issued under warrants	10	29,738	29,738
Other reserves	11	(33,350)	57,110
Retained loss		(680,422)	(688,551)
		664,199	746,530
Current Liabilities			
Trade and other payables	8	90,917	98,709
Total Equity and Liabilities		755,116	845,239

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 31 August 2016.

Gavin J Burnell
Director

The Accounting Policies and Notes on pages 13 to 26 form part of these Financial Statements.

	Attributable to Equity Shareholders					
	Ordinary shares £	Share premium £	Shares to be issued under warrants £	Other reserves £	Retained loss £	Total £
Balance as at 1 April 2014	**173,602**	**1,174,631**	**29,738**	**214,759**	**(175,593)**	**1,147,137**
Loss for the year	-	-	-	-	(512,958)	(512,958)
Reclassifications of cumulative gains on available-for-sale financial assets	-	-	-	(3,021)	-	(3,021)
Fair value change in value on available-for-sale financial assets	-	-	-	(154,628)	-	(154,628)
Total Comprehensive Income	-	-	-	(157,649)	(512,958)	(670,607)
Total Transactions with Owners	-	-	-	-	-	-
Balance as at 31 March 2015	173,602	1,174,631	29,738	57,110	(688,551)	746,530
Balance as at 1 April 2015	173,602	1,174,631	29,738	57,110	(688,551)	746,530
Profit for the year	-	-	-	-	8,129	8,129
Reclassifications of cumulative gains on available-for-sale financial assets	-	-	-	(19,015)	-	(19,015)
Fair value change in value on available-for-sale financial assets	-	-	-	(71,445)	-	(71,445)
Total Comprehensive Income	-	-	-	(33,350)	(680,422)	664,199
Total Transactions with Owners	-	-	-	-	-	-
Balance as at 31 March 2016	173,602	1,174,631	29,738	(33,350)	(680,422)	664,199

The Accounting Policies and Notes on pages 13 to 26 form part of these Financial Statements.

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
Cash Flows from Operating Activities		
Profit/(Loss) before income tax	8,129	(496,541)
Finance income	(3,042)	(4,002)
Finance costs	-	192
Gain on disposal of available-for-sale financial assets	(46,134)	(482)
Impairment of available-for-sale financial asset	-	402,651
Decrease in other receivables	2,253	33,935
(Decrease) / Increase in trade and other payables	8,828	37,930
Cash Used in Operations	(29,966)	(26,317)
Interest paid	-	(71)
Income tax paid	(16,620)	-
Net Cash Used in Operations	(46,586)	(26,388)
Cash Flows from Investing Activities		
Purchases of available-for-sale financial assets	(224,535)	(231,421)
Proceeds from disposal of available-for-sale financial assets	244,842	106,148
Loans issued to related party	-	(5,000)
Repayment of loans issued to related party	-	9,195
Interest received	-	8
Net Cash Generated from Investing Activities	20,307	(121,070)
Decrease in Cash and Cash Equivalents	(26,279)	(147,458)
Cash and cash equivalents at the beginning of the year	39,984	187,442
Cash and Cash Equivalents at the End of the Year	13,705	39,984

The Accounting Policies and Notes on pages 13 to 26 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.

The company has classified itself as an investment entity.

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 the 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

There have been no new standards and amendments to standards and interpretations effective for the financial year beginning on 1 April 2015 that are material to the Company and therefore applied in preparing these Financial Statements.

Changes in accounting policies and disclosures (continued)

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
IAS 1 (Amendments)	Presentation of Financial Statements: Disclosure Initiative	1 January 2016
IAS 7 (Amendments)	Results of the Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred tax assets for Unrealised Losses	*1 January 2017
IAS 16 (Amendments)	Clarification of Acceptable methods of Depreciation and Amortisation	1 January 2016
IAS 27 (Amendments)	Separate Financial Statements	*1 January 2016
IAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 2 (Amendments)	Clarification of Measurement of Share Based Payment Transactions	*1 January 2018
IFRS 9 (Amendments)	Financial Instruments	*1 January 2018
IFRS 10 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 12 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 15	Revenue from Contracts with Customers	*1 January 2018
IFRS 16	Leases	1 January 2019
Annual Improvements	2012 – 2014 Cycle	*1 January 2016

***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 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:

Available For Sale Investments

The Company reviews 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 1.

