ORIOLE
RESOURCES PLC

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

STOCK: ORR

Oriole Resources PLC is an AIM-quoted exploration company, operating in Africa and Europe, focused on gold and high-value base metals.

INVESTMENT CASE

STRONG TECHNICAL AND CORPORATE MANAGEMENT TEAM WITH PROVEN TRACK RECORD

QUALITY EXPLORATION IN GOLD-ENDOWED TERRANES IN AFRICA

ACTIVELY SEEKING FURTHER EXPLORATION OPPORTUNITIES

A NUMBER OF INTERESTS AND ROYALTIES IN COMPANIES OPERATING THROUGHOUT AFRICA AND TURKEY

JOINT VENTURE PARTNERSHIP ON SENALA GOLD PROJECT IN SENEGAL, REDUCING FINANCIAL EXPOSURE

HIGHLIGHTS

OPERATIONAL HIGHLIGHTS:

- Successfully re-applied for the 472.5 square kilometer ('km²') Dalafin land package, under a new licence named Senala, securing up to another 10 years' tenure in this highly prospective south-eastern corner of Senegal;
- Continued exploration success by IAMGOLD Corporation ('IAMGOLD') through an extensive drill programme, which has seen it continue to earn-in to the Senala licence. Recent confirmation of the year three programme will see an anticipated 10,000 metres ('m') aircore ('AC') drilled at the Faré target in the north of the licence;
- Extensive exploration work at the Bibemi and Wapouzé licences in Cameroon undertaken, including 12,500m of trenching at Bibemi, delivering best results of up to 9.00m at 3.14 grammes per tonne ('g/t') gold('Au');
- Application for an extensive 3,500km² licence package in central Cameroon.

FINANCIAL OVERVIEW:

- Operating loss of £1.41 million reported for the year to 31 December 2019, a significant reduction compared to a loss of £2.55 million in the prior year. This was driven by increased cost discipline, including a 14% reduction in administration costs;
- Loss for the year reduced to £1.66 million, a reduction of 64% when compared to the prior year;
- Investment of £0.71 million into *Oriole's exploration projects in* Cameroon, as the Group seeks to maximise cash available for exploration purposes;
- UK Administration expenses reduced by 22% to £1.03 million.

POST YEAR END:

- Post year end the Company made the first successful step in its asset realisation programme with the sale of its holding in Tembo Gold Corp ('Tembo') for £0.17 million;
- Closed a placing of equity to raise £0.24 million;
- In response to the current global situation relating to COVID-19, and with Cameroon's borders closed, limited exploration work is expected in the next three months. Consequently, the Directors and senior management have taken reduced salaries for this period, in order to preserve the Company's cash reserves in anticipation of the proposed drilling campaign later in the year.

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COMPANY INFORMATION

Oriole is focused on early-stage exploration in Cameroon and the more advanced Senala gold project in Senegal.

WHO WE ARE

Oriole Resources PLC is an exploration and development company focusing primarily on gold and high-value base metals.

The Company is incorporated and domiciled in the UK. The Company's shares are quoted on the Alternative Investment Market (AIM) of the London Stock Exchange (company number: 05601091).

OUR STRATEGY

The Company's strategy is to develop a portfolio of exploration projects for gold and base metals, and identify potential partners to take them into the advanced exploration and mine development stages. This includes our projects in Cameroon, where we are earning up to a 90% interest in the Bibemi and Wapouzé projects, and our 85%-owned Senala project in Senegal, where IAMGOLD has the option to spend US$8m to acquire 70%.

We have interests and royalties in several projects in Turkey and Africa and are actively seeking further exploration opportunities, particularly in West Africa, to consolidate our existing geographic footprint.

OBJECTIVES

01

- Continued exploration by IAMGOLD at Senala, with the programme moving northwards to test the more advanced Faré prospect.

02

- Continue earn-in at Bibemi and Wapouzé projects in Cameroon, moving to a maiden drilling programme at Bibemi later in 2020.

03

- Grassroots exploration of district-scale licence package in central Cameroon, covering 3,500km² of gold-prospective terrane.

04

- Continue with the realisation of value from existing lower-priority projects many of which are in royalty arrangements.

