Metal Tiger plc

(formerly Brady Exploration plc)

Financial Statements

for the year ended 31 December 2014

Company no: 4196004

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Company no: 4196004

COMPANY INFORMATION

DIRECTORS :	Terry Grammer (Chairman) Cameron Parry (Chief Executive Officer) Paul Johnson (Executive Director) Alex Borrelli (Non-executive Director)
SECRETARY :	Michael Alexander Borrelli
REGISTERED OFFICE :	25 Nutford Place London WIH 5YQ
COMPANY REGISTRATION NUMBER :	4196004
REGISTRAR AND TRANSFER OFFICE :	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0LA
BANKERS :	NatWest Bank plc 180 Brompton Road London SW3 1HL
SOLICITORS :	Kerman & Co LLP 200 Strand London WC2R 1DJ
AUDITORS :	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
NOMINATED ADVISOR	SPARK Advisory Partners Limited 2 Wellington Place Leeds LS1 4AP
BROKER	SI Capital Ltd 46 Bridge Street Godalming Surrey GU7 1HL

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 December 2014

As your new Chairman, I am pleased to report on the Company's audited results for the year ended 31 December 2014. During the year, the Company has advanced significantly since June 2014 with a refinancing, a new management team, a new strategic plan and a rebranding to Metal Tiger plc.

Reflecting the strategic and operational changes employed, the Company updated its investing policy which remains focused on investment opportunities in the natural resources sector.

Cameron Parry joined the Board as CEO in June 2014 together with Paul Johnson as a Non-Executive Director, who was subsequently appointed as an Executive Director in January 2015. I was appointed Chairman in September 2014 succeeding Alex Borrelli who remains a Non-Executive Director of the Company. Nicholas Lee, a former Director, stepped down from the Board in June 2014.

Since June 2014 Metal Tiger has been highly active and has built a diverse portfolio of investments under two divisions: Direct Equities and Direct Projects. Direct Equities include strategic investments in fellow AIM quoted resource exploration and development companies including equity and warrant holdings. Direct Projects include interests in project specific Joint Ventures with partners exploring for precious, strategic and energy metals, with projects located in Spain, Thailand and Tanzania. The Company also has working partnerships and collaborations in respect of potential new opportunities in precious metals exploration and development in Russia and Turkey. These activities enabled Metal Tiger to confirm in April 2015 it substantially implemented its Investing Policy and satisfied the requirements of Rule 15 of the AIM Rules for Companies.

The Company achieved a profit of £105,876 in the year, compared to a loss of £190,568 in the previous year. Moreover the net assets of the Company exceeded £1m at the year end compared to just £54,000 at the previous year end. The financial turnaround of the Company has been rapid and reflects the careful management of business expenditure and the capital gains made by the Company through its Direct Equities division. The Direct Equities division continues to perform well into 2015 and has enabled the Company to self-finance much of its investing activities and avoid the need to rely on the secondary placing market in what is a very difficult funding climate for resource juniors.

Metal Tiger is well positioned to benefit from growth in the value of its equity investments and discoveries from ground exploration at its Joint Venture properties. In particular the Company is well placed for the recovery and turnaround in the resource sector, which for some years has been extremely difficult for most junior resource companies.

I look forward to updating investors as we continue to make progress across the Metal Tiger business, both in respect of existing interests and new opportunities with which the Company chooses to engage.

Finally I would like to take this opportunity to thank all the Metal Tiger team, who have done an excellent job of growing the Company and generating real shareholder value. I would also like to thank our capable and supportive advisors for their assistance. Finally and most importantly I thank our shareholders for their support. Metal Tiger is a business through which we want to see the shareholder confidence in us be properly financially rewarded in the months and years ahead.

Terry Grammer
Chairman
24 June 2015

STRATEGIC REPORT
FOR THE YEAR ENDED 31 December 2014

RESULTS

The results of the Company for the year ended 31 December 2014 are set out on page 12 and show a profit before taxation for the year ended 31 December 2014 of £105,876 (2013 – loss £190,568).

REVIEW OF THE BUSINESS

The Directors have continued with the policy to invest in companies that are active in the natural resources sector. The developments as announced during the year are set out below.

Fund raisings, loans and management changes

On 16 June 2014, the Company completed the subscription for £400,000 of new ordinary shares in order to pursue a new investing policy focused on projects in South East Asia and mining projects in production. The Board was strengthened with the appointment of Cameron Parry as Chief Executive Officer and Paul Johnson as a non-executive director and the Company's name was changed to Metal Tiger Plc. Terry Grammer was appointed Chairman on 15 September 2014.

On 4 April 2014, the Company received the part payment of £50,000 of the debt due of £221,000 from Energy Equity Resources (Norway) Limited ("EER") leaving a balance of £171,000 due from EER. The Company has sought and will continue to seek full payment of the balance in a manner that reflects the underlying debt documentation and relevant circumstances in respect of the financial position of EER. The directors, reflecting advice from the Company's advisors and on the basis of information we have secured from our enquiries, are unable to confirm that the debt will be recovered in the short to medium term. Therefore in accordance with normal prudent accounting practice the Company has provided in full against this item in the year end balance sheet. This is an accounting provision only and the Company will continue to seek full repayment of the debt as stated above.

On 16 July 2014, the Company settled the £60,000 term loan from Paternoster Resources plc, which had been extended for repayment on 31 October 2014, through the issue of 10 million new ordinary shares at 0.5p per share and the payment of £17,315 including interest.

On 10 November 2014, the Company raised £400,000 through a placing and subscription of new ordinary shares at 0.6p per share to provide additional working capital and in particular to enable further funds to be deployed towards the projects in Thailand under the JVA and one in Spain.

South East Asia Exploration & Mining Company Ltd. ("SEAM")

On 30 July 2014, the Company signed a Memorandum of Understanding ("MOU") with SEAM, a Thailand-based mining and exploration company, which creates a path for Metal Tiger to take an equity interest in prospective gold properties with applications for exploration and mining in Thailand. Under the MOU Metal Tiger is paying US$10,000 in cash upfront to SEAM to provide an exclusive 90-day window for Metal Tiger to complete due diligence and finalise a joint venture agreement ("JVA") with SEAM to obtain interests in exploration applications in Thailand;

On 27 October 2014, the Company entered into the JVA with SEAM, the key terms of which are, subject to achievement of satisfactory milestones, for a total consideration of US$150,000 in cash payable in stages to SEAM for Metal Tiger to ultimately acquire a 75% joint venture stake in the gold prospective properties the subject of the JVA, comprising:

(a) 2 SPLAs ("Special Prospecting Licence Applications") covering a total area of 31 sq km relating to projects in the Nakon Sawan and Lopburi provinces within the Loei-Phetchabun part of what is locally referred to as the 'Copper-Gold Belt'. These sites in central Thailand which are the subject of the two respective SPLAs are currently anticipated to obtain exploration approval in the second half of 2015; and
(b) 2 applications covering a total area of 208 hectares in the Chanthaburi province, in the South East of Thailand, currently covered by historical applications held by SEAM. The properties are located in the area locally known as the 'Gold-Antimony Belt'. It is anticipated exploration licence approval can be obtained in late 2015.

Should Metal Tiger choose not to proceed at any juncture prior to acquiring its 75% stake, SEAM shall retain all earlier payments made to it, and the joint venture assets (if any) shall be realised and distributed: (i) the first US$5,000 (or part thereof) to SEAM; and (ii) the balance of funds to Metal Tiger.

REVIEW OF THE BUSINESS continued

On 12 December 2014, the Company announced that an Exclusive Prospecting Licence ("EPL") had been granted by the Thai government for one of the Chanthaburi properties that form part of the JVA with SEAM and that the JVA had been amended to see Metal Tiger take a 10% equity holding in each of the two new Thai companies incorporated for the purpose of the JVA ("the Thai JV Companies"). An EPL is a document granted for an applicant to have sole mineral prospecting and exploration rights within a designated area in Thailand. An EPL is issued by the Minister of Industry and is valid for one year, at which point the licence, subject to approval, may be extended as an EPL, or the area issued with a Special Prospecting Licence for five years, or should an early discovery warrant, and subject to satisfying the necessary requirements, be elevated to a Mining Lease.

Thai Star Resources Co., Ltd. ("ThaiStar")

On 2 September 2014, the Company agreed to acquire the shareholding of Black Star Gold Pty Ltd ("BlackStar"), a significant shareholder of which both Terry Grammer and Cameron Parry are directors, in its subsidiary company, ThaiStar for nil consideration to provide Metal Tiger with an established Thailand-based subsidiary company suitable for its local investment operations in Thailand.

Spanish project

The Spanish project for gold, tungsten and tin is the subject of an exploration licence for an area of 2,987 hectares surrounding the town of Navasfrias in the Salamanca Province of Northwest Spain. On 9 October 2014, Metal Tiger entered into an option arrangement and initiated due diligence but was not entirely satisfied with the commercial terms proposed.

50/50 Joint Venture with Kibo Mining plc ("Kibo")

On 21 November 2014, the Company entered into a Memorandum of Understanding ("MOU") with Kibo on its uranium-prospective portfolio in Tanzania, together with an equity investment of £150,000, to become a significant shareholder in Kibo and to provide Metal Tiger with the opportunity to add value to, and benefit from, Kibo's sites with prospectivity for uranium - a strategic metal that the Board of Metal Tiger believes should increase in value over the next three years in line with increasing global demand. Through its equity shareholding in Kibo, Metal Tiger will achieve exposure to the near-production stage of the mining cycle phase via Kibo's near-production coal project, as well as gaining exposure to the potential of Kibo's gold assets in Tanzania. The portfolio consists of 43 licences, offers, applications and tenders with a combined surface area of 9,033 square kilometres (the "Pinewood Portfolio").

On 14 January 2015, Metal Tiger announced it is satisfied with the results of its due diligence of the Pinewood Portfolio and would now proceed to finalise the JV agreement for uranium exploration with Kibo. Under the MOU, by confirming due diligence is complete and its commitment to proceed, Metal Tiger was issued with 10 million warrants for 10 million new ordinary shares in Kibo, with an exercise price of 3p each and a term of 3 years from the date of issue. Metal Tiger has also entered into exclusive discussions with Kibo to agree the terms of a Joint Venture on Kibo's gold-prospective Morogoro South project.

New Project Collaboration & Investment Agreement (the "Agreement") with Eurasia Mining plc ("Eurasia")

On 24 December 2014, the Company entered into the Agreement that includes a direct equity investment of £150,000 by Metal Tiger for 30,000,000 new ordinary shares in Eurasia at 0.5p per share which enables the Company to invest directly in Eurasia as well as engage with new investment opportunities identified by the Eurasia team. A key to this collaboration is the expansion of Metal Tiger's investment reach by partnering with locally focussed companies with established ground operations, in particular with the potential receipt of a mining licence at West Kytlim that would enable Eurasia to move into Platinum Group Metals production activities.

Under the terms of the Agreement, Metal Tiger was granted the right of first refusal to participate and co-fund, on an equal basis with Eurasia, any new projects or investments undertaken by Eurasia for the period of 18 months from the date of the Agreement but does not include the Eurasia projects known as the Urals Alluvial Platinum project and the Kola PGM project. As part of the transaction, Eurasia issued to Metal Tiger warrants over 30,000,000 new ordinary shares in Eurasia, exercisable within a three-year term at an exercise price of 1p each. However, should Eurasia announce to market receipt of a licence to mine platinum in respect of the West Kytlim project, then the exercise price of any Metal Tiger Warrants that have not been exercised by that date will be increased by 50% to 1.5p each.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 December 2014

FUTURE DEVELOPMENTS

Further 50/50 Joint Venture with Kibo Mining plc ("Kibo")
On 19 January 2015, Metal Tiger announced that it had entered into a Memorandum of Understanding for a 50/50 Joint Venture with Kibo Mining plc ("Kibo") on its Morogoro South gold-prospective exploration portfolio in Tanzania ("Morogoro Portfolio"). The Morogoro Portfolio has a number of exploration rights in central Tanzania, consisting of 18 licences, offers, applications and tenders covering a combined surface area of approximately 1,411 square kilometres.

On 26 February 2015, Metal Tiger announced that it had completed its due diligence and that activities had commenced with the first funds paid to Kibo under the Joint Venture. The terms of the JV provide for Metal Tiger to pay for the ongoing licence renewal fees and other maintenance costs for a minimum of 12 months (estimated to be approximately US$100,000 p.a.) and up to a maximum of 3 years within which timeframe Metal Tiger is to expend a total of US$800,000 on project costs (including licence renewal fees) and an agreed exploration work program, to maintain its 50% interest in the JV. Should Metal Tiger expend less than a total of US$800,000 whilst maintaining the Morogoro Portfolio licences, but not less than US$300,000 then Metal Tiger's 50% interest in the JV will revert to a 10% free carry on the Morogoro Portfolio. Should Metal Tiger expend less than $300,000 in total then Metal Tiger's total interest in the JV shall revert to Kibo.

As part of the JV, Kibo will issue Metal Tiger with warrants over 10,000,000 new ordinary shares in Kibo, exercisable within a three-year term at an exercise price of 9p each but subject to a mechanism to increase the warrant exercise price in the event Kibo's share price trades at a significant premium.

Further re Spanish project
Discussions continued with the vendor and on 13 March 2015, Metal Tiger entered into a binding Memorandum of Understanding to commence funding exploration activities for gold and tungsten in Spain under a Joint Venture in which Metal Tiger has the right to earn-in up to a 50% interest.

Investment agreement with Ariana Resources plc ("Ariana")
On 5 February 2015, Metal Tiger entered into an investment agreement with Ariana that includes a direct equity investment of up to £150,000 by Metal Tiger comprising £75,000 subscription for 8,333,333 new ordinary shares at 1.8p per share with attaching warrants in Ariana at the same price over a three period and an option to subscribe for £75,000 on the same terms but subject to an increase in the exercise price to 2.7p if Ariana disposes of its Salinbas/Ardala interest for in excess of $15 million. The investment enables Ariana to concentrate on final permitting, mine construction and the planned first gold pour from Kiziltepe, scheduled for next year.

Metal Tiger also entered into a collaboration with Ariana with regard to exciting new resource opportunities in Turkey and notably in respect of the opportunities that may emerge from the impending fresh licence auctions in-country.

Metal Tiger announced on 7 April 2015 its agreement to invest an additional £100,000 in Ariana at 0.9p per share to acquire a further 11,111,111 shares and will receive 11,111,111 warrants to subscribe for new ordinary shares in Ariana at 1.8p per share with a three year exercise period.

Investment Divisions
Metal Tiger now operates through two investment divisions, Direct Equities and Direct Projects, which are now embedded and fully operational.

Direct Equity investments are in mineral exploration and development AIM-quoted companies, including shares and warrants.

Direct Project joint venture interests are in projects in Spain for gold and tungsten, Thailand for gold, copper and antimony; and in Tanzania for gold and uranium.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 December 2014

KEY PERFORMANCE INDICATORS

The key performance indicators are set out below:

COMPANY STATISTICS	31 December 2014	31 December 2013	Change %
Net asset value	£1,030,929	£54,016	+1915%
Net asset value – fully diluted per share	0.46p	0.09p	+400%
Closing share price	0.90p	0.70p	+29%
Share price premium/(discount) to net asset value – fully diluted	100%	87%	+15%
Market capitalisation	£2,253,000	£433,000	+420%

PRINCIPAL RISKS AND UNCERTAINTIES

The main business risk is considered to be investment risk. The Directors intend to mitigate this risk by carrying out a comprehensive and thorough project review of any potential investment in which all material aspects will be subject to rigorous due diligence. The Directors believe that the Company has sufficient cash resources to pursue its investment strategy.

GOING CONCERN

As disclosed in Note 2, after making enquiries, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

By order of the Board

Cameron Parry
Director

24 June 2015

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 December 2014

The Directors present their report together with the audited financial statements for the year ended 31 December 2014.

A review of the business and principle risks and uncertainties has been included in the Strategic Report on page 4.

DIVIDENDS

No interim dividend was paid (2013 - £nil) and the Directors do not propose a final dividend (2013 - £nil) for the 12 months ended 31 December 2014.

DIRECTORS

The Directors of the Company who held office during the year were as follows:

Terry Grammer	appointed 15 September 2014
Cameron Parry	appointed 16 June 2014
Paul Johnson	appointed 16 June 2014
Michael Alexander Borrelli	
Nicholas Lee	resigned 16 June 2014

Further details of the Directors' interests in transactions of the Company are given in note 20, details of the Directors' remuneration are given in note 6, and details of share options are given in note 18.

FINANCIAL INSTRUMENTS

Details of the Company's financial instruments are given in note 19.

SIGNIFICANT SHAREHOLDERS

As at 25 May 2015 the following were, as far as the Directors are aware, interested in 3% or more of the issued share capital of the Company:

Name	Number of Ordinary Shares	% of Issued Share Capital
Michael Joseph	22,906,728	8.47%
Paternoster Resources plc*	26,977,675	9.98%
Black Star Gold Pty Ltd**	19,880,000	7.35%
Goldbondsuper Pty Ltd	12,000,000	4.44%
Charles Patrick Stewart Hall	10,107,142	3.74%
Grassroots Exploration Pty Ltd	9,714,285	3.59%

* Nicholas Lee, a previous Director of the Company, is also Chairman of Paternoster Resources plc.

** Terry Grammer and Cameron Parry, both directors of the Company, are also directors of Black Star Gold Pty Ltd.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Company's financial risk management objectives and policies are set out in Note 19 to these financial statements.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 December 2014

POST YEAR END EVENTS

Since 31 December 2014, the following post year end events have taken place

- On 23 April 2015 the Company announced a placing and subscription of 19,999,996 new ordinary shares in Metal Tiger at a subscription price of 0.875p per ordinary share raising gross proceeds of £175,000 and the issue of 19,999,996 warrants to subscribe for 19,999,996 new ordinary shares in Metal Tiger at an exercise price of 1.75p per warrant, within a one year exercise period (i.e. one warrant at 1.75p for each ordinary share subscribed for at 0.875p);
- On 23 June 2015 the Company announced a placing and subscription of 33,333,333 new ordinary shares in Metal Tiger at a subscription price of 0.90p per ordinary share raising gross proceeds of £300,000 and the issue of 33,333,333 warrants to subscribe for 33,333,333 new ordinary shares in Metal Tiger at an exercise price of 1.80p per warrant, within a one year exercise period (i.e. one warrant at 1.80p for each ordinary share subscribed for at 0.90p).

CORPORATE GOVERNANCE

The Company is not required to comply with the principles of corporate governance. This report sets out how the Company does incorporate good corporate governance practice where appropriate to its business.

BOARD OF DIRECTORS

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets regularly and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professionals at the Company's expense. Training is available for new Directors and other Directors as necessary. Given the size of the Board, there is no separate nomination committee or audit committee. All Director appointments are approved by the Board as a whole. Alex Borrelli is the senior independent director.

INTERNAL CONTROL

The Directors acknowledge they are responsible for the Company's system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Company failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has well established procedures which are considered adequate given the size of the business.

REMUNERATION

The remuneration of the directors has been fixed by the Board as a whole. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of director at a cost to the Company which reflects current market rates.

Details of directors' fees and of payments made for professional services rendered are set out in Note 5 to the financial statements.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 December 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the strategic report, report of the directors 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 are have elected to prepare Company financial statements in accordance with International Financial Reporting Standards ("IFRS") 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. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. 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 they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the 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.

In the case of each person who was a director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the Company's auditor is unaware: and
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for ensuring that the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

AUDITORS

BDO LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

By order of the Board

M A Borrelli
Secretary

24 June 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METAL TIGER PLC

FOR THE YEAR ENDED 31 December 2014

We have audited the financial statements of Metal Tiger plc for the year ended 31 December 2014 which comprise the statement of comprehensive income, the statement of changes in equity, the statement of financial position, 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 AUDITORS

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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 December 2014 and of the company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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.

David Eagle (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom
25 June 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 December 2014

	Note	2014 £	2013 £
Gain/(loss) on disposal of investments	12	94,570	(29,875)
Movement in fair value of investments	12	611,750	13,300
Investment income	4	520	–
Net gain/(loss) on investments		706,840	(16,575)
Administrative expenses		(597,676)	(169,966)
OPERATING PROFIT/(LOSS)	5	109,164	(186,541)
Finance costs	7	(3,288)	(4,027)
PROFIT/(LOSS) FOR THE YEAR BEFORE TAXATION		105,876	(190,568)
Tax on loss on ordinary activities	8	–	–
NET PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		105,876	(190,568)
EARNINGS PER SHARE			
Basic earnings/(loss) per share	9	0.1p	(0.3)p
Fully diluted earnings/(loss) per share	9	0.1p	(0.3)p

All amounts relate to continuing activities.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 December 2014

	Share capital £	Share premium £	Share based payment reserve £	Retained losses £	Total equity £
BALANCE AT 1 JANUARY 2013	619,058	2,893,565	9,298	(3,294,761)	227,160
Loss for the year and total comprehensive loss for the year	–	–	–	(190,568)	(190,568)
Cost of share based payments	–	–	17,424	–	17,424
BALANCE AT 31 December 2013	619,058	2,893,565	26,722	(3,485,329)	54,016
Profit for the year and total comprehensive income for the year	–	–	–	105,876	105,876
Cost of share based payments	–	–	44,837	–	44,837
Share issues	18,847	867,653	–	–	886,500
Share issue expenses	–	(60,300)	–	–	(60,300)
BALANCE AT 31 December 2014	637,905	3,700,918	71,559	(3,379,453)	1,030,929

The accompanying accounting policies and notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 31 December 2014

	Note	2014 £	2013 £
NON-CURRENT ASSETS			
Investment in joint ventures	11	35,258	–
		35,258	–
CURRENT ASSETS			
Investments held for trading	12	885,500	–
Trade and other receivables	13	23,352	236,116
Cash and cash equivalents	14	185,428	14,389
		1,094,280	250,505
CURRENT LIABILITIES			
Short term borrowings	15	–	60,000
Trade and other payables	16	98,609	136,489
		98,609	196,489
NET ASSETS		1,030,929	54,016
EQUITY			
Share capital	17	637,905	619,058
Share premium account	17	3,700,918	2,893,565
Share based payment reserve		71,559	26,722
Retained losses		(3,379,453)	(3,485,329)
TOTAL EQUITY		1,030,929	54,016

These Financial Statements were approved by the board of Directors on 24 June 2015 and were signed on its behalf by:

Cameron Parry
Director

Company number: 04196004

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 December 2014

	Notes	2014 £	2013 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		105,876	(190,568)
Adjustments for:			
(Profit)/loss on disposal of trading investments		(94,570)	16,575
Movement in fair value of investments		(611,750)	–
Share based payment charge for year		44,837	17,424
Impairment of other receivables		178,626	–
Finance income		(520)	–
Finance costs		3,288	4,027
Operating cashflow before working capital changes		(374,213)	(152,542)
Decrease/(increase) in trade and other receivables		34,138	(45,771)
Increase in trade and other payables		147	57,677
Net cash outflow from operating activities		(339,928)	(140,636)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investment disposals		140,820	30,041
Purchase of investment in joint ventures		(35,258)	–
Purchase of investments held for trading		(320,000)	–
Finance income		520	–
Net cash (outflow)/inflow from investing activities		(213,918)	30,041
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		802,500	–
Share issue costs		(60,300)	–
Proceeds from short term loan		–	60,000
Repayment of loan		(10,000)	–
Interest paid		(7,315)	–
Net cash inflow from financing activities		724,885	60,000
NET DECREASE IN CASH AND CASH EQUIVALENTS		171,039	(50,595)
Cash and cash equivalents brought forward		14,389	64,984
CASH AND CASH EQUIVALENTS CARRIED FORWARD	14	185,428	14,389

The accompanying accounting policies and notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2014

1 GENERAL INFORMATION

Metal Tiger plc is a public limited company incorporated in the United Kingdom. The shares of the Company are listed on the AIM stock exchange. The Company's principal activities are described in the Directors' Report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRSs. The Financial Statements have also been prepared under the historical cost basis, except for Investments held for trading which are recognised at fair value.

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 principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout all periods presented in the financial statements. Figures are all presented in pounds sterling.

At the year end Metal Tiger plc had two subsidiaries, Metal Horse Limited and Thai Star Resources Co., Ltd (see note 10). Since incorporation, Metal Horse Limited has not commenced operations and has no material assets or liabilities, and the activities, assets and liabilities of Thai Star Resources Co., Ltd are not considered material. Consequently no consolidated financial statements have been prepared on the basis that in accordance with section 405 of the Companies Act 2006 the inclusion of these companies is not material for the purpose of giving a true and fair view.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Company are presented below under 'Statement of Compliance'.

GOING CONCERN

The financial statements are required to be prepared on the going concern basis unless it is inappropriate to do so. At the year-end the Company had no borrowings and net current assets of £995,671 including cash balances of £185,428 and quoted investments of £829,500, and since the year end has raised additional equity funds of £475,000. The Directors have prepared cash flow forecasts through to 30 June 2016 which demonstrate that the Company is able to meet its commitments as they fall due. On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In certain circumstances, where fair value cannot be readily established, the Group is required to make judgements over carrying value impairment, and evaluate the size of any impairment required.

SHARE BASED PAYMENTS

The calculation of the fair value of equity-settled share based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards at the date of grant.

FAIR VALUE OF INVESTMENTS HELD FOR TRADING

The Company's investments held for trading require measurement at fair value. For the quoted entities traded in an active market the fair value is based on their quoted price. The unquoted share warrants (level 3) are shown at directors' valuation based on a value derived from a Black-Scholes pricing model, discounted for the non-tradability of the share warrants. The Black-Scholes pricing model uses inputs relating to risk free rate and expected volatility that require estimations.

CLASSIFICATION OF JOINT ARRANGEMENTS

For all joint arrangements structured in separate vehicles the Company must assess the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Company to consider whether it has rights to the joint arrangement's net assets (in which case it is classified as a joint venture), or rights to and obligations for specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). Factors the Company must consider include:

- Structure
- Legal form
- Contractual agreement
- Other facts and circumstances.

Upon consideration of these factors, the Company has determined that all of its joint arrangements structured through separate vehicles give it rights to the net assets and are therefore classified as joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

STATEMENT OF COMPLIANCE

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations
- IAS 1 Amendments to presentation of financial statements
- IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 19 (amendments) Defined Benefit Plans: Employee Contributions
- IAS 27 (amendments) Equity Method in Separate Financial Statements
- IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual Improvements to IFRSs: 2012-2014 Cycle Amendments to: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting

The Directors have not yet evaluated the effect of these standards on the financial statements for future periods.

SEGMENTAL REPORTING

The accounting policy for identifying segments is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker, which is identified as the Board of Directors.

In identifying its operating segments, management generally follows the Company's service lines which represent the main products and services provided by the Company. The Directors consider that the Company's investment operations comprised one segment during the year under review. Please see note 3.

TAXATION

Current taxation is the taxation currently payable on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Temporary differences include those associated with shares in subsidiaries and joint ventures and are only not recognised if the Company controls the reversal of the difference and it is not expected for the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the statement of financial position date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. The results of overseas operations are translated at rates approximating to those ruling when the transactions took place. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the statement of financial position reporting date. All exchange differences are dealt with through the statement of comprehensive income as they arise.

INVESTMENTS IN JOINT VENTURES

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control such that significant operating and financial decisions require the unanimous consent of the parties sharing control. In some situations, joint control exists even though the Company has an ownership interest of more than 50 per cent because joint venture partners have equal control over management decisions. The Company's joint venture interests are held through a Jointly Controlled Entity (JCE). A JCE is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has a long term interest. The JCE is accounted for using the equity accounting method.

FINANCIAL ASSETS

The Company's financial assets comprise Investments held for trading, investments in joint ventures, loans and receivables, and cash and cash equivalents.

INVESTMENTS HELD FOR TRADING

All investments are determined upon initial recognition as held at fair value through profit or loss and are designated as investments held for trading. Investment transactions are accounted for on a trade date basis. Incidental acquisition costs are expensed. Assets are de-recognised at the trade date of the disposal. The fair value of the financial instruments in the balance sheet is based on the quoted bid price at the balance sheet date, with no deduction for any estimated future selling cost. Unquoted investments are valued by the directors using primary valuation techniques such as, where possible, recent transactions, last price and net asset value. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the statement of comprehensive income. Investments are initially measured at fair value.

LOANS AND RECEIVABLES

Loans and receivables from third parties are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

Impairment provisions are recognised where there is objective evidence that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such provision being the difference between the net carrying amount and the present value of the expected future cash flows.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IMPAIRMENT OF FINANCIAL ASSETS

The carrying values of the Company's assets are reviewed annually for any indicators of impairment. Where the carrying value of an asset exceeds the recoverable amount (i.e the higher of value in use and fair value less cost to sell), the asset is written down accordingly. Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

FINANCIAL LIABILITIES

The Company's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instruments.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

SHARE-BASED PAYMENTS

All share based payments are accounted for in accordance with IFRS 2 - "Share-based payments". The Company issues equity-settled share based payments in the form of share options and warrants to certain directors, employees and advisers. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is estimated using the Black-Scholes valuation model. The expected life used in the model has been adjusted, on the basis of management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

EQUITY

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Share based payment reserve" represents the cumulative cost of share based payments.
- "Retained losses" represents retained losses.

OPERATING LEASES

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

3 SEGMENTAL INFORMATION

The Company is organised around one business segment and the results are reported to the Chief Operating Decision Maker. For the year ended 31 December 2014 there was one continuing business segment, being the investment in the natural resources sector and operating within the UK; so no further segmental information has been provided.

Subsequent to the year end the Company has established two divisions for its investment interests in the natural resources sector: Direct Equities and Direct Projects. Direct Equities include strategic investments in fellow AIM quoted resource exploration and development companies including equity and warrant holdings. Direct Projects are mainly by way of joint venture arrangements and include interests in precious, strategic and energy metals, with projects located in Spain, Thailand and Tanzania.

4 INVESTMENT INCOME

	2014 £	2013 £
Bank interest	520	–
	520	–

5 OPERATING PROFIT/(LOSS)

	2014 £	2013 £
Profit/(loss) from operations is arrived at after charging:		
Wages and salaries	141,134	44,671
Share based payment expense - options	33,825	17,424
Share based payment expense - warrants	11,012	–
Impairment of other receivables	178,626	–
Operating lease expense - property	6,258	–

AUDITOR'S REMUNERATION

During the year the Group obtained the following services from the Company's auditor:

	2014 £	2013 £
Fees payable to the Company's auditor for the audit of the company's financial statements	15,000	12,000

6 EMPLOYEE AND DIRECTORS' REMUNERATION

The expense recognised for employee benefits for continuing operations is analysed below:

	2014 £	2013 £
Short-term employee benefits (including directors)	128,542	44,000
Social security costs	12,592	671
Share based remuneration	33,825	17,424
	174,959	62,095

DIRECTORS REMUNERATION:		
Short-term employee benefits	123,142	44,000
Social security costs	12,204	671
Share based remuneration	33,825	17,424
	169,171	62,095

Details of Directors' employee benefits expense are as follows:

Name of director	Remuneration £	Consultancy fees £	Benefits in kind £	Total 2014 £	Total 2013 £
Alex Borrelli	26,500	3,000	–	29,500	22,000
Cameron Parry	57,000	–	142	57,142	–
Paul Johnston	20,500	–	–	20,500	–
Terry Grammer	10,500	–	–	10,500	–
Nicholas Lee	5,500	–	–	5,500	22,000
	120,000	3,000	142	123,142	44,000

Refer to note 18 for share options granted to the Directors during the year.

Average number of persons employed:

	2014 Number	2013 Number
Office and management	3	2

Key management are the Directors of the Company.

7 FINANCE COSTS

	2014 £	2013 £
Interest on short term borrowings	3,288	4,027
	3,288	4,027

8 TAXATION

	2014 £	2013 £
Current tax on income for the period	–	–

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

	2014 £	2013 £
FACTORS AFFECTING THE TAX CHARGE		
Profit/(loss) before tax	105,876	(190,568)
Profit/(loss) before tax multiplied by rate of corporation tax in the UK of 20% (2013: 20%)	21,175	(38,114)
Relieved against tax losses brought forward	(31,766)	–
Unrelieved tax losses and other deductions arising	–	33,114
Non-deductible expenses	10,591	5,000
Total tax	–	–

No deferred tax asset has been recognised as Directors cannot be certain that future profits will be sufficient for this asset to be realised. As at 31 December 2014 the Company has tax losses carried forward of approximately £899,000 (2013: 1,058,000)

9 EARNINGS PER SHARE

The basic earnings per share is based on the profit/(loss) for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the year ended 31 December 2014 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	2014 £	2013 £
Profit/(loss) attributable to equity holders of the Company:		
Continuing and total operations	105,876	(190,568)
	No of shares	No of shares
Weighted average number of ordinary shares in issue for basic earnings	135,661,967	61,905,803
Weighted average of exercisable share options and warrants	7,139,123	–
Weighted average number of ordinary shares in issue for fully diluted earnings	142,801,090	61,905,803
	Pence per share	Pence per share
EARNINGS PER SHARE - BASIC:		
- Continuing and total operations	0.1p	(0.3)p
EARNINGS PER SHARE - FULLY DILUTED:		
- Continuing and total operations	0.1p	(0.3)p

The Company has issued 53,333,329 new ordinary shares and 53,333,329 warrants since the year end which will also have a dilutive effect.

10 SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings at the end of the year. As referred to in note 2, these have not been included in the consolidated financial statements.

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Metal Horse Limited	England and Wales	100%	Non-trading
Thai Star Resources Co., Ltd	Thailand	100%	Mineral exploration

Since incorporation, Metal Horse Limited has not commenced operations and has no material assets or liabilities therefore no consolidated financial statements have been prepared as at 31 December 2014.

INVESTMENT IN SUBSIDIARY UNDERTAKINGS	2014 £	2013 £
At 1 January	–	–
Acquisitions	–	–
At 31 December	–	–

The assets and liabilities of Thai Star Resources at the year-end are as follows:

	2014 £	2013 £
Current assets	300	–
Current liabilities	(231)	–

11 INVESTMENTS IN JOINT VENTURES

On 27 October 2014, the Company entered into a Joint Venture Agreement with South East Asia Exploration & Mining Company Ltd (“SEAM”), the key terms of which are, subject to achievement of satisfactory milestones, for a total consideration of US$150,000 in cash payable in stages to SEAM for Metal Tiger to ultimately acquire a 75% joint venture stake in the gold prospective properties the subject of the JVA, comprising:

(a) 2 SPLAs (“Special Prospecting Licence Applications”) covering a total area of 31km2 relating to projects in the Nakon Sawan and Lopburi provinces within the Loei-Phetchabun part of what is locally referred to as the 'Copper-Gold Belt'. These sites in central Thailand which are the subject of the two respective SPLAs are currently anticipated to obtain exploration approval in the second half of 2015; and
(b) 2 applications covering a total area of 208 hectares in the Chanthaburi province, in the South East of Thailand, currently covered by historical applications held by SEAM. The properties are located in the area locally known as the 'Gold-Antimony Belt'. It is anticipated exploration licence approval can be obtained in late 2015.

In December 2014 an Exclusive Prospecting Licence (“EPL”) was granted by the Thai government for one of the Chanthaburi properties that form part of the JVA with SEAM and that the JVA had been amended to see Metal Tiger take a 10% equity holding in each of the two new Thai companies incorporated for the purpose of the JVA as Tiger Minerals Pty Ltd and Tiger Resources Pty Ltd. As at 31 December 2014 these companies had not traded.

11 INVESTMENTS IN JOINT VENTURES (continued)

	2014 £	2013 £
At 1 January - at fair value	–	–
Acquisitions	35,258	–
At 31 December - at fair value	35,258	–

The fair value of investments in joint ventures at the year end is considered by the Directors not to be materially different to the carrying amounts.

The table below sets out the details of the companies through which Metal Tiger's joint venture interests are held.

Name of joint venture	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company 31 Dec 2014	31 Dec 2013
Tiger Minerals Ltd	Mineral exploration	Thailand	10%	–
Tiger Resources Ltd	Mineral exploration	Thailand	10%	–

12 INVESTMENTS HELD FOR TRADING

	2014 £	2013 £
At 1 January - Quoted investments at fair value	–	46,616
Acquisitions	320,000	–
Disposal proceeds	(140,820)	(30,041)
Gain/(Loss) on disposal of investments	94,570	(29,875)
Movement in fair value of investments	611,750	13,300
At 31 December - Quoted investments at fair value	885,500	–
Categorised as:		
Level 1 - Quoted investments	829,500	–
Level 3 - Unquoted investments - share warrants	56,000	–
	885,500	–

The table of investments sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 - valued using quoted prices in active markets for identical assets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the company are explained in the accounting policy note, "Critical accounting estimates and judgements". The following key inputs have been used in the valuation model: Risk free rate 0.7% and Volatility 76%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2014

12 INVESTMENTS HELD FOR TRADING (continued)

LEVEL 3 FINANCIAL ASSETS

Reconciliation of Level 3 fair value measurement of financial assets:

	2014 £	2013 £
At 1 January	–	–
Purchases	31,852	–
Movement in fair value	24,148	–
At 31 December	56,000	–

Level 3 valuation techniques used by the Company are explained on page 17 (Fair value of investments held for trading). A 20% movement in the volatility estimate would result in a £26,000 impact on the fair value.

13 TRADE AND OTHER RECEIVABLES

	2014 £'000	2013 £'000
Other debtors	13,963	230,628
Prepayments and accrued income	9,389	5,488
Total	23,352	236,116

The fair value of trade and other receivables is considered by the Directors not to be materially different to carrying amounts.

14 CASH AND CASH EQUIVALENTS

	2014 £	2013 £
Cash at brokers	790	16
Cash at bank	184,638	14,373
Cash and cash equivalents	185,428	14,389

The fair value of cash and cash equivalents at 31 December 2014 is considered by the Directors not to be materially different to carrying amounts.

15 BORROWINGS

	2014 £	2013 £
Short term loan	–	60,000
Total	–	60,000

The short term loan received from Paternoster Resources plc carried interest at 10% per annum and was settled during the year (see note 20).

16 TRADE AND OTHER PAYABLES

	2014 £	2013 £
Trade payables	37,358	91,179
Tax and social security	26,544	2,105
Accrued charges	34,707	43,205
Total	98,609	136,489

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

17 SHARE CAPITAL

CALLED UP, ISSUED AND FULLY PAID	Number of shares Ordinary	Number of shares Deferred	Share capital Ordinary £	Share capital Deferred £	Share premium £
At 31 December 2012 and 2013					
Ordinary shares of 1p each	61,905,803	–	619,058	–	2,893,565
Share reorganisation:					
Ordinary shares of 0.01p each	61,905,803		6,191		
Deferred shares of 0.99p each		61,905,803		612,867	
Share issues:					
Ordinary shares of 0.01p each	188,466,663	–	18,847	–	867,653
Share issue costs	–	–	–	–	(60,300)
At 31 December 2014	250,372,466	61,905,803	25,038	612,867	3,700,918

SHARE REORGANISATION

On 16 June 2014, the Company approved a share reorganisation with the effect that each issued ordinary share of 1p each was subdivided into one new ordinary share of 0.01p and one deferred share of 0.99p.

DEFERRED SHARES

The restricted rights of the deferred shares are such that they have no economic value.

SHARE ISSUES

On 17 June 2014, 25,000,000 ordinary shares of 0.01p were issued for cash at par to Black Star Gold Pty Ltd and 80,000,000 ordinary shares were issued for cash at 0.5p per share, with gross proceeds of £402,500.

On 14 July 2014, 6,800,000 ordinary shares were issued at 0.5p per share to certain directors and advisers in settlement of fees.

On 16 July 2014, 10,000,000 shares were issued to Paternoster Resources plc at 0.5p per share in settlement of a loan.

On 14 November 2014, 66,666,663 ordinary shares of 0.01p were issued for cash at 0.6p per share with gross proceeds of £400,000.

18 SHARE OPTIONS AND WARRANTS

SHARE OPTIONS

At 9 May 2012, the Company granted, under the company's share option scheme, options over 5,800,000 ordinary shares to the directors of the Company. Each option carried the right to subscribe for one Ordinary Share in the Company at a price of 1.55 pence per share. These options were to vest over a period of three years from the date of the Grant, with a third of the options becoming exercisable on the first, second and third anniversaries of the Grant respectively. All these options were cancelled on 21 May 2014.

On 11 July 2014, the Company granted options, under the company's share option scheme, over 8,340,000 ordinary shares to the directors of the Company. Each option carries the right to subscribe for one ordinary share in the Company at 1p per share and are exercisable for a period of 3 years from the date of grant.

On 15 December 2014, the Company granted options, under the company's share option scheme, over 3,335,000 ordinary shares to a director of the Company. Each option carries the right to subscribe for one ordinary share in the Company at 1.5p per share and are exercisable for a period of 3 years from the date of grant.

The fair value of the options granted during the year was determined using the Black-Scholes pricing model. The significant inputs to the model in respect of the options were as follows:

Date of grant	11 July 2014	15 December 2014
Share price at date of grant	0.5p	0.8p
Exercise price per share	1p	1.5p
No. of options	8,340,000	3,335,000
Risk free rate	1.2%	0.7%
Expected volatility	67%	107%
Life of option	3 years	3 years
Calculated fair value per share option	0.131p	0.426p

Options outstanding at 31 December 2014 and their weighted average exercise price are as follows:

	2014 Weighted average exercise price (pence)	2014 Number	2013 Weighted average exercise price (pence)	2013 Number
Outstanding at the beginning of the year	1.55	5,800,000	1.55	5,800,000
Cancelled during the year	1.55	(5,800,000)	–	–
Granted during the year:-				
Alex Borrelli	1.00	1,670,000		
Cameron Parry	1.00	5,000,000		
Paul Johnson	1.00	1,670,000		
Terry Grammer	1.50	3,335,000		
Outstanding at the end of the year	1.14	11,675,000	1.55	5,800,000
Exercisable at the end of the year	1.14	11,675,000	1.55	1,933,334

The total share-based payment expense recognised in the income statement for the year ended 31 December 2014 in respect of options granted was £33,825 (2013: £17,424).

18 SHARE OPTIONS AND WARRANTS continued

WARRANTS

On 10 November 2014, the Company issued 2,500,000 warrants to its newly appointed broker exercisable at 1.5p per share anytime during the two years from the date of their appointment, and on 22 December 2014, the Company issued 1,500,000 warrants to its nominated adviser exercisable at 1.5p per share anytime during the two years from the date of issue.

The fair value of the warrants issued during the year was determined using the Black-Scholes pricing model. The significant inputs to the model in respect of the warrants were as follows:

Date of issue	10 November 2014	22 December 2014
Share price at date of grant	0.6p	0.8p
Exercise price per share	1.5p	1.5p
No. of warrants	2,500,000	1,500,000
Risk free rate	0.6%	0.5%
Expected volatility	111%	117%
Life of warrant	2 years	2 years
Calculated fair value per share warrant	0.221p	0.369p

Warrants outstanding at 31 December 2014 and their weighted average exercise price are as follows:

	2014 Weighted average exercise price (pence)	2014 Number	2013 Weighted average exercise price (pence)	2013 Number
Outstanding at the beginning of the year	–	–	–	–
Expired during the year	–	–	–	–
Granted during the year	1.5	4,000,000	–	–
Outstanding at the end of the year	1.5	4,000,000	–	–

The total share-based expense recognised in the income statement for the year ended 31 December 2014 in respect of the warrants issued was £11,012 (2013: £nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2014

19 FINANCIAL INSTRUMENTS

CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity funding. Currently the Company’s capital structure consists entirely of shareholders equity, comprising issued share capital and reserves.

The Company uses financial instruments, other than derivatives, comprising cash to provide funding for its operations.

The main risks arising from the Company’s financial instruments are credit risk, liquidity risk and foreign exchange risk. The Company does not have any significant other risks. The Directors agree policies for managing these risks and they are summarised below:

CREDIT RISK

The Group's exposure to credit risk is limited to the carrying amounts of trade and other receivables, and cash and cash equivalents recognised at the balance sheet date, as follows:

	2014	2013
	£	£
Trade and other receivables	13,963	230,628
Cash and cash equivalents	185,428	14,389
	199,391	245,017

The Company's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

An impairment provision of £178,626 was made against other receivables during the year.

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

LIQUIDITY RISK

The Company makes both short term and long term investments. Short term investments are all quoted investments and such investments may be sold to meet the Company’s funding requirements. However, the market in small capitalised companies can be illiquid. Long term investments are joint ventures through unquoted investment vehicles and are subject to greater liquidity risk. Directors perform extensive due diligence prior to investment.

As the Company has no significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The following table shows the contractual maturities of the Company's financial liabilities, including repayments of both principal and interest where applicable.

	Trade and other Payables	Short term Borrowing	Total
As at 31 December 2014	£	£	£
6 months or less	63,902	–	63,902
Total contractual cash flows	63,902	–	63,902
As at 31 December 2013			
6 months or less	93,284	66,000	159,284
Total contractual cash flows	93,284	66,000	159,284

19 FINANCIAL INSTRUMENTS (continued)

FOREIGN CURRENCY RISK

The Company is exposed to movements in the GBP/USD exchange rate in respect of its joint venture investments.

The following table illustrates the sensitivity of the value of investments in regards to the relative GBP and USD exchange rates.

It assumes a +/- 4.72% change in the USD/GBP exchange rate for the year ended 31 December 2014. These percentages have been based on the average market volatility in exchange rates in the previous twelve months.

Impact on investment in joint ventures:

	2014 £	2013 £
CHANGE IN EQUITY		
4.72% increase in USD fx rate against GBP	1,664	–
4.72% decrease in USD fx rate against GBP	(1,664)	–

Exposure to foreign exchange rates varies during the year depending on the volume and nature of foreign transactions. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

CATEGORIES OF FINANCIAL INSTRUMENTS

The IAS 39 categories of financial asset included in the statement of financial position and the headings in which they are included are as follows:

	2014 £	2013 £
FINANCIAL ASSETS:		
Cash and bank balances	185,428	14,389
Loans and receivables	13,963	230,628
Investments held for trading	885,500	–

FINANCIAL LIABILITIES AT AMORTISED COST:

The IAS 39 categories of financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2014 £	2013 £
Borrowings	–	60,000
Trade and other payables	63,902	93,284

20 RELATED PARTY TRANSACTIONS

A list of significant shareholders is included in the report of the directors. No ultimate controlling party has been identified by the Directors.

Details of the Directors' remuneration and consultancy fees are disclosed in note 6, and share options granted to Directors are disclosed in note 18.

As stated in the Directors' report both Terry Grammer and Cameron Parry are directors of Black Star Gold Pty Ltd ("BSG"), which company owns 7.35% of the Company's equity. During the year BSG was paid commission totalling £36,000 in relation to share subscriptions.

During the period under review, Alex Borrelli was issued with 2,400,000 shares in the Company in settlement of consultancy fees amounting to £12,000 owed to Borrelli Capital Limited, a company connected with him, at 31 December 2013, and 2,000,000 shares were issued to Nicholas Lee in settlement of consultancy fees of £10,000 owed to ACL Capital Limited, a company connected with him, at 31 December 2013. Both directors received consultancy fees of £10,000 in 2013. At the year-end no amounts were owed to Borrelli Capital Limited (2013: £18,400 including VAT), and no amounts were owed to ACL Capital Limited (2013: £17,000)

On 29 April 2013 Paternoster Resources plc ("Paternoster") provided a short-term loan of £60,000 to the Company. £10,000 of this loan was repaid in cash and the remainder was converted into shares in July 2014. Paternoster is a substantial shareholder of the Company (holding 9.98% of the shares) and Nicholas Lee, a previous Director of the Company, is also Executive Chairman of Paternoster.

21 OPERATING LEASE COMMITMENTS

At the year end the Company had an outstanding commitment for future minimum lease payments under a non-cancellable lease, in respect of the Company's offices, that fall due as follows:

	2014 £'000	2013 £'000
Within 1 year	2,700	–
Total	2,700	–

22 POST YEAR END EVENTS

Details of the significant post year end events are included in the Report of the Directors.