Going Concern

The Directors have prepared the Financial Statements on a going concern basis, despite the Company having net current liabilities at 31 March 2016 of £58,595. The Directors believe that the Company has sufficient funds, through its ability to liquidate its investments and to undertake its operating activities over the next 12 months, including any additional payment required in relation to its working capital requirements. It is not considered by the Directors that the investments will be required to be sold in the foreseeable future.

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.

The Directors have also confirmed that they will waive their right to the amounts owed to them by the Company, as disclosed under Note 13, until 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.

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);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair Value Estimation (continued)

The following table presents the Company's assets that were measured at fair value as at 31 March 2016 and 31 March 2015. The Company does not have any liabilities measured at fair value.

	Level 1	Level 2	Level 3	Total
31 March 2016:				
Available-for-sale financial assets - Equity holdings	£188,871	£61,217	£472,706	£722,794
31 March 2015:				
Available-for-sale financial assets - Equity holdings	£116,527	£101,330	£562,226	£780,083

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 and TSX, Toronto 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 following table presents the changes in Level 3 instruments for the year ended 31 March 2016 and 31 March 2015:

	2016 £	2015 £
Opening balance	562,226	735,784
Transfers into level 3	-	64,787
Transfers into level 1	(30,000)	-
Gains (and losses) recognised in profit or loss	(59,520)	(238,345)
Closing Balance	472,706	562,226

1. Loss from Operations

	2016 £	2015 £
Loss from operations is stated after charging:		
Employee benefit expense (Note 2)	12,500	54,243
Directors fees	5,000	10,000
Auditor's remuneration (see below)	4,930	9,260
Corporate finance fee	4,500	4,500
ISDX Fee	7,800	7,800
Foreign exchange differences	1,115	5,888
Other expenses	5,204	6,491
Impairment of available-for-sale financial asset	-	402,651
	41,049	500,833

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

	2016 £	2015 £
Fees payable to Company's auditor and its associates for the audit of Company Financial Statements.	4,000	6,000
Fees payable to company's auditor and its associates for other services:		
Audit related services	-	2,180
Tax compliance service	930	1,080
	4,930	9,260

2. Employee Benefit Expense (including Directors)

	2016 £	2015 £
Wages and salaries	12,500	50,000
Social security costs	-	4,243
	12,500	54,243

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:

	2016 £	2015 £
Salaries and other short term employee benefits	17,500	60,000

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

4. **Income Tax Expense**

	2016	2015
Current tax:		
Adjustments in respect of prior years	-	16,417
Income tax expense	-	16,417

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

	2016	2015
Profit/Loss for the year before taxation	8,129	(496,541)
Tax on profit/(loss) for the year before tax multiplied by the UK small companies corporation tax rate of 20% (2015: 20%):	1,626	(99,308)
Disallowed items not deductible for tax purposes	-	80,630
Utilisation of tax losses brought forward	(1,626)	-
Tax losses for the year not relieved	-	18,678
Adjustments in respect of prior years	-	16,417
	-	16,417

Tax losses available to be carried forward by the Company at 31 March 2016 against future profits are approximately £101,000 (2015 - £103,000). 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 profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares in issue during the year: 173,602,222 (2015 – 173,602,222).

In accordance with IAS 33 and as the average share price in the year is lower than the exercise price, the warrants do not have a dilutive impact on earnings per share for the year ended 31 March 2016.

6. **Available for Sale Financial Assets**

	2016 £	2015 £
At 1 April	780,083	1,247,814
Additions	165,560	315,201
Disposal	(132,389)	(222,632)
Impairment	-	(402,651)
Net (losses)/gains transferred to equity	(90,460)	(157,649)
	722,794	780,083

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

Pound	466,509	600,718
Canadian Dollar	173,928	102,275
US Dollar	34,787	33,680
Euros	47,570	43,410
	722,794	780,083

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 £8,236/£7,487 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 £nil (2014 - £402,651).

7. **Other Receivables**

	2016 £	2015 £
Other receivables	15,767	22,142
Prepayments	2,850	3,030
	18,617	25,172

The fair value of other receivables is stated at the carrying value above.

8. Trade and Other Payables

	2016 £	2015 £
Trade payables	4,210	3,554
Social security and other taxes	-	8,153
Corporation tax	-	16,538
Other creditors	60,574	48,156
Accruals and deferred income	26,134	22,308
	90,918	98,709

9. Ordinary Shares

Issued	Number of shares	Ordinary shares £	Share premium £	Total £
At 1 April 2015	173,602,222	173,602	1,174,631	1,348,233
Issue of new shares	-	-	-	-
At 31 March 2015	173,602,222	173,602	1,174,631	1,348,233
At 31 March 2016	173,602,222	173,602	1,174,631	1,348,233

10. **Share Based Payments**

On 26 April 2007 the Company granted 4,000,000 warrants to each of Gavin Burnell, Hichens, Harrison (Ventures) Limited and Sunvest Corporation Limited. Each warrant entitles the holder to subscribe for one new ordinary share at an exercise price of 1 pence per share at any time until the fifth anniversary of Admission to ISDX.