DIRECTORS:

TIM LIVESEY

CHIEF EXECUTIVE OFFICER

Tim has 28 years' experience in gold and base metals, with a distinct focus on Africa, Europe and Asia. He has worked at all stages of exploration, development and mining, and has a strong track record of delivery, both at the technical and commercial level within previous positions. Some of his more notable roles to date include exploration manager (Eurasia), Barrick Gold Corp., project director and later CEO of Tethyan Copper Company Pty Ltd (a Joint Venture between Antofagasta Minerals and Barrick Gold Corp, owner of the Reko Diq project in Pakistan), and more recently as COO of TSX.V-listed Reservoir Minerals Inc., which was sold in June 2016 to TSX-listed Nevsun Resources Ltd for US$365 million. Tim joined the company in March 2018.

BOB SMEETON

CHIEF FINANCIAL OFFICER

Bob is a member of the Institute of Chartered Accountants in England and Wales. He trained as a chartered accountant with Price Waterhouse, qualifying in 1992, and has a BSc in geography from Durham University. Bob has extensive experience of working for AIM-quoted companies, where he has been heavily involved in turnaround situations, fund raisings and acquisitions.

In partnership with three different CEO's, Bob was instrumental in the turnaround and subsequent growth of AIM-listed Universe Group Plc as Group Finance Director, seeing its market capitalisation increase from £1.5m to £25m during his tenure.

Prior to Universe Group, Bob was European Finance Director for OpSec Security Limited, where he was heavily involved in formulating and implementing a very successful reconstruction plan. The restructuring plan stemmed the annual operating losses of £2.5million and moved the Company to a profit situation in the first year of its implementation.

JOHN MCGLOIN

NON-EXECUTIVE CHAIRMAN

John McGloin is a geologist and graduate of Camborne School of Mines. John worked for many years in Africa within the mining industry before moving into consultancy. He joined Arbuthnot Banking Group following four years at Evolution Securities as their mining analyst. He is also the former Head of Mining at Collins Stewart. More recently, John served as the Chairman and Chief Executive Officer of Amara Mining plc until 2016 when it was sold for US$85 m. He is currently a non-executive director to Caledonia Mining Corporation plc and to Perseus Mining Limited.

