8 May 2019

**Panther Metals PLC**
**("Panther" or the "Company")**

**FINAL AUDITED RESULTS FOR THE YEAR 31 DECEMBER 2018**
**NOTICE OF ANNUAL GENERAL MEETING ("AGM")**

The Directors of Panther Metals plc (NEX:PALM), the exploration company operating in Canada and Australia, are pleased to announce the final audited results for the year ended 31 December 2018.

The Report and Accounts extracts are presented below. The full Report and Accounts and Notice of AGM are available to download on the Company's website www.panthermetals.co.uk.



| | |
|---|---|
| The Company<br>**PANTHER METALS PLC**<br>Darren Hazelwood, Chief Executive Officer<br>Mitchell Smith, Chief Operating Officer | <br>www.panthermetals.co.uk<br>+ 44 (0)7971 957 685<br>+ 1 (604) 209 6678<br>info@panthermetals.co.uk |
| NEX Exchange Corporate Adviser<br>**PETERHOUSE CAPITAL LIMITED**<br>Mark Anwyl<br>Guy Miller<br><br>Company broker<br>**SI CAPITAL LIMITED**<br>Nick Emerson | <br>+44 (0) 20 7469 0930<br><br><br><br><br>+44 (0) 1438 416 500 |

## CHAIRMAN'S STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2018

The past year has been a transformational period for Panther Metals Plc (the "Company" or "Panther"), to the extent that every facet of the enterprise reflects positive and dynamic change. While such change is itself necessary, all successful companies are ultimately built in the long-term on the foundations of sound strategic planning and operational focus. Panther elucidated its new strategy clearly and decisively, following its last AGM early in 2018, then proceeded to action its plan methodically throughout the remainder of the year.

Panther is targeting scaleable growth projects in the stable, mining-friendly jurisdictions of Australia and Canada. Projects targeted by the Company demonstrate potential for growth and value generation in the medium to long-term, with a focus on precious and base-metals. This strategy is in recognition of the increasing operational and jurisdictional risks associated with project development in many other parts of the world, in particular the difficulty of permitting projects in regions that are not already fully supportive of the resource sector. The flip-side of this strategic choice is that we face significant competition, a risk being mitigated through a technically and financially astute board capable of nimble and effective action. In addition, our business is supported by financiers in London and Perth who have previously seen investment successes in the mineral resources sector, and we continue to welcome their interest and involvement.

By mid-year the Company had secured an option to acquire several gold projects in Canada, which it duly secured late in the summer. These projects include, Big and Little Bear Lake and Schreiber Pyramid (collectively referred to as the "Big Bear Project") located in north-western Ontario; areas prospective for both orogenic gold and volcanogenic massive sulphide deposits. These projects are located within the famous Schreiber-Hemlo Greenstone Belt; only 95km from the world-class Hemlo gold deposit, which is currently operated by Barrick Gold Corporation. As a jurisdiction, Ontario is ranked 7th most attractive in the world in the Fraser Institute mining survey, higher than several other provinces in Canada. Our projects are already yielding positive and coherent exploration results, including significantly anomalous soil and rock-chip samples, which confirm our understanding of the prospectivity of this region. Further work on these projects by the Company is ongoing, actioning an exploration plan which is targeting the identification of drill-targets for the next field season.

At the end of the year, an agreement was reached to acquire an Australian company, Parthian Resources Pty. Ltd.; a deal which was concluded successfully post-period end in March 2019. The transaction provides the Company with an operating subsidiary in Australia, with which it may now pursue project specific acquisitions in the country. In addition to owning a unique and valuable geoscientific database relating to its prior area of operational focus, this company also retains significant cash, which Panther intends to utilise to make at least one project acquisition. The Company is currently focused on identifying suitable early-stage projects in prospective mineral provinces located in Western Australia and the Northern Territory. While Western Australia ranks 5th most attractive jurisdiction in the world in the Fraser Institute mining survey, the Northern Territory is of particular interest to the Company as it ranks as the 6th lowest cost gold producer in the world (at US$566/oz); both states containing several world-class gold provinces, with recent exploration under cover and in less well-explored areas still revealing major discoveries.

I referred earlier to the current board of directors, with which I have the pleasure of serving as part of a well-integrated, like-minded and energetic team. I would like to take this opportunity to thank them for their hard work and diligence during the past year, particularly as the Company underwent its process of internal and external change. I am confident that we have built the foundations upon which Panther will begin to tower in the years ahead. We welcome the interest of all of our existing and new shareholders in the Company and look forward to providing further updates on our progress in the near future.

Dr. Kerim Sener
Non-executive Chairman
3 May 2019

# DIRECTORS' REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report on the affairs of the Group, together with the financial statements and auditors' report, for the year ended 31 December 2018.

**Principal activities**
Panther Metals plc (the "Company") is a company registered in the Isle of Man. The Company was incorporated on 5 June 2013. On 30 June 2014, the Company's shares were admitted to trading on the NEX Exchange Growth Market in London. On 9 March 2018, the Company, at its Annual General Meeting, received approval from shareholders to change its investing policy to the natural resources sector from the agriculture sector.