On 13 April 2011, Hichens Harrison (Ventures) Limited assigned their 4,000,000 warrants to Gavin J Burnell, a Director of the Company for a consideration of £1.

On 5 October 2011 the Company granted 500,000, 500,000 and 1,027,500 warrants to each of Brian Rowbotham, Charles J Vaughan and Gavin J Burnell, respectively. Each warrant entitles the holder to subscribe for one new ordinary share at an exercise price of 1 pence per share at any time until 4 October 2016. On the same day, it was resolved that the previous warrants of 8,000,000 and 4,000,000 held by Gavin J Burnell and Sunvest Corporation Limited, respectively, that their expiry dates be extended to 4 October 2016.

The fair value of the warrants is as follows:

Name	**Date granted**	**Number**	**Exercise price £**	**Expiry date**	**Fair value at grant date**
Brian Rowbotham	5 October 2011	500,000	0.01	4 October 2016	1,060
Charles J Vaughan	5 October 2011	500,000	0.01	4 October 2016	1,060
Gavin J Burnell	26 April 2007	8,000,000	0.01	4 October 2016	16,960
Gavin J Burnell	5 October 2011	1,027,500	0.01	4 October 2016	2,178
Sunvest Corporation Limited	26 April 2007	4,000,000	0.01	4 October 2016	8,480
		14,027,500			£29,738

The warrants are exercisable at £0.01 at any time from the date of grant and expiring five years from such date.

	Weighed average exercise Price £	**Warrants Number**
At 31 March 2015	0.01	14,027,500
At 31 March 2016	**0.01**	**14,027,500**

11. **Other Reserves**

Other reserves are non-distributable. They represent:

- the equity entry in respect of the fair value of warrants exercised in previous years, which had been debited to the share premium account as a directly attributable cost of an equity transaction; and
- The changes in fair value of monetary and non-monetary securities classified as available-for-sale financial assets.

12. Capital Commitments

There were no capital commitments authorised by the Directors or contracted for at 31 March 2016 and 31 March 2015.

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 and an expense of £2,500 (2015 - £5,000) has been accrued. As at 31 March 2016, a balance of £10,000 (2015 - £7,500) remains outstanding.

Charles Vaughan, a Director of the Company, did not invoice for his Director services during the year and an expense of £2,500 (2015 - £5,000) has been accrued. At 31 March 2016, a balance of £11,250 (2015 - £8,750) remains outstanding.

Gavin Burnell, a Director of the Company, did not invoice the Company for his Director services during the year. Instead, Gavin Burnell now receives a salary processed on the Company's payroll amounting to £12,500 for the year (2015 - £50,000). At 31 March 2016, a balance of £60,656 remains outstanding to Gavin Burnell (2015 - £48,156).

The Company has advanced loans to Goldcrest Resources Plc. The loans are unsecured and accrue interest at 20% per annum. During the year ended 31 March 2016, interest receivable amounted to £3,042 (2015 - £3,993), no repayments were received. As at 31 March 2016, a balance of £15,767 (2015 - £14,798) remains outstanding. Goldcrest Resources Plc is considered to be a related party due to common directorship during the year (G Burnell).

During the year, the company sold its shares in Taoudeni Resources Limited to Goldcrest Resources plc for an initial consideration of 193,496,625 shares in Goldcrest Resources plc at a value of 0.05p per share. As part of the share purchase agreement, the company is also entitled to a deferred consideration of 320,839,661 shares and 43,220,791 warrants in Goldcrest Resources plc, which have been recognised at a fair value of £2, as it is not currently considered that the conditions for issuance will be met.

14. Ultimate Controlling Party

The Directors consider that there to be 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 ISDX capital market on which the Company's securities are traded. At 31 March 2016 the minimum share capital required by the regulated market was £50,000 (2015 - £50,000). The Company has remained within the required limits throughout the year.

The capital structure comprises the shareholder equity of the Company and cash and cash equivalents and is managed by making adjustments to its composition in light of the economic conditions.

18. **Events after the Reporting Period**

There are no events after the reporting date.