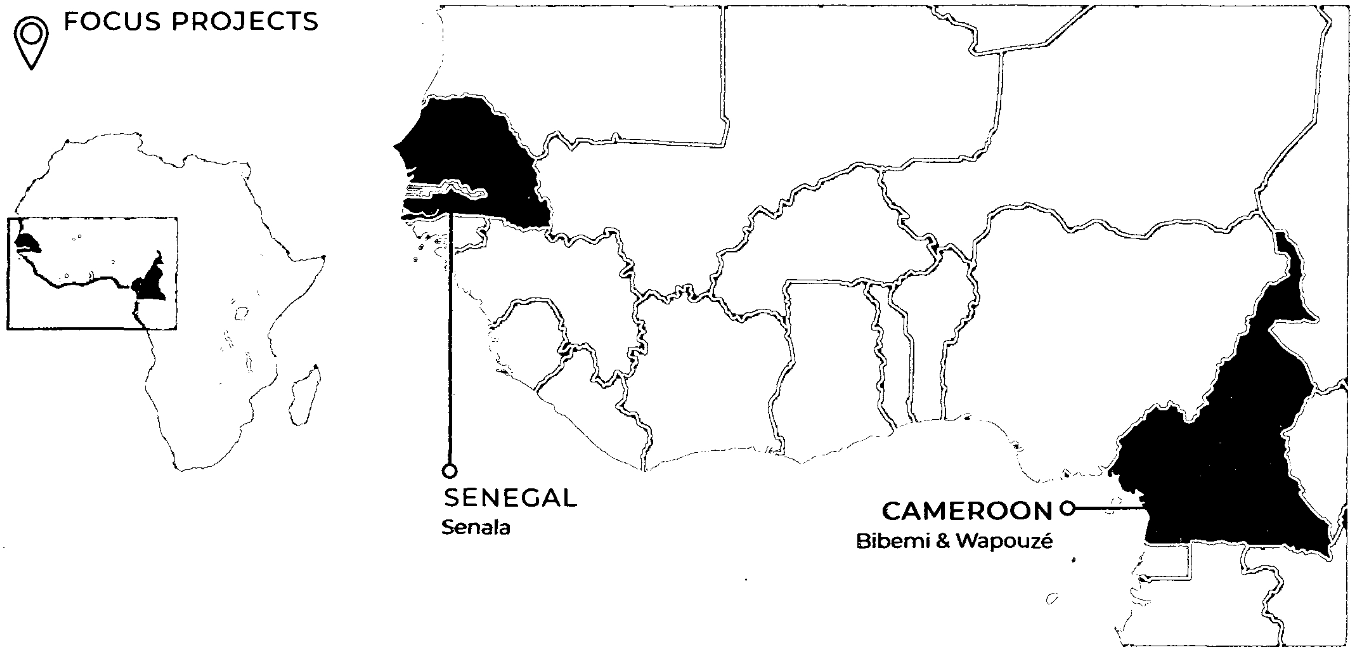
DAVID PELHAM

NON-EXECUTIVE OFFICER

David Pelham is a mineral geologist with over 35 years global exploration experience. He has overseen the discovery and early evaluation of multiple deposits, most notably including the +6 Moz Chirano Gold Mine in Ghana, as well as Hummingbird's 4.2 Moz Dugbe gold deposit in Liberia. David has been a non-executive director to AIM-quoted Cora Gold Ltd since May 2017.

PROJECTS AND INVESTMENTS

FOCUS PROJECTS



ROYALTIES/ INVESTMENTS

TURKEY
Anadolu, Lodos & Bati Toroslar (Karaağac, Muratdere, Hasançelebi & Doğala)

EGYPT
Thani Stratex Resources (Hutite & Anbat-Shakoosh)

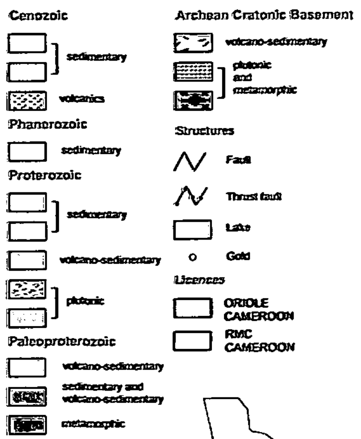
DJIBOUTI
Thani Stratex Djibouti (Pandora & Assaleyta)

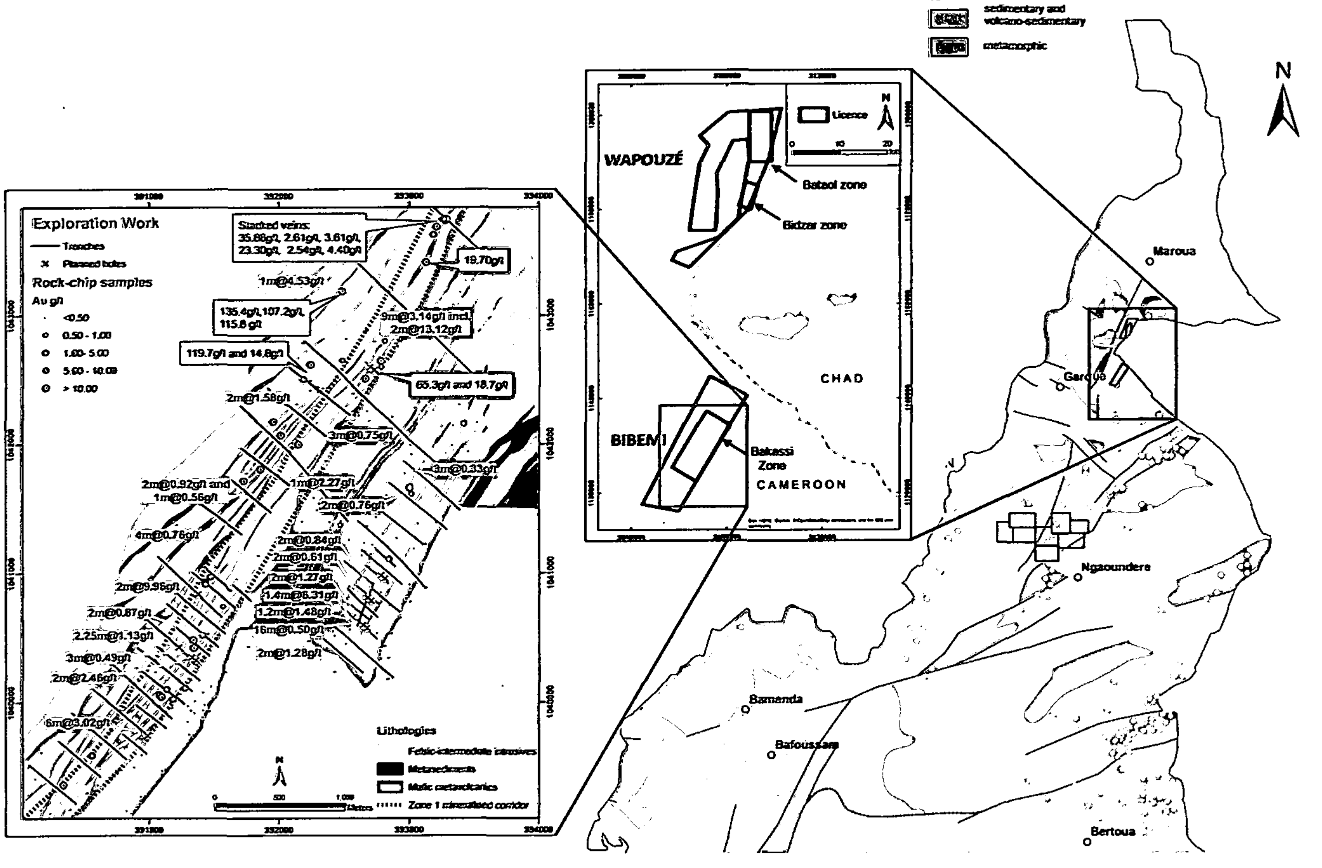
SENALA (renamed from Dalafin in January 2020) (Senegal):

- The Senala gold project lies in the highly-endowed Birimian-age Kédougou-Kéniéba gold belt in South-Eastern Senegal;
- Oriole owns 85% in a joint-venture with local partner Energy & Mining Corporation S.A.;
- Initial Rotary Air Blast and Aircore ('AC') drilling identified five geochemical targets at Senala. Follow-up trenching and drilling (reverse circulation ('RC') and diamond) programmes identified promising intersections across the licence area, particularly at the Faré and Madina Bafé prospects;
- In March 2018, the Company signed a joint-venture agreement with Canadian mid-tier IAMGOLD Corporation, allowing it to earn into 51% of the Senala project by spending US$4m over four years and a further 19% (total 70%) by spending an additional US$4m over the subsequent two years;
- To date, IAMGOLD has focused on the Madina Bafé prospect, located within 10 km of its 2.49 Moz Boto gold project and on which it has reported a positive Feasibility Study. The Mine Permit for Boto was granted by the Senegalese Government in January 2020;
- In 2018, over 5,000m (AC, RC and diamond) drilling at Madina Bafé identified and confirmed orogenic-style gold mineralisation, with a best diamond intersection of 8m grading 2.56 g/t Au;
- During 2019, IAMGOLD completed a further 4,167m AC drilling at Madina Bafé, that identified multiple gold in soil anomalies (>20 ppb Au), as well as 3,200 metres AC drilling at the Saroudia prospect immediately to the north;
- In January 2020, Oriole successfully reapplied for a new licence over the Dalafin territory, to be re-named Senala, and with an initial 4 year term, and up to 10 years in total, subject to meeting agreed exploration spend target;
- IAMGOLD is now progressing with its Year 3 earn-in and has confirmed that it will move northwards to test the more advanced Faré prospect. An initial programme involving approximately 10,000m of AC drilling is planned to further define and confirm areas of anomalism. A follow up RC drilling programme will be designed contingent on results from the AC drilling. As per the terms of the option agreement, IAMGOLD must spend a further US$1 million during Year 3 to keep the option in good standing.

BIBEMI AND WAPOUZÉ (Cameroon):

- Bibemi and Wapouzé are early-stage gold exploration projects, covering highly prospective Neoproterozoic Pan-African greenstone rocks in north-eastern Cameroon;
- The Company's interests in the projects are held 100% by the Company's local partner BEIG3 through its wholly-owned subsidiary, RMC Cameroon SARL ('RMC'), formerly held in JV with Reservoir Minerals Corporation;
- In June 2018, the Company entered into an option agreement to earn an initial 51% of both projects by funding US$1.56m of exploration over two years. Thereafter, Oriole can earn a further 39% for an additional U$1.56m exploration expenditure, or on the completion of a pre-feasibility study on at least one of the projects, over the subsequent two years;
- Over 12,500m trenching during 2019 identified orogenic-type gold mineralisation including a best intersection of 9.00m @ 3.14 g/t Au, with individual veins returning up to 13.70 g/t Au;
- A maiden drill campaign is planned in 2020 to test the system at depth and an initial 14 drill holes (for 1,500m) have been pegged;
- At the earlier stage Wapouzé project, c.20km to the north east, two phases of soil sampling identified c.13km strike length of gold anomalism within the Bataol Zone. A targeted trenching programme is planned for 2020 to follow-up on the most significant anomalies.

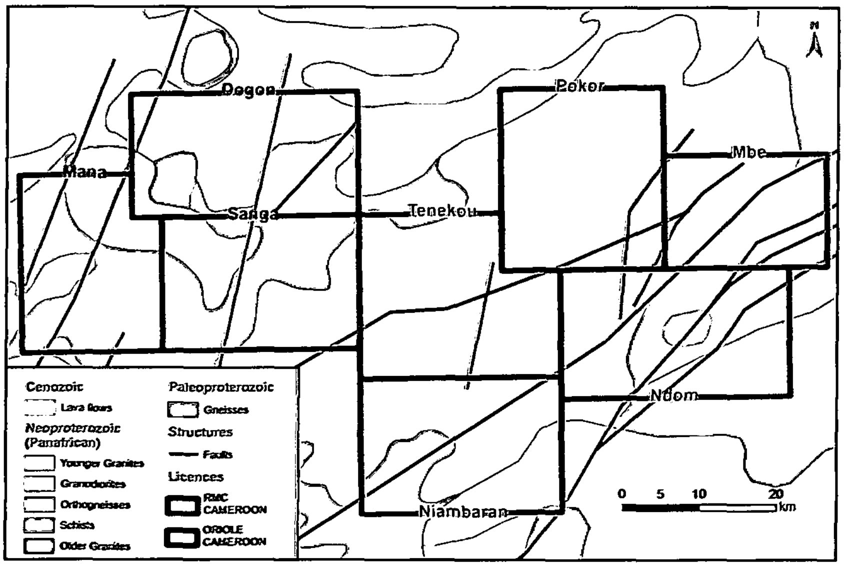




PROJECTS AND INVESTMENTS CONTINUED

CENTRAL CAMEROON:

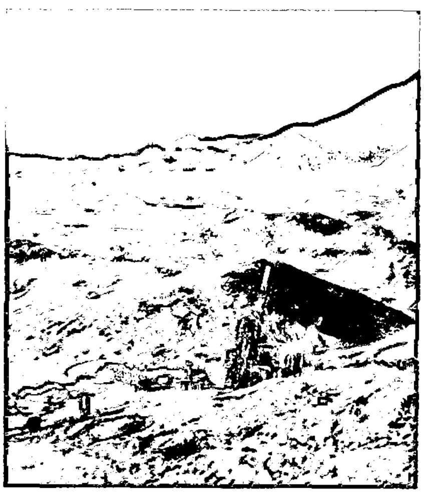
- During the year the Company announced that it was expanding its footprint in Cameroon through the application of a further eight licences, covering a contiguous land package of c.3,500km²;
- Under Cameroon's Mining Code, each company is allowed to hold five exclusive exploration licences of 500km² each. As such, the Company applied for three through its existing partnership with BEIG3, whereby the Company will earn up to a 90% interest, and the remaining five through a newly-formed 90%-owned local subsidiary, Oriole Cameroon SARL;
- BEIG3 and its associate Roxane Minerals Limited will have a collective 10% free-carried interest in each licence within Oriole Cameroon SARL up until the definition of a minimum Measured and Indicated resource of 50,000 oz Au; thereafter, funding will be pro-rata on a contribute or dilute basis;
- The licence applications have been accepted and Company looks forward to providing a further update once the licences are granted.



ROYALTIES & INVESTMENTS

THANI STRATEX RESOURCES LTD ('TSR') (Egypt):

- In Q4-2019, TSR advised the Company that it had completed a restructuring in order to spin-out its 50%-ownership of Thani Stratex Djibouti Limited ('TSD'), creating a standalone vehicle that will be funded and managed independently of TSR;
- TSR is now solely focused on Egypt and the portfolio comprises the following projects:
- **Anbat:** Located within the Hodine licence, Anbat has a maiden Mineral Resource Estimate of 209,000 oz at 1.11 g/t Au within porphyry sills (Announcements dated 6 and 13 December 2017). No work was completed at Anbat during the year.
- **Hutite:** The Hodine licence also includes the Hutite project which hosts a non-JORC compliant gold resource of 520,000oz.
- As at 31 December 2019, Oriole's holding in TSR stood at 26.10%.



THANI STRATEX DJIBOUTI LTD ('TSD') (Djibouti):

- The Company's effective interest in TSD at 31 December 2019 was 13.05%, although as the final stages of the deconsolidation were incomplete, TSD remained a 50% subsidiary of TSR at the year end;
- During the year, TSD secured funding from African Minerals Exploration & Development Fund III for development of its assets located in the Afar epithermal province of the Rift Valley;
- Funding is to take place in equal tranches, subject to performance milestones, with a new internal management structure taking over operational control of the projects;
- *The first US$2.5 million tranche of the* Funding will be focused initially at the Pandora prospect (Oklila Licence), as well as the newly-acquired Hesdaba project, 10 kilometres northwest of Pandora, and Assaleyta:

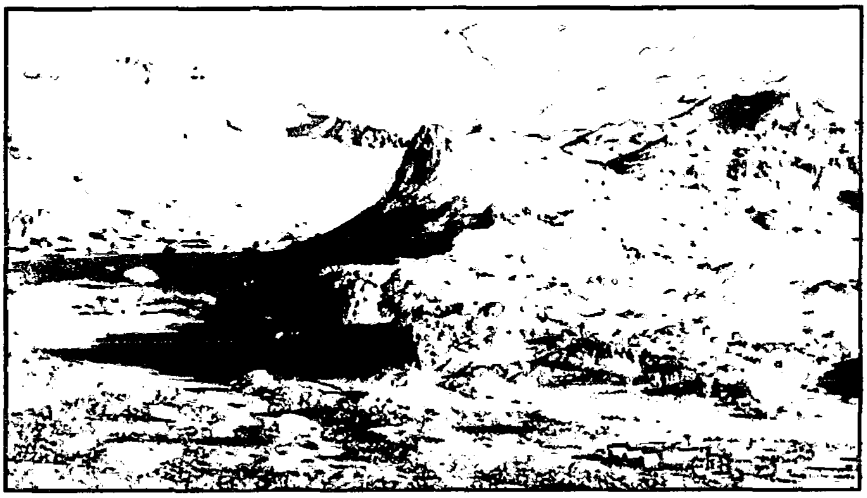
Pandora: The 93 sq km² Oklila licence, which includes the main Pandora vein, covers an epithermal system that comprises over 10 km strike of *outcropping and inferred veins.*

Further to the initial phases completed between 2017 and 2018 (totalling 5,300m), a Phase 3 diamond drilling programme has been completed in 13 holes for c.1,200m. Drilling has predominantly focused on the Pyrrha vein system where a maiden drill hole previously returned 55.4 g/t Au over 1.22m from approximately 32m below surface.

TSD management has reported that successful intersection of the vein system has been achieved in all holes and the Company anticipates first results in Q2-2020. Subject to results, infill and resource definition drilling will follow.

Hesdaba: Located 10km northwest of Pandora, a Phase 1 drilling programme comprising 1,800m diamond and 4,000m RC drilling is currently underway to test the c.5km-long epithermal system. The programme is expected to be completed in April, with all results anticipated before the end of Q2-2020. Subject to results, extensive surface sampling is planned for Q2-2020.

Assaleyta: Located c.16 km to the north of Pandora, low-sulphidation epithermal gold occurs as high-grade veins and disseminated mineralisation in rhyolite domes. Phase 1 drilling in 2017 confirmed sub-surface gold mineralisation of up to 17.40m grading 2.24 g/t Au from surface and 3.16m grading 6.79 g/t Au from 20m. Camp construction and major road and drill access works are planned for Q3-2020, with a 2,000m Phase 2 diamond drilling programme currently scheduled for Q4-2020.



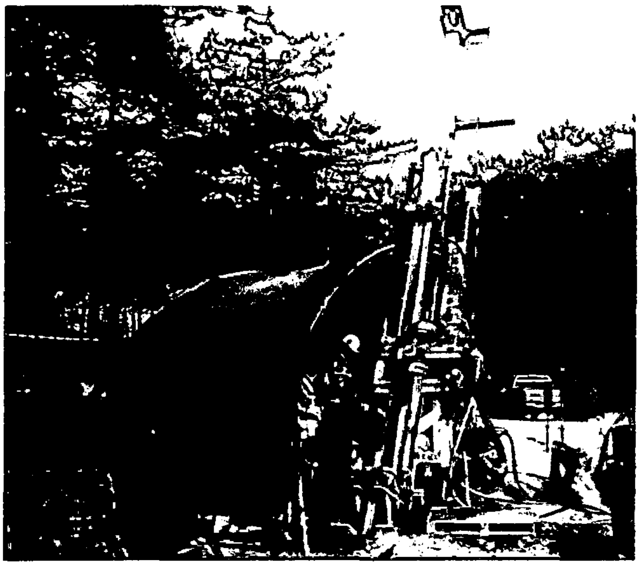
TEMBO GOLD (Tanzania):

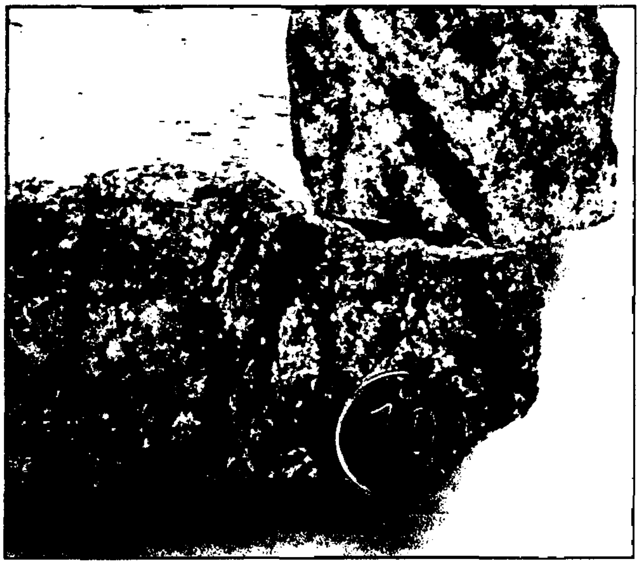
- At 31 December 2019, Oriole held an 11.66% interest in TSX(V) quoted company Tembo Gold Corp;
- Subsequent to the year end, on 25 February 2020 the Company sold its holding in Tembo for a total net consideration of £172,000.

PROJECTS AND INVESTMENTS CONTINUED

MURATDERE (Turkey):

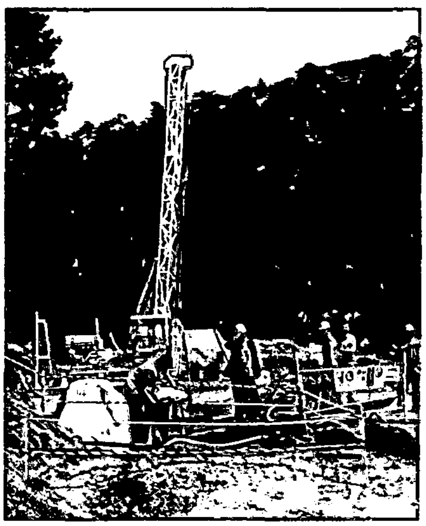
- Muratdere is a substantial copper-molybdenum-gold porphyry system located west of Ankara. The project has a JORC-compliant Inferred resource of 51 million tonnes, comprising 186,000 tonnes Cu, 204,296oz Au and 3.9million oz Ag, that remains open along strike and at depth;
- According to a previously reported Feasibility Study, an optimised resource of 16 million tonnes will be produced over a sixteen-year mine life, for total metal in concentrate of c.68,000 tonnes copper, c.32,000 ounces gold and c.955,000 ounces silver;
- In November 2019, the Company executed share purchase and royalty agreements with its partner Lodos Maden Yatırım Sanayii ve Ticaret A.Ş. ('Lodos'), a wholly-owned mining investment company of Istabul-listed investment company Pragma Finansal Danışmanlık Ticaret A.Ş. that resulted in the Company's equity interest in Muratdere being converted to a 1.2% post-tax NSR royalty;
- Lodos has submitted an Environmental Impact Assessment ('EIA') and a decision is awaited.