The Company's principal activity is investment within the natural resources sector in base, precious and energy metals, searching within established and politically stable mining jurisdictions such as Australia and North America.

**Results**
The loss for this year after taxation was £519,134 (2017: £133,747) and at company level £519,735 (2017: £133,640).

The Directors do not recommend the payment of a dividend.

**Directors**
The directors, who served throughout the period and to the date of this report, are as follows:

S Rothschild
Darren Hazelwood (Appointed on 9 March 2018)
Mitchell Patrick Smith (Appointed on 9 March 2018)
Nicholas John O'Reilly (Appointed on 9 March 2018)
Ahmet Kerim Sener (Appointed 17 August 2018)
Kate Asling (Appointed 4 December 2018)
Manichelvam Subramaniam (Resigned on 4 December 2018)

**Directors' interests**
The beneficial interests in the Company's shares of the Directors and their families were as follows:

| | **Held at 31 December 2018** | **Held at 31 December 2017** |
|---|---|---|
| D Hazelwood | 50,000,000 | - |
| M Subramaniam | 25,220,003 | 25,220,003 |
| M Smith | - | - |
| S Rothschild | - | - |
| N O'Reilly | - | - |
| A K Sener | - | - |
| K Asling | - | - |

On 15 March 2019, following the acquisition of Parthian Resources Pty Ltd, A K Sener received 34,615,902 ordinary shares in the Company representing 5.6% of the entire issued share capital.

On 10 May 2018 the following share options were issued to directors

| | Held at 31 December 2018 | Held at 31 December 2017 |
|---|---|---|
| D Hazelwood | 10,000,000 | - |
| M Smith | 20,000,000 | - |
| N O'Reilly | 10,000,000 | - |
| | 40,000,000 | |

On 10 May 2018, 20,000,000 options were granted and are exercisable at 0.2 pence per share and became 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.

**Directors' remuneration**
Details of the Directors' fees for the year are as follows:

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|---|---|---|
| D Hazelwood | 12,000 | - |
| M Subramaniam | 31,369 | 27,000 |
| M Smith | 26,248 | - |
| S Rothschild | 12,750 | 13,200 |
| N O'Reilly | 12,000 | - |
| A K Sener | 4,310 | - |
| K Asling | - | - |
| H Bin Abdul Jalil | - | 5,447 |

M Smith received fees totalling £4,375 (2017:£nil) attributable to services provided prior to being appointed as a director.

M Subramaniam received a redundancy payment of £21,875 in March 2018 and a further payment £3,600 in November 2018.

### Substantial shareholders

The Directors are aware of the following shareholdings of 3% or more of the issued share capital of the Company as of 3 May 2019:

| | Number of Ordinary Shares | % of Share Capital |
|---|---|---|
| Jim Nominees Limited | 127,375,000 | 20.7% |
| Interactive Investor Services Nominees Limited | 90,073,817 | 14.6% |
| Darren Hazelwood | 50,000,000 | 8.1% |
| Hargreaves Lansdown (Nominees) Limited | 50,000,000 | 8.1% |
| Share Nominees Ltd | 38,670,328 | 6.3% |
| Ahmet Kerim Sener | 34,615,902 | 5.6% |
| Beaufort Nominees Limited | 32,920,647 | 5.3% |
| Cityscape Asset Pty Ltd | 23,167,485 | 3.8% |
| Gemelli Nominees Pty Ltd | 23,167,485 | 3.8% |
| Manichelvam Subramaniam | 20,220,003 | 3.3% |
| The Bank of New York (Nominees) Limited | 18,189,331 | 3.0% |

### Political and charitable donations

The Company did not make any political or charitable donations during the reporting period (31 Dec 2017: nil).

### Going concern

In the year ended 31 December 2018 the Company raised £300,000 through the placing of its ordinary shares and on 10 September 2018 the Company completed its first acquisition of a prospective gold and metals project ("Big Bear Project") as part of its new investment strategy. 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 spring/summer work season of 2019.

As a junior exploration company, the Directors are aware that the Company must seek funds from the market in the next 12 months to meet its investment and exploration plans and to maintain its listing status. Whilst the Company successfully raised £300,000 through the placing of shares during the year, a successful fundraising presents a material uncertainty that may cast doubt on the Group's ability to continue to operate as planned and to pay its liabilities as they fall due for a period not less than twelve months from the date of this report.

As at the year-end date the Group had total cash reserves of £69,517 (2017: £62,000) comprising cash at bank of £1,247 (2017: £62,000) and cash held by a related party of £68,270 (2017: nil) whilst new banking arrangements were being finalised. The directors are aware of the reliance on fundraising within the next 12 months and the material uncertainty this presents but 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 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 15 March 2019 the Company completed the acquisition of Parthian Resources Pty Ltd, gaining access to various exploration opportunities in Western Australia and the Northern Territory. The newly acquired subsidiary has cash reserves of approximately A$152,000 at the date of acquisition.

**Subsequent events**
Subsequent events affecting the Group have been set out in the Chairman's Statement and in Note 21 of the financial statements.

**Statement of directors' responsibilities**

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

UHY Hacker Young LLP has expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

D Hazelwood
**Chief Executive Officer**

3 May 2019

## Opinion

We have audited the financial statements of Panther Metals plc for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 December 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Isle of Man Companies Acts of 1931 to 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty in respect of going concern

We have considered the adequacy of the going concern disclosures made in note 1.2 to the financial statements concerning the Group's and Company's ability to continue as a going concern. The Group incurred a loss of £519,134 during the year ended 31 December 2018 and is still incurring losses.

As discussed in note 1.2, the Company will need to raise further funds in order to meet its budgeted operating costs. These conditions, along with other matters discussed in note 1.2 indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments (such as impairment of assets) that would result if the Group and Company were unable to continue as a going concern.

Our opinion is not modified in respect of the above matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Our assessment of risks of material misstatements**

We identified the following risks of material misstatement that we believe had the greatest impact on our overall audit strategy and scope, the allocation of resources in the audit, and directing the efforts of the team. This is not a complete list of all risks identified by our audit.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Valuation and impairment of exploration and evaluation assets***<br><br>Per IFRS 6 'Exploration for and Evaluation of Mineral Resources', exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall recognise an impairment loss. | In accordance with IFRS 6 we reviewed the exploration and evaluation (E&E) assets for indications of impairment.<br><br>We reviewed the directors' assessment that there were no indicators of impairment present.<br><br>We obtained evidence that all claims and licenses remain valid and are in good standing.<br><br>We confirmed there is an on-going plan to develop the assets.<br><br>Based on our review, no indicators of impairment were identified, and therefore the facts and circumstances do not suggest that the carrying amount of the E&E assets exceeds the recoverable amount. Therefore, we are satisfied that no impairment is required. |
| ***Capitalisation of exploration and evaluation assets***<br><br>Per IFRS 6 'Exploration for and Evaluation of Mineral Resources', an entity shall determine an accounting policy specifying which expenditures are recognised as exploration and evaluation assets and apply the policy consistently. In making this determination, an entity considers the degree to which the expenditure can be associated with finding specific mineral resources.<br><br>There is a risk that expenses have been inappropriately capitalised, such as costs incurred prior to obtaining the rights to explore the area. | We have reviewed the Group's accounting policy and consider it to be consistent with IFRS 6.<br><br>We have verified a sample of capitalised expenditure and have sufficient appropriate audit evidence to conclude that it has been capitalised appropriately. |
| ***Valuation and impairment of intercompany balances***<br><br>The Company has a highly material intercompany debtor balance with its subsidiary, Panther Metals (Canada) Ltd ("Panther Canada"). There is a risk that if the exploration and evaluation assets have been inappropriately capitalised or require impairment, then the recoverable amount of the intercompany balance may be below its carrying value. | Through our audit work on the exploration and evaluation assets we did not identify any inappropriate capitalisation or potential indicators of impairment. Therefore, no indicators of impairment relating to the intercompany balance built up to fund the exploration activities have been identified.<br><br>Consequently, we agree with the directors' assessment that the carrying amount of the intercompany debtor does not exceed its |

| | |
|---|---|
| | recoverable amount. |
| ***Going concern***<br><br>The Group does not currently generate revenue and is dependent on further share issues in order to fund its activities. The directors must assess the uncertainty surrounding going concern, that it is appropriate to prepare the accounts on a going concern basis, and ensure that any material uncertainty this is adequately disclosed within the financial statements. | The group held £1,247 cash and cash equivalents at year-end, with £68,270 held in the bank account of a related party.<br><br>We have obtained and reviewed the cash flow forecasts and working capital projections prepared by management. They show that the Group requires a successful fundraising to continue as a going concern for the foreseeable future.<br><br>Given this, we consider there to be a material uncertainty with respect to going concern. We consider the disclosures in note 1.2 accounts regarding going concern to be sufficient. We have drawn specific attention to this in our audit report under "material uncertainty with respect to going concern". |

**Our application of materiality**

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could influence the economic decisions taken on the basis of the financial statements by reasonable users.

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

| | |
|---|---|
| Overall materiality | We determined materiality for the financial statements as a whole to be £16,000 (2017: £31,000). |
| How we determined it | Based on the main key indicators, being an average of 5% of the loss before tax and 2% of gross assets (2017: 4% of net assets). |
| Rationale for benchmarks applied | We believe the loss before tax and the gross asset values are the most appropriate bench marks due to the costs incurred in running the Group and the exploration and evaluation assets it has capitalised. |
| Performance materiality | On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, amounting to £12,000 (2017: £23,500). |

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

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the company, its activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Chairman's Statement or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Acts 1931 to 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with section 15 of the Companies Act 1982 (Isle of Man). 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.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW

3 May 2019

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Year ended 31 December 2018 £ | Year ended 31 December 2017 £ |
|---|---|---|---|
| **Revenue** | | - | - |
| Cost of sales | | - | - |
| **Gross profit** | | - | - |
| Administrative expenses | | (245,460) | (104,398) |
| Share-based payment charge | **17** | (227,151) | - |
| Settlement of financial liability through issue of shares | | (16,000) | - |
| **Operating loss** | | (488,611) | (104,398) |
| Finance income | **6** | 315 | 2,527 |
| Gain on disposal of investment | **7** | - | 12,294 |
| Loss on discontinued operations | **3** | (30,838) | (44,170) |
| **Loss before taxation** | | (519,134) | (133,747) |
| Taxation | | - | - |
| **Loss for the period** | | (519,134) | (133,747) |
| **Other comprehensive income** | | - | - |
| **Total comprehensive income for the period** | | (519,134) | (133,747) |
| **Loss attributable to:** | | | |
| Equity holders of the company: | | | |
| Continuing operations | | (488,296) | (89,577) |
| Discontinuing operations | | (30,838) | (44,170) |
| | | (519,134) | (133,747) |
| Basic loss per share (pence) | **9** | (0.12)p | (0.07)p |
| Diluted loss per share (pence) | **9** | (0.12)p | (0.07)p |

## CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Group | | Company | |
|---|---|---|---|---|---|
| | | As at 31 December 2018 £ | As at 31 December 2017 £ | As at 31 December 2018 £ | As at 31 December 2017 £ |
| **Non-current assets** | | | | | |
| Exploration and evaluation assets | **10** | 253,810 | - | - | - |
| Investments | **12** | - | - | 1 | 181 |
| **Total non-current assets** | | 253,810 | - | 1 | 181 |
| **Current assets** | | | | | |
| Receivables | **13** | 75,458 | 4,536 | 320,810 | 14,778 |
| Cash at bank and in hand | **14** | 1,247 | 62,000 | 1,247 | 51,527 |
| **Total current assets** | | 76,705 | 66,536 | 322,057 | 66,305 |
| **Total assets** | | 330,515 | 66,536 | 322,058 | 66,486 |
| **Current liabilities** | | | | | |
| Trade and other payables | **15** | (42,996) | (21,654) | (34,539) | (21,003) |
| **Total liabilities** | | (42,996) | (21,654) | (34,539) | (21,003) |
| **Net assets** | | 287,519 | 44,882 | 287,519 | 45,483 |
| **Capital and reserves** | | | | | |
| Called up share capital | **16** | 1,005,585 | 669,438 | 1,005,585 | 669,438 |
| Share Premium | **16** | 178,746 | - | 178,746 | - |
| Share-based payment reserve | **17** | 246,878 | - | 246,878 | - |
| Retained losses | **18** | (1,143,690) | (624,556) | (1,143,690) | (623,955) |
| **Total equity** | | 287,519 | 44,882 | 287,519 | 45,483 |

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 3 May 2019. They were signed on its behalf by:

D Hazelwood
**Chief Executive Officer**

## CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Group | | Company | |
|---|---|---|---|---|---|
| | | As at 31 December 2018 £ | As at 31 December 2017 £ | As at 31 December 2018 £ | As at 31 December 2017 £ |
| **Cash flows from operating activities** | | | | | |
| Loss for the financial year | | (519,134) | (133,747) | (519,735) | (133,640) |
| *Adjusted for:* | | | | | |
| Depreciation | | - | 151 | - | 151 |
| Interest received | **6** | (315) | (2,527) | (315) | (2,527) |
| Share-based payment charge | **17** | 227,151 | - | 227,151 | - |
| Settlement of financial liability through issue of shares | **17** | 16,000 | - | 16,000 | - |
| Impairment of investment in subsidiary | **12** | - | - | 181 | - |
| Gain on disposal of investment | **7** | - | (12,294) | - | (12,294) |
| (Increase)/decrease in receivables | | (2,652) | (4,512) | (36,142) | (13,890) |
| Increase in cash held by related party shown as receivables | *See below*** | (68,270) | - | (68,270) | - |
| Increase/(decrease) in payables | | 38,342 | 5,703 | 30,536 | 5,165 |
| **Net cash used in operating activities** | | (308,878) | (147,226) | (350,594) | (157,035) |
| **Investing activities** | | | | | |
| Interest received | | 315 | 2,527 | 315 | 2,527 |
| Sale of investment | **7** | - | 124,066 | - | 124,066 |
| Incorporation of subsidiary | | - | - | (1) | - |
| Cash spent on exploration activities | | (52,190) | - | - | - |
| **Net cash (used in)/generated from investing activities** | | (51,875) | 126,593 | 314 | 126,593 |
| **Financing activities** | | | | | |
| Proceeds from issuing shares | **16** | 300,000 | - | 300,000 | - |
| **Net cash generated from financing activities** | | 300,000 | - | 300,000 | - |
| **Net decrease in cash and cash equivalents** | | (60,753) | (20,633) | (50,280) | (30,442) |
| **Cash and cash equivalents at beginning of year** | | 62,000 | 82,633 | 51,527 | 81,969 |
| **Cash and cash equivalents at end of year** | | 1,247 | 62,000 | 1,247 | 51,527 |

**** 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.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

**Group**

| | Notes | Share capital £ | Share Premium £ | Share based payment reserve £ | Retained losses £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2017** | | 669,438 | - | - | (490,809) | 178,629 |
| Loss for the year | | - | - | - | (133,747) | (133,747) |
| Total comprehensive loss for the year | | - | - | - | (133,747) | (133,747) |
| **Balance at 31 December 2017** | | 669,438 | | | (624,556) | 44,882 |
| Loss for the year | | - | - | - | (519,134) | (519,134) |
| *Total comprehensive loss for the year* | | - | - | - | (519,134) | (519,134) |
| *Transactions with owners of the company* | | | | | | |
| Share issues | **16** | 300,000 | - | - | - | 300,000 |
| Shares issued to acquire exploration and evaluation assets | **16** | 19,147 | 162,746 | - | - | 181,893 |
| Issue of ordinary shares as consideration for professional fees | **16** | 15,000 | - | - | - | 15,000 |
| Fair value of shares issued to settle financial liability | **16** | 2,000 | 16,000 | - | - | 18,000 |
| *Other transactions* | | | | | | |
| Credit relating to equity-settled share-based payments | **17** | - | - | 246,878 | - | 246,878 |
| | | 336,147 | 178,746 | 246,878 | - | 761,771 |
| **Balance at 31 December 2018** | | 1,005,585 | 178,746 | 246,878 | (1,143,690) | 287,519 |

## PANTHER METALS PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2018

| Company | Notes | Share capital £ | Share Premium £ | Share based payment reserve £ | Retained losses £ | Total £ |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2017** | | 669,438 | | | (490,315) | 179,123 |
| Loss for the year | | - | | - | (133,640) | (133,640) |
| Total comprehensive loss for the year | | - | - | - | (133,640) | (133,640) |
| **Balance at 31 December 2017** | | 669,438 | | | (623,955) | 45,483 |
| Loss for the year | | - | - | - | (519,735) | (519,735) |
| *Total comprehensive loss for the year* | | - | - | - | (519,735) | (519,735) |
| *Transactions with owners of the company* | | | | | | |
| Share issues | **16** | 300,000 | - | - | - | 300,000 |
| Shares issued to acquire exploration and evaluation assets | **16** | 19,147 | 162,746 | - | - | 181,893 |
| Issue of ordinary shares as consideration for professional fees | **16** | 15,000 | - | - | - | 15,000 |
| Fair value of shares issued to settle financial liability | **16** | 2,000 | 16,000 | - | - | 18,000 |
| *Other transactions* | | | | | | |
| Credit relating to equity-settled share-based payments | **17** | - | - | 246,878 | - | 246,878 |
| | | 336,147 | 178,746 | 246,878 | - | 761,771 |
| **Balance at 31 December 2018** | | 1,005,585 | 178,746 | 246,878 | (1,143,690) | 287,519 |

## 1 Accounting policies

### 1.1. Basis of preparation

Panther Metals plc is a public limited company incorporated the Isle of Man.

The consolidated financial statements of Panther Metals plc and its subsidiaries (together, “the Group”) are presented as required by the Companies Act 2006 (Isle of Man). As permitted by that Act, the financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial statements have been prepared on the historical cost basis. The principal accounting policies that have been adopted by the Company in the preparation of these financial statements are set out below and have been consistently applied to all periods presented.

### 1.2. Going concern

During the year ended 31 December 2018 the Company raised £300,000 through the placing of its ordinary shares and on 10 September 2018 the Company completed its first acquisition of a prospective gold and base-metals project (“Big Bear Project”) as part of its new investment strategy. 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 spring/summer work season of 2019.

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. Whilst the Company successfully raised £300,000 through the placing of shares during the year, a successful fundraising presents a material uncertainty that may cast doubt on the Group’s ability to continue to operate as planned and to pay its liabilities as they fall due for a period not less than twelve months from the date of this report.

As at the year-end date the Group had total cash reserves of £69,517 (2017: £62,000) comprising cash at bank of £1,247 (2017: £62,000) and cash held by a related party of £68,270 (2017: nil) whilst new banking arrangements were being finalised. The directors are aware of the reliance on fundraising within the next 12 months and the material uncertainty this presents but 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 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 15 March 2019 the Company completed the acquisition of Parthian Resources Pty Ltd, gaining access to various exploration opportunities in Western Australia and the Northern Territory. The newly acquired subsidiary has cash reserves of approximately A$152,000 at the date of acquisition.

### 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, 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').

In the interim period to 30 June 2018 the functional currency of the Company's subsidiary, Lonnus was the Malaysian Ringgit (RM) which was the currency of the environment in which the company principally operated in during this time.

The functional currency of Panther Metals (Canada) Ltd is the Canadian Dollar (CAD) which is the currency of the environment in which the subsidiary operates.

*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. 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.

### 1.6. Property, Plant and Equipment

Office equipment is stated at cost, less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over this expected useful life, as follows:

Office equipment: 25% per annum on a straight line basis

### 1.7. Investments

Investments are stated at cost less any provision for impairment.

**1.8. 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.

**1.9. 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.

**1.10. 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.

**1.11. 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 and the share premium reserves.

**1.12. 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 17 for further details.

### 1.13. New IFRS standards and interpretations not applied

There were no IFRS standards or IFRIC interpretations adopted for the first time in these financial statements that had a material impact on the Group/Company's financial statements.

At the date of approval of these financial statements, the following Standards and Interpretations which maybe applicable to the Group, but have not been applied in these financial statements, were in issue but not yet effective

| *Standard* | *Details of amendment* | *Effective date* |
|---|---|---|
| IFRS 3 | Business Combinations – Annual Improvements 2015-2017 Cycle, clarification that when an entity obtains control of a joint operations it is required to remeasure previously held interests. | 1 January 2019 |
| IFRS 3 | Business Combinations – amendments to definition of a business. | 1 January 2020 |
| IFRS 9 | Financial Instruments – Prepayment Features with Negative Compensation. | 1 January 2019 |
| IFRS 11 | Joint Arrangements - Annual Improvements 2015-2017 Cycle clarification that when an entity obtains control of a joint operation it does not remeasure previously held interests | 1 January 2019 |
| IFRS 16 | Leases - introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than year, unless the underlying asset is of low value | 1 January 2019 |
| IAS 1 | Presentation of Financial Statements – Disclosure initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of the concept. | 1 January 2020 |
| IAS 8 | Accounting Policies, Changes in Accounting - Disclosure initiative: The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of the concept. | 1 January 2020 |
| IAS 23 | Borrowing Costs - Annual Improvements 2015 -2017 Cycle: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings | 1 January 2019 |

The Group does not anticipate that the adoption of these standards will have a material effect on its financial statements in the year of initial adoption.

Annual Improvements to IAS 12 Income Taxes, amendments to IAS 19 Employee Benefits and IFRIC 23 Uncertainty over Income Tax Treatments have been issued with an effective date of 1 January 2019. The Group does not have any income tax liabilities and does not have any employees therefore the directors do not expect that there will be any material effect in the next financial period.

## 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.

## 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 31 December 2018 the exploration and evaluation asset totalled £253,810 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 spring/summer work season of 2019.

In the financial year to 31 December 2018 Panther Metals (Canada) Ltd did not record 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.

*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 have 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 £30,838 (2017: £44,170). This mainly consists of office and administrative costs incurred in Malaysia, a severance package paid to a director and project costs written off in the year.

Lonnus (M) Sdn Bhd, the subsidiary company in Malaysia made a profit for the financial year of £421 (2017: Loss of £107).

***Geographical segments***

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

| | **Year ended 31 December 2018** | | | **Year ended 31 December 2017** | | | |
|---|---|---|---|---|---|---|---|
| | Canada | Isle of Man | Group | Canada | Isle of Man | Malaysia | Group |
| | £ | £ | £ | £ | £ | £ | £ |
| Total assets | 253,810 | 322,058 | 330,515 | - | 66,486 | 50 | 66,536 |
| Total liabilities | (253,809) | (34,539) | (42,996) | - | (21,003) | (651) | (21,654) |
| Net assets | 1 | 287,519 | 287,519 | - | 45,483 | 601 | 44,882 |

The Group's Exploration and Evaluation assets totalling £253,810 are held in Canada.

## 4 Operating loss

| | **Year ended 31 December 2018** | **Year ended 31 December 2017** |
|---|---|---|
| | **£** | **£** |
| Operating loss has been arrived at after charging: | | |
| Depreciation | - | 151 |
| Loss on foreign exchange | 386 | 1,060 |
| Auditors remuneration – audit fees | 9,000 | 8,335 |

## 5 Employees

There were no employees of the Group during the year. Director's remuneration is separately disclosed in the Director's Report on page 2.

## 6 Finance income

| | Year ended 31 December 2018 £ | Year ended 31 December 2017 £ |
|---|---|---|
| **Interest income** | | |
| Bank interest received | 315 | 2,527 |

## 7 Disposal of investment

In the year to 31 December 2017 the Company's investment in Next Oasis was disposed of for £124,066 resulting in a gain on disposal of £12,294 (see note 12).

## 8 Taxation

| | Year ended 31 December 2018 £ | Year ended 31 December 2017 £ |
|---|---|---|
| Current tax | - | - |
| Deferred tax | - | - |

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%.

## 9 Loss per share

The basic loss per share for the period of 0.12p (2017: - 0.07p) is calculated by dividing the loss for the period by the weighted average number of ordinary shares in issue of 443,366,101 (2017: 180,458,336).

On 15 March 2019 the Company issued 99,151,250 new fully-paid shares as part of the acquisition of Parthian Resources Pty Ltd, see note 21.

There are 45,000,000 potentially issuable shares all of which relate to share options issued to Directors and professional advisers under option (see note 17), the weighted average number of potential ordinary shares in issue is 488,366,101 (2017: 180,458,336). 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 0.12p per share.

The basic and diluted loss per share for discontinuing operations for the year is 0.01p.

## 10 Exploration and evaluation assets

| Group | Exploration and evaluation costs £ |
|---|---|
| **Net book value** | |
| At 1 January 2018 | - |
| Additions | 253,810 |
| At 31 December 2018 | 253,810 |

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 (see note 16). This has been included within Exploration and Evaluation assets of £253,810 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.

## 11 Property, plant and equipment

| Group and company | Office equipment £ |
|---|---|
| **Cost** | |
| At 1 January 2018 | 315 |
| Disposals | (315) |
| At 31 December 2018 | - |
| **Depreciation** | |
| At 1 January 2018 | 315 |
| Eliminated in respect of disposals | (315) |
| At 31 December 2018 | - |
| **Net book value** | |
| At 31 December 2017 and 2018 | - |

## 12 Fixed asset investments

### Group

**Movements in fixed asset investments**

| | Unlisted investments £ |
|---|---|
| **Cost** | |
| At 1 January 2017 | 111,772 |
| Disposals | (111,772) |
| At 1 January 2018 | - |
| Additions | - |
| At 31 December 2018 | - |
| **Net book value** | |
| At 31 December 2017 and 2018 | - |

On 29 May 2017, the Company entered into a Share Sale Agreement to dispose its investment in Next Oasis Sdn Bhd for £124,066.

### Company

**Movements in fixed asset investments**

| | Other unlisted in vestments £ | Investments in subsidiaries £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2017 | 111,772 | 181 | 111,953 |
| Disposals | (111,772) | - | (111,772) |
| At 1 January 2018 | - | 181 | 181 |
| Addition | - | 1 | 1 |
| Impairment | - | (181) | (181) |
| At 31 December 2018 | - | 1 | 1 |
| **Net book value** | | | |
| At 31 December 2017 | - | 181 | 181 |
| At 31 December 2018 | - | 1 | 1 |

As at 31 December 2018, the Company’s investment in its subsidiary company Malaysia – Lonnus (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.

**12. *Fixed asset investments (continued)***

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.

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** |
|---|---|---|---|
| Lonnus (M) Sdn Bhd | 100% | Malaysia | Dormant |
| Panther Metals (Canada) Ltd | 100% | Canada | Exploration |

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

**13 Receivables**

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **As at 31 December 2018 £** | **As at 31 December 2017 £** | **As at 31 December 2018 £** | **As at 31 December 2017 £** |
| **Amounts falling due within one period** | | | | |
| Amounts due from subsidiaries | - | - | 245,352 | 10,282 |
| Deposits | - | 40 | - | - |
| Prepayments | 6,438 | - | 6,438 | - |
| Other receivables | 750 | 4,496 | 750 | 4,496 |
| Cash held by related party | 68,270 | - | 68,270 | - |
| | 75,458 | 4,536 | 320,810 | 14,778 |

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.

**14 Cash and cash equivalents**

Cash and cash equivalents comprise cash held at bank.

At the year end 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 the balance is therefore shown within receivables, see note 13 above.

## 15 Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | As at 31 December 2018 £ | As at 31 December 2017 £ | As at 31 December 2018 £ | As at 31 December 2017 £ |
| Trade payables | 11,692 | - | 10,313 | - |
| Accruals | 31,304 | 21,654 | 24,226 | 21,003 |
| | 42,996 | 21,654 | 34,539 | 21,003 |

## 16 Share capital and share premium

| | Number of shares | Share Capital £ | Share Premium £ |
|---|---|---|---|
| **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 | 17,000 | 16,000 |
| Share issue on 10 September 2018 | 19,146,664 | 19,147 | 162,746 |
| As at 31 December 2018 | 516,605,000 | 1,005,585 | 178,746 |

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 at a premium 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. The nominal value of the shares issued totalled £19,147. The market price of the shares at that time was 0.95 pence per share giving rise to a share premium of £162,746.

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.

## 17 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. The bonus options have been treated as outstanding options on the basis that they are expected to be issued on conversion of the original options.

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 year end**

| | **Number of options** | **Weighted average exercise price *(pence)*** |
|---|---|---|
| At 1 January 2018 | - | - |
| Options issued | | |
| Options issued on 10 May 2018 | 20,000,000 | 0.2 |
| Bonus options issued on 10 May 2018 | 20,000,000 | 0.5 |
| Options issued on 17 September 2018 | 5,000,000 | 0.3 |
| As at 31 December 2018 | 45,000,000 | 0.35 |

**Options outstanding and exercisable at the year end**

| **Date of grant** | **No of options, vested and exercisable** | **Exercise price** | **Weighted average contractual life *(years)*** | **Expiry date** |
|---|---|---|---|---|
| 10 May 2018 | 20,000,000 | 0.2 | 2.33 | 10 May 2021 |
| 10 May 2018 | 20,000,000 | 0.5 | 2.33 | 10 May 2021 |
| 17 September 2018 | 5,000,000 | 0.3 | 1.75 | 17 September 2020 |

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.

## *17. Share based payment transactions (continued)*

For those options granted where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

| Date of grant | Risk free rate | Share price volatility | Expected life | Share price at grant date |
|---|---|---|---|---|
| 10 May 2018 | 1.30% | 24.9% | 3 years | 0.009 |
| 17 September 2018 | 1.24% | 31.0% | 2 years | 0.010 |

The total charge to the consolidated statement of comprehensive income for the year to 31 December 2018 was £227,151 and £19,727 has been capitalised as part of the acquisition cost of the Big Bear Project and has been included within exploration and evaluation assets.

## 18 Financial instruments

The following financial instruments were held at the balance sheet date:

| | Group | | Company | |
|---|---|---|---|---|
| | As at 31 December 2018 £ | As at 31 December 2017 £ | As at 31 December 2018 £ | As at 31 December 2017 £ |
| **Financial assets** | | | | |
| Amounts due from related parties | - | - | 245,352 | 10,282 |
| Other receivables | 750 | - | 750 | 4,496 |
| Cash held by related party | 68,270 | - | 68,270 | - |
| Cash and cash equivalents | 1,247 | 62,000 | 1,247 | 51,527 |
| | 70,267 | 62,000 | 315,619 | 66,305 |
| **Financial liabilities** | | | | |
| Trade payables | 11,692 | - | 10,313 | - |
| Accruals | 31,304 | 21,654 | 24,226 | 21,003 |
| | 42,996 | 21,654 | 34,539 | 21,003 |

### *18. Financial instruments (continued)*

***Financial risk management objectives***

In the normal course of its operations the Group is exposed to a variety of risks from both its operating and investing activities. The Group's risk management is coordinated by the board of directors and focuses on actively securing the Group's short to medium term cash flows.

The main risks the Group is exposed to through its financial instruments are capital management risk, credit risk, market risk and liquidity risk.

***Capital risk management***

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the equity balance. The capital structure of the Group consists of equity attributable to equity holders consisting of issued share capital, reserves and retained losses as disclosed in the Statement of Financial Position.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Company has borrowings outstanding from its subsidiaries, the ultimate realisation of which depends on the successful exploration and realisation of the Group's evaluation and exploration assets.

***Market risk***

The Group undertakes transactions denominated in foreign currencies and is therefore exposed to exchange rate fluctuations as they arise. Since September 2018, the Group's major activity is the Big Bear project in Canada through its subsidiary Panther Metals (Canada) Ltd bringing exposure to the exchange rate fluctuations of Pounds Sterling with the Canadian Dollar.

Following the acquisition of Parthian Resources Pty Ltd the Group will also be exposed to exchange rate fluctuations of Pounds Sterling with the Australian Dollar.

Historically the Group has been exposed to the exchange rate fluctuations of Pounds Sterling with the Malaysian Ringgit through its subsidiary Lonnus (M) Sdn Bhd. However a change in investment strategy has resulted in this operation being discontinued and as at 31 December 2018 there were no outstanding foreign currency balances with this entity.

The Company does not enter into forward exchange contracts to mitigate the exposure to foreign currency risk as amounts paid and received in specific currencies are expected to largely offset one another and the currencies most widely traded are relatively stable.

As the Group's activities continue to develop the board of directors will monitor the exposure to foreign currency risk.

No sensitivity analysis has been prepared on the basis that the effects are minimal.

## 18. *Financial instruments (continued)*

### Liquidity risk

Liquidity risk is the risk the Group will not be able to meet its financial obligations as they fall due. The ultimate responsibility for liquidity risk management rests with the board of directors, which monitor's the Company's short, medium and long term funding and liquidity management requirements. The Company's liquidity risk arises in supporting the exploration activities of its subsidiary whilst also having sufficient resources to maintain the Company's listing status and overheads.

The board of directors maintains detailed working capital forecasts and exploration budgets to ensure sufficient resources exist to fund the Group's short term plans. The board will seek to raise funds from share capital to fund its medium to long term plans.

The Group's financial liabilities, consisting of trade and other payables, were settled within four weeks of the year end.

## 19 Financial commitments

The Big Bear project licenses held by the Group are subject to minimum spend requirements. In order to retain the licenses the Group is committed to an annual spend of CAD$28,800.

## 20 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.

KPA Consulting Limited, a company owned by Kate Asling, charged the Company £7,000 (2017:£nil) in respect of accounting and consultancy services.

Directors' remuneration is shown within the Directors' Report on pages 2 to 5

## 21 Subsequent events

On 15 March 2019 the Company acquired the entire issued share capital of Parthian Resources Pty. Ltd. ("Parthian"), a company domiciled in Australia.

Upon completion of the acquisition Parthian became a 100% owned subsidiary of the Company, through the issue and in-specie distribution of 99,151,250 new fully-paid shares in the Company such that Parthian shareholders own 16.1% of the enlarged share capital of the Company.

Parthian has since changed its name to Panther Metals Pty. Ltd.