

Company Registration No. 009753V (Isle of Man)

PANTHER METALS PLC

**UNAUDITED INTERIMS FOR THE SIX MONTHS ENDED
30 JUNE 2019**

PANTHER METALS PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2019**

| | Notes | Period ended 30 June 2019 £ Unaudited | Period ended 30 June 2018 £ Unaudited |
|---|-----------|---|---|
| Revenue | | - | - |
| Cost of sales | | - | - |
| Gross profit | | - | - |
| Administrative expenses | | (134,285) | (133,381) |
| Share-based payment charge | 14 | 42,814 | (23,570) |
| Settlement of financial liability through issue of shares | | - | - |
| Operating loss | | (91,471) | (156,951) |
| Finance income | 5 | 13 | 315 |
| Loss on discontinued operations | 3 | - | (28,913) |
| Loss before taxation | | (91,458) | (185,549) |
| Taxation | | - | - |
| Loss for the period | | (91,458) | (185,549) |
| Other comprehensive income | | | |
| Translation of foreign currency transactions | | 13,010 | - |
| Total comprehensive income for the period | | (78,448) | (185,549) |
| Loss attributable to: | | | |
| Equity holders of the company: | | | |
| Continuing operations | | (78,448) | (161,979) |
| Discontinuing operations | | - | (23,570) |
| | | (78,448) | (185,549) |
| Basic and diluted loss per share (pence) | 7 | (0.01)p | (0.05)p |

PANTHER METALS PLC

**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019**

| | | Group | | Company | |
|-----------------------------------|-------|--|--|--|--|
| | Notes | As at 30 June 2019 £ Unaudited | As at 31 December 2018 £ Audited (restated) | As at 30 June 2019 £ Unaudited | As at 31 December 2018 £ Audited (restated) |
| Non-current assets | | | | | |
| Exploration and evaluation assets | 8 | 307,850 | 253,810 | - | - |
| Goodwill | | 475,378 | - | - | - |
| Investments | 9 | - | - | 545,333 | 1 |
| Total non-current assets | | 783,228 | 253,810 | 545,333 | 1 |
| Current assets | | | | | |
| Receivables | 10 | 11,682 | 75,458 | 285,805 | 320,810 |
| Cash at bank and in hand | 11 | 44,192 | 1,247 | 21,582 | 1,247 |
| Total current assets | | 55,874 | 76,705 | 307,387 | 322,057 |
| Total assets | | 839,102 | 330,515 | 852,720 | 322,058 |
| Current liabilities | | | | | |
| Trade and other payables | 12 | (86,714) | (42,996) | (107,554) | (34,539) |
| Total liabilities | | (86,714) | (42,996) | (107,554) | (34,539) |
| Net assets | | 752,388 | 287,519 | 745,166 | 287,519 |
| Capital and reserves | | | | | |
| Called up share capital | 13 | 1,828,071 | 1,184,331 | 1,828,071 | 1,184,331 |
| Share-based payment reserve | 14 | 146,455 | 246,878 | 146,455 | 246,878 |
| Retained losses | | (1,222,138) | (1,143,690) | (1,229,360) | (1,143,690) |
| Total equity | | 752,388 | 287,519 | 745,166 | 287,519 |

The financial statements of Panther Metals plc, registered number 009753V (Isle of Man), were approved by the board of directors and authorised for issue on 27 September 2019. They were signed on its behalf by:

D Hazelwood
Chief Executive Officer

PANTHER METALS PLC

**CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019**

| | Notes | Group | | Company | |
|---|-------|--|--|--|--|
| | | As at 30 June 2019 £ Unaudited | As at 30 June 2018 £ Unaudited | As at 30 June 2019 £ Unaudited | As at 30 June 2018 £ Unaudited |
| Cash flows from operating activities | | | | | |
| Loss for the financial year | | (78,448) | (185,549) | (85,670) | (185,075) |
| <i>Adjusted for:</i> | | | | | |
| Interest received | 5 | (13) | (315) | - | (315) |
| Foreign exchange | | (13,010) | - | - | - |
| Share-based payment charge | 14 | (42,814) | 23,570 | (42,814) | 23,570 |
| Settlement of financial liability through issue of shares | | - | 17,000 | - | 17,000 |
| Impairment of investment in subsidiary | 9 | - | - | - | 181 |
| (Increase)/decrease in receivables | | (4,494) | (3,124) | 37,096 | 5,813 |
| Cash held by related party | | 68,270 | - | 68,270 | - |
| Increase in payables | | 28,687 | 33,410 | 23,453 | 34,062 |
| Net cash (used in)/generated from operating activities | | (41,822) | (115,008) | 335 | (104,764) |
| Investing activities | | | | | |
| Interest received | | 13 | 315 | - | 315 |
| Cash spent on exploration activities | | (18,921) | - | - | - |
| Cash received on acquisition of subsidiary | | 83,675 | - | - | - |
| Net cash generated from investing activities | | 64,767 | 315 | - | 315 |
| Financing activities | | | | | |
| Proceeds from issuing shares | 13 | 20,000 | 300,000 | 20,000 | 300,000 |
| Issue costs | | - | (17,676) | - | (17,676) |
| Net cash generated from financing activities | | 20,000 | 282,324 | 20,000 | 282,324 |
| Net increase in cash and cash equivalents | | 42,945 | 167,631 | 20,335 | 177,875 |
| Cash and cash equivalents at beginning of period | | 1,247 | 62,000 | 1,247 | 51,527 |
| Cash and cash equivalents at end of period | | 44,192 | 229,631 | 21,582 | 229,402 |

*** Cash held by a related party**

As at 31 December 2018 the Company was in the process of finalising new banking arrangements and as such the Company's cash balance of £68,270 was held by a related party. This does not meet the definition of cash or cash equivalents and has therefore been shown separately within other receivables.

PANTHER METALS PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019**

| Group | Notes | Share capital £ | Share based payment reserve £ | Retained losses £ | Total £ |
|---|-----------|-----------------------|---|-------------------------|------------|
| Balance at 1 January 2018 | | 669,438 | | (624,556) | 44,882 |
| Loss for the year | | - | - | (519,134) | (519,134) |
| <i>Total comprehensive loss for the year</i> | | - | - | (519,134) | (519,134) |
| <i>Transactions with owners of the company</i> | | | | | |
| Share issues | 13 | 300,000 | - | - | 300,000 |
| Shares issued to acquire exploration and evaluation assets | 13 | 181,893 | - | - | 181,893 |
| Issue of ordinary shares as consideration for professional fees | 13 | 15,000 | - | - | 15,000 |
| Fair value of shares issued to settle financial liability | 13 | 18,000 | - | - | 18,000 |
| <i>Other transactions</i> | | | | | |
| Credit relating to equity-settled share-based payments | 14 | - | 246,878 | - | 246,878 |
| | | 514,893 | 246,878 | - | 761,771 |
| Balance at 31 December 2018 (restated) | | 1,184,331 | 246,878 | (1,143,690) | 287,519 |
| Balance at 1 January 2019 | | 1,184,331 | 246,878 | (1,143,690) | 287,519 |
| <i>Total comprehensive loss for the year</i> | | - | - | (91,458) | (91,458) |
| <i>Other comprehensive income</i> | | - | - | 13,010 | 13,010 |
| | | - | - | (78,448) | (78,448) |
| <i>Transactions with owners of the company</i> | | | | | |
| Share issues to acquire subsidiaries | 4 | 545,332 | - | - | 545,332 |
| Shares issued to acquire exploration and evaluation assets | 13 | 7,647 | - | - | 7,647 |
| Shares issued upon exercising options | 13 | 90,761 | (70,761) | - | 20,000 |
| <i>Other transactions</i> | | | | | |
| Debit relating to equity-settled share-based payments | | - | (29,662) | - | (29,662) |
| Balance at 30 June 2019 | | 1,828,071 | 146,455 | (1,222,138) | 752,388 |

PANTHER METALS PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019**

| Company | Notes | Share capital £ | Share based payment reserve £ | Retained losses £ | Total £ |
|---|-----------|-----------------------|---|-------------------------|------------|
| Balance at 1 January 2018 | | 669,438 | | (623,955) | 45,483 |
| Loss for the year | | - | - | (519,735) | (519,735) |
| <i>Total comprehensive loss for the year</i> | | - | - | (519,735) | (519,735) |
| <i>Transactions with owners of the company</i> | | | | | |
| Share issues | 13 | 300,000 | - | - | 300,000 |
| Shares issued to acquire exploration and evaluation assets | 13 | 181,893 | - | - | 181,893 |
| Issue of ordinary shares as consideration for professional fees | 13 | 15,000 | - | - | 15,000 |
| Fair value of shares issued to settle financial liability | 13 | 18,000 | - | - | 18,000 |
| <i>Other transactions</i> | | | | | |
| Credit relating to equity-settled share-based payments | 14 | - | 246,878 | - | 246,878 |
| | | 514,893 | 246,878 | - | 761,771 |
| Balance at 31 December 2018 (restated) | | 1,184,331 | 246,878 | (1,143,690) | 287,519 |
| Balance at 1 January 2019 | | 1,184,331 | 246,878 | (1,143,690) | 287,519 |
| <i>Total comprehensive loss for the year</i> | | - | - | (85,670) | (85,670) |
| <i>Transactions with owners of the company</i> | | | | | |
| Share issues to acquire subsidiaries | 4 | 545,332 | - | - | 545,332 |
| Shares issued to acquire exploration and evaluation assets | 13 | 7,647 | - | - | 7,647 |
| Shares issued upon exercising options | 13 | 90,761 | (70,761) | - | 20,000 |
| <i>Other transactions</i> | | | | | |
| Debit relating to equity-settled share-based payments | | - | (29,662) | - | (29,662) |
| Balance at 30 June 2019 | | 1,828,071 | 146,455 | (1,229,360) | 745,166 |

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

1 Accounting policies

1.1. Basis of preparation

This interim financial information for the six months ended 30 June 2019 is unaudited and does not constitute statutory financial statements within the meaning of the Companies Act 2006 (Isle of Man). The Board of Directors approved it on 27 September 2019.

The figures for the year ended 31 December 2018 have been extracted from the statutory financial statements which have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, ("IFRS") and which have been reported on by the company's auditor. The auditor's report on those financial statements was unqualified.

The statement of financial position, extracted from the statutory financial statements for the year ended 31 December 2018, has been restated in the interim financial information. The share capital and share premium reserves have been amalgamated and shown as one reserve within equity. The Company's ordinary shares have no par value and therefore there is no share premium when issuing new ordinary shares.

The interim financial information has been prepared in accordance with the requirements of IAS 34 "Interim financial reporting".

The interim financial information does not include all notes of the type normally included in the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the group as the full financial report.

The financial information has been prepared on the historical cost basis. The accounting policies and methods of computation adopted in the Company's preparation of the interim financial information are consistent with those adopted and disclosed in the financial statements for the year ended 31 December 2018 and those expected to be used for the year ending 31 December 2019. The Group does not have any leases therefore the directors do not expect the introduction of IFRS 16 Leases, effective from 1 January 2019, to have any impact. The principal accounting policies adopted are set out below.

1.2. Going concern

As a junior exploration company, the Directors are aware that the Company must go to the marketplace to raise significant funds in the next 12 months to meet its investment and exploration plans and to maintain its listing status.

As at 30 June 2019 the Group had total cash reserves of £44,192 (31 December 2018: £69,517, comprising cash at bank of £1,247 and cash held by a related party of £68,270). The directors are aware of the reliance on fundraising within the next 12 months and having reviewed the Group's working capital forecasts they believe the Group is well placed to manage its business risks successfully providing the fundraising is successful. The interim financial statements have been prepared on a going concern basis and do not include adjustments that would result if the Group was unable to continue in operation.

On 22 July 2019 the Company successfully raised £130,000 in a non-brokered financing via existing shareholders. This fundraising was pivotal to the execution of the next step in the development of the Company.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

1.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertaking. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All business combinations are accounted for using the acquisition method of accounting.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

1.4. Foreign currencies

Functional and presentation currency

The consolidated financial statements are presented in Pounds Sterling (GBP), which is the Group's presentation currency and the functional currency of the holding company, Panther Metals PLC.

Items included in the financial statements of the subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

The functional currency of Panther Metals (Canada) Ltd is the Canadian Dollar (CAD) and the functional currency of Panther Metals Pty Ltd is the Australian Dollar (AUS). These are the currencies of the environment in which these subsidiaries operate.

Transactions and balances

The assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the date of the accounts. Income and expense items are translated at exchange rates ruling at the date of the transactions. Exchange differences arising, if any, are classified as income or as expenses in the period in which they arise.

1.5. Intangible assets

Goodwill on acquisitions

Goodwill on acquisition of subsidiaries represents the excess of the cost of the acquisition over the fair value of the subsidiary's identifiable assets and liabilities acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

1.7. Exploration and evaluation assets

Exploration and evaluation assets represent the cost of acquisitions by the Group of rights and licenses. All costs associated with the exploration and investment are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads and these assets are not amortised until technical feasibility and commercial viability is established.

If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the reserve. Where a licence is relinquished or a project abandoned, the related costs are written off. The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

1.8. Investments

Investments are stated at cost less any provision for impairment.

1.9. Trade and other receivables

Trade and other receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the recoverable amount. Provisions for impairment of receivables are included in the income statement.

1.10. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the financial year, which are unpaid. Current liabilities represent those amounts falling due within one year.

1.11. Taxation

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, which at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates that are expected to apply when the related deferred tax asset is realised or when the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

1.12. Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs.

The costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that would otherwise have been avoided.

The Company's ordinary shares are classified as equity instruments and are shown within the share capital reserve.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019**

1.13. Share based payments

For such grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest.

For cash liabilities settled by issuing shares the fair value as at the date of issue is deemed to be the market value of the shares issued.

The share-based payments reserve is used to recognise the value of equity-settled share-based payments, see to note 14 for further details.

2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards, as adopted by the EU, requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

Share-based payments

The Company issued share options to certain Directors and to professional advisers. The Black-Scholes model is used to calculate the appropriate cost for these options. The use of this model to calculate a cost involves using a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the cost.

Exploration and evaluation assets

The fair value of the Big Bear Project licenses cannot be reliably estimated. The licence area is at the very early stages of exploration and whilst historical data, geophysics, exploration of the surrounding area and other mining operations along the greenstone belt exist, until any mineral deposits are fully understood the directors cannot determine its fair value reliably. The directors have therefore chosen to value the licences by reference to the equity instruments granted and measured at the date of acquisition.

The Group determines that exploration costs are capitalised at the point the Group has a valid exploration licence. The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including the level of potential resources and whether the Group's licenses remain in good standing.

The directors have given consideration to indicators of impairment as set out in IFRS 6 and do not believe any such conditions exist and therefore they have not carried out an impairment review.

Where the directors identify indicators of impairment IFRS 6 requires an impairment test to be carried out in accordance with IAS 36. To the extent that it is determined in the future that this capitalised expenditure should be impaired, this will reduce profits and net assets in the period in which this determination is made.

The directors believe that there are no other areas that involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

2. *Critical accounting estimates and judgements (continued)*

Goodwill on acquisition

The directors have assessed the fair value of the assets and liabilities of Panther Metals Pty Ltd ("Panther Australia"), formerly Parthian Resources Pty Ltd, at the date of acquisition. In their assessment the directors have carried out a review of the subsidiaries exploration costs incurred prior to acquisition, that have been expensed to the income statement, and considered whether those costs should be capitalised in line with the Group's exploration and evaluation asset accounting policy.

The directors do not consider the exploration work carried out by Panther Australia, prior to acquisition, to be part of the Group's current exploration strategy and do not believe these projects to be commercially viable or feasible. Exploration costs expensed to date have not been capitalised as assets upon acquisition and are therefore not included in the calculation of goodwill arising on acquisition as set out in note 4.

3 **Segmental information**

Continuing activities

On 9 March 2018 the Company proposed a new investment strategy seeking to invest in and/or acquire companies and/or projects within the natural resources sector focusing its search in Australia and North America.

The new investment strategy was approved at the AGM and the directors now consider the natural resources sector to be the only business segment in which the Group will continue to operate.

On 10 September 2018 the Company's subsidiary Panther Metals (Canada) Ltd completed its first acquisition of a prospective gold and metals project, known as the Big Bear Project, located in north-western Ontario, Canada. As at 30 June 2019 the exploration and evaluation asset for this project totalled £304,531 relating to acquisition costs and project expenditure. On 4 February 2019 the Company announced the results of preliminary exploration results at the Big Bear Project and are now planning a Phase 1 exploration programme for the summer/autumn work season of 2019.

Panther Metals (Canada) Ltd has not recorded any turnover or profit of loss. All expenses were capitalised and held as evaluation and exploration assets in accordance with the Group's accounting policy.

On 15 March 2019, the Company acquired Parthian Resources Pty Ltd which subsequently changed its name to Panther Metals Pty Ltd ("Panther Australia"). Panther Australia is a business seeking mining and natural resource opportunities in Australia. Further details of the acquisition are provided in Note 4.

Panther Australia has not recorded any turnover in the period to 30 June 2019 and has recorded a loss of £4,927 attributable to administrative costs.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

3. Segmental information (continued)

Discontinued activities

The Company was originally incorporated as an investment vehicle to focus on investment opportunities in the upstream palm oil sector in South East Asia. As announced in the audited results to 31 December 2016, the Company expanded its investment search to include opportunities in Sumatera and Kalimantan, Indonesia. However negotiations with estate owners continued to be difficult and the Company was unable to take advantage of market opportunities.

In the year to 31 December 2018 operations in Malaysia ceased and operational expenditure in connection with the palm oil investment sector has been separately disclosed in the Statement of Comprehensive Income as discontinued operations of £nil in the interim period to 30 June 2019 (2018: £28,913). These costs mainly consist of office and administrative costs incurred in Malaysia, a severance package paid to a director and project costs written off in the year.

Geographical segments

The Group's assets and liabilities are split by geographic location in the table below.

As at 30 June 2019

| | Canada £ | Australia £ | Isle of Man £ | Group £ |
|-------------------|--------------|----------------|------------------|----------------|
| Total assets | 304,531 | 86,223 | 852,720 | 839,102 |
| Total liabilities | (305,419) | (19,150) | (107,554) | (86,714) |
| Net assets | <u>(888)</u> | <u>67,073</u> | <u>745,166</u> | <u>752,388</u> |

As at 31 December 2018

| | Canada £ | Australia £ | Isle of Man £ | Group £ |
|-------------------|-------------|----------------|------------------|----------------|
| Total assets | 253,810 | - | 322,058 | 330,515 |
| Total liabilities | (253,809) | - | (34,539) | (42,996) |
| Net assets | <u>1</u> | <u>-</u> | <u>287,519</u> | <u>287,519</u> |

The Group's Exploration and Evaluation assets are held in Canada £304,531 (2018: £253,810) and Australia £3,319 (2018: £nil).

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

4. Acquisition of Panther Australia

The fair value of the assets acquired and liabilities assumed were as follows:

| | £ |
|--|----------|
| Goodwill on acquisition | 475,378 |
| Cash and cash equivalents | 83,675 |
| Current liabilities | (13,721) |
| | <hr/> |
| | 545,332 |
| | <hr/> |
| Fair value of issue and in-specie distribution | 545,332 |
| | <hr/> |

Panther Australia was acquired by the Company through the issue and in specie distribution of 99,151,520 new fully paid shares in the Company. Panther Australia is a 100% wholly owned subsidiary of the Company.

On 15 March 2019 the new ordinary shares issued had a market value of £0.005 per share giving rise to a total consideration of £545,332. Net assets of Panther Australia totalled £69,954 resulting in goodwill on acquisition of £475,378.

Goodwill arising on acquisition represents the excess of the cost of the acquisition over the fair value of the subsidiary's identifiable assets and liabilities acquired. Further details of the Directors' assessment of the fair value of the subsidiary's assets and liabilities is included in note 2.

5. Finance income

| | Period ended 30 June 2019 £ | Period ended 30 June 2018 £ |
|------------------------|-----------------------------------|-----------------------------------|
| Interest income | | |
| Bank interest received | 13 | 315 |
| | <hr/> | <hr/> |

6. Taxation

| | Period ended 30 June 2019 £ | Period ended 30 June 2018 £ |
|--------------|-----------------------------------|-----------------------------------|
| Current tax | - | - |
| Deferred tax | - | - |
| | <hr/> | <hr/> |

No reconciliation of the factors affecting the tax charge has been presented as the Company is incorporated in the Isle of Man which has a corporation tax rate of 0%.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

7. Loss per share

The basic loss per share for the interim period to 30 June 2019 is 0.01p (2018: - loss 0.05p) and has been calculated by dividing the loss for the period by the weighted average number of ordinary shares in issue of 578,688,700 (2018: 379,463,892).

Shares issued in the period to 30 June 2019 are detailed in note 13.

There are 25,000,000 potentially issuable shares all of which relate to share options issued to Directors and professional advisers under option (see note 14), the weighted average number of potential ordinary shares in issue is 603,688,700 (2018: 419,463,892). Due to the losses for the period the diluted loss per share is anti-dilutive and therefore has been kept the same as the basic loss per share of 0.01p per share.

8. Exploration and evaluation assets

| Group | Exploration and evaluation costs £ |
|-----------------------|---|
| Net book value | |
| At 1 January 2018 | - |
| Additions | 253,810 |
| At 31 December 2018 | <u>253,810</u> |
| Additions | 54,040 |
| At 30 June 2019 | <u><u>307,850</u></u> |

On 10 September 2018 the Group completed the acquisition of a prospective gold and base-metals project, known as the Big Bear Project, located in north-western Ontario, Canada. The total consideration for the acquisition comprised of cash payments totalling CAD\$ 33,000 and the issuance of 19,146,664 ordinary shares.

The fair value of the licenses cannot be reliably measured without further exploratory work carried out in the area covered by the licenses. As such the fair value has been determined by reference to the market price of the shares issued at the acquisition date. This has been included within Exploration and Evaluation assets noted above.

None of the Group's exploration and evaluation assets are owned by the Company.

The technical feasibility and commercial viability of extracting a resource are not yet demonstrable in the above exploration and evaluation assets. When technical feasibility and commercial viability is established and the criteria is met they will be transferred to Property, Plant and Equipment.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

9. Fixed asset investments

Company

Movements in fixed asset investments

| | Investments in subsidiaries £ |
|---------------------|-------------------------------------|
| Cost | |
| At 1 January 2018 | 181 |
| Addition | 1 |
| Impairment | (181) |
| At 31 December 2018 | <u>1</u> |
| Additions | 545,332 |
| At 30 June 2019 | <u><u>545,333</u></u> |

9. Fixed asset investments (continued)

As at 31 December 2018, the Company's investment in its subsidiary company Malaysia – Lonuss (M) Sdn Bhd has been impaired and written down to £nil value resulting in an impairment charge of £181 in the Company statement of comprehensive income. The subsidiary was incorporated in order to facilitate management of payments and receipts on behalf of the parent, however operations in Malaysia have ceased following the Company's decision to change its investment strategy as discussed in note 3.

On 29 August 2018, the Company acquired the entire issued share capital of Panther Metals (Canada) Ltd, a company domiciled in Canada and specifically incorporated to acquire the Big Bear licenses.

On 15 March 2019, the Company acquired the entire issued share capital of Panther Metals Pty Ltd, a company domiciled in Australia and its subsidiary Parthian Resources (HK) Limited.

The Company's investments at the balance sheet date comprise ownership of the ordinary share capital of the following companies:

| Subsidiary | Ownership | Country of Incorporation | Nature of business |
|-----------------------------|-----------|-----------------------------|-----------------------|
| Lonuss (M) Sdn Bhd | 100% | Malaysia | Dormant |
| Panther Metals (Canada) Ltd | 100% | Canada | Exploration |
| Panther Metals Pty Ltd | 100% | Australia | Exploration |
| Parthian Resources (HK) Ltd | 100% | Hong Kong | Non-trading |

The subsidiary companies use the Company's business address of 282 Farnborough Road, Farnborough, Hampshire GU14 7NA as their registered office.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

10. Receivables

| | Group | | Company | |
|--|---|---|---|---|
| | As at 30 June 2019 £ <i>Unaudited</i> | As at 31 December 2018 £ <i>Audited</i> | As at 30 June 2019 £ <i>Unaudited</i> | As at 31 December 2018 £ <i>Audited</i> |
| Amounts falling due within one period | | | | |
| Amounts due from subsidiaries | - | - | 274,123 | 245,352 |
| Prepayments | 10,932 | 6,438 | 10,932 | 6,438 |
| Other receivables | 750 | 750 | 750 | 750 |
| Cash held by related party | - | 68,270 | - | 68,270 |
| | <u>11,682</u> | <u>75,458</u> | <u>285,805</u> | <u>320,810</u> |

11. Cash and cash equivalents

As at 31 December 2018 the Company was in the process of finalising new banking arrangements and as such the Company's cash balance of £68,270 was held by a related party. This does not meet the definition of cash or cash equivalents and is shown separately within receivables, detailed in note 10.

As at 30 June 2019 the Company had finalised its new banking arrangements and the Company's cash balance is shown within cash and cash equivalents.

12. Trade and other payables

| | Group | | Company | |
|----------------------------------|---|---|---|---|
| | As at 30 June 2019 £ <i>Unaudited</i> | As at 31 December 2018 £ <i>Audited</i> | As at 30 June 2019 £ <i>Unaudited</i> | As at 31 December 2018 £ <i>Audited</i> |
| Trade payables | 47,537 | 11,692 | 35,950 | 10,313 |
| Amounts due to subsidiaries | - | - | 50,361 | - |
| Loan due to exploration alliance | 14,136 | - | - | - |
| Accruals | 25,041 | 31,304 | 21,243 | 24,226 |
| | <u>86,714</u> | <u>42,996</u> | <u>107,554</u> | <u>34,539</u> |

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

13. Share capital

| | Number of shares | Share Capital £ |
|---|---------------------|-----------------------|
| Allotted, issued and fully paid: | | |
| At 1 January 2018 | 180,458,336 | 669,438 |
| Share issue on 9 March 2018 | 300,000,000 | 300,000 |
| Share issues on 13 April 2018 | 17,000,000 | 33,000 |
| Share issue on 10 September 2018 | 19,146,664 | 181,893 |
| | <hr/> | <hr/> |
| As at 31 December 2018 | 516,605,000 | 1,184,331 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Share issue on 15 March 2019 | 99,151,250 | 545,332 |
| Share issue on 9 May 2019 | 10,000,000 | 90,761 |
| Share issue on 22 May 2019 | 1,176,470 | 7,647 |
| | <hr/> | <hr/> |
| As at 30 June 2019 | 626,932,720 | 1,828,071 |
| | <hr/> <hr/> | <hr/> <hr/> |

On 9 March 2018 the Company issued 300,000,000 ordinary shares for 0.1 pence per share, raising £300,000.

On 13 April 2018 the Company issued 15,000,000 ordinary shares as consideration for £15,000 of corporate advisory fees and 2,000,000 to settle a cash liability of £16,000.

On 11 May 2018, the Company obtained approval from shareholders to amend the Articles of Association removing the limit of authorised share capital and is now authorised to issue an unlimited number of shares.

On 10 September 2018, the Company completed the acquisition of the Big Bear Project, in Ontario, Canada. Part of the consideration for the acquisition was the issuance of 19,146,664 ordinary shares at 0.3 pence totalling £181,893.

Admission of the completion shares took place on 14 September 2018 and following this the issued ordinary share capital comprise 516,605,000 ordinary shares of 0.01 pence each and remain so at 31 December 2018.

On 15 March 2019 the Company acquired Panther Metals Pty Ltd through the issue and in-specie distribution of 99,151,250 new fully paid shares. The market price of the shares at that time was 0.55 pence totalling £545,332.

On 9 May 2019 two Directors of the Company converted 5,000,000 0.2 pence options for a cash consideration of £20,000 under the share option scheme announced on 15 February 2018.

On 22 May 2019, Panther Metals (Canada) Ltd acquired additional mining claims covering ground immediately to the north of the company's Big Bear asset in Ontario, Canada. Part of the consideration for these mining claims was \$10,000 of Company shares at the market price prevailing at that time. 1,176,470 shares were issue totalling £7,647.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

14. Share based payment transactions

Equity settled share based payments

On 9 March 2018, 20,000,000 share options were awarded to certain directors. The date of grant has been taken as 10 May 2018 being the date the options were approved at the delayed General Meeting. The options are exercisable at 0.2 pence per share and become exercisable six months after their grant. They can be exercised at any time between this date and to the day before the third anniversary of their grant.

If the option holders exercise 50% or more of their options before the first anniversary of their grant, the holders shall receive, upon exercise of each option, one new bonus option with an exercise price of 0.5 pence each, expiring at the same date as the original options.

On 9 May 2019, 10,000,000 original options were exercised entitling those option holders to receive 10,000,000 bonus options. The first anniversary of the original options has now passed, and the remaining 10,000,000 bonus options have been forfeited.

On 17 September 2018, 5,000,000 share options were granted to professional advisers in connection with the acquisition of the Big Bear Project. The options are exercisable at 0.3 pence per share, vest immediately and expire on 17 September 2020.

Options issued, cancelled and outstanding at the period end

| | At 1 January 2018 No of options | Issued | Forfeited | Exercised | At 30 June 2019 No of options | Weighted average exercise price (pence) |
|-------------------------------------|--|---------------|---------------------|---------------------|--|--|
| At 1 January 2018 | - | - | - | - | - | - |
| Options issued on 10 May 2018 | 20,000,000 | - | - | (10,000,000) | 10,000,000 | 0.2 |
| Bonus options issued on 10 May 2018 | 20,000,000 | - | (10,000,000) | - | 10,000,000 | 0.5 |
| Options issued on 17 September 2018 | 5,000,000 | - | - | - | 5,000,000 | 0.3 |
| As at 31 Dec 2018 | <u>45,000,000</u> | <u>-</u> | <u>(10,000,000)</u> | <u>(10,000,000)</u> | <u>25,000,000</u> | <u>0.35</u> |

A Black-Scholes model has been used to determine the fair value of the share options on the date of grant. The model assesses a number of factors in calculating the fair value. These include the market price on the date of grant, the exercise price of the share options, the expected share price volatility of the Company's share price, the expected life of the options, the risk-free rate of interest and the expected level of dividends in future periods.

The consolidated statement of comprehensive income for the period to 30 June 2019 includes a credit of £42,814 in respect of share options forfeited in the period. The transactions from exercising share options are shown within the statement of changes in equity.

PANTHER METALS PLC

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2019

15. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The Group has therefore elected not to disclose transactions between the Company and its subsidiaries, as permitted by IAS 24.

As at 31 December 2018 the Company's cash balance of £68,270 was held by a related party whilst banking arrangements were being finalised.

In the interim period to 30 June 2019 KPA Consulting Limited, a company owned by Kate Asling, charged the Company £6,000 (30 June 2018: £nil) in respect of accounting and consultancy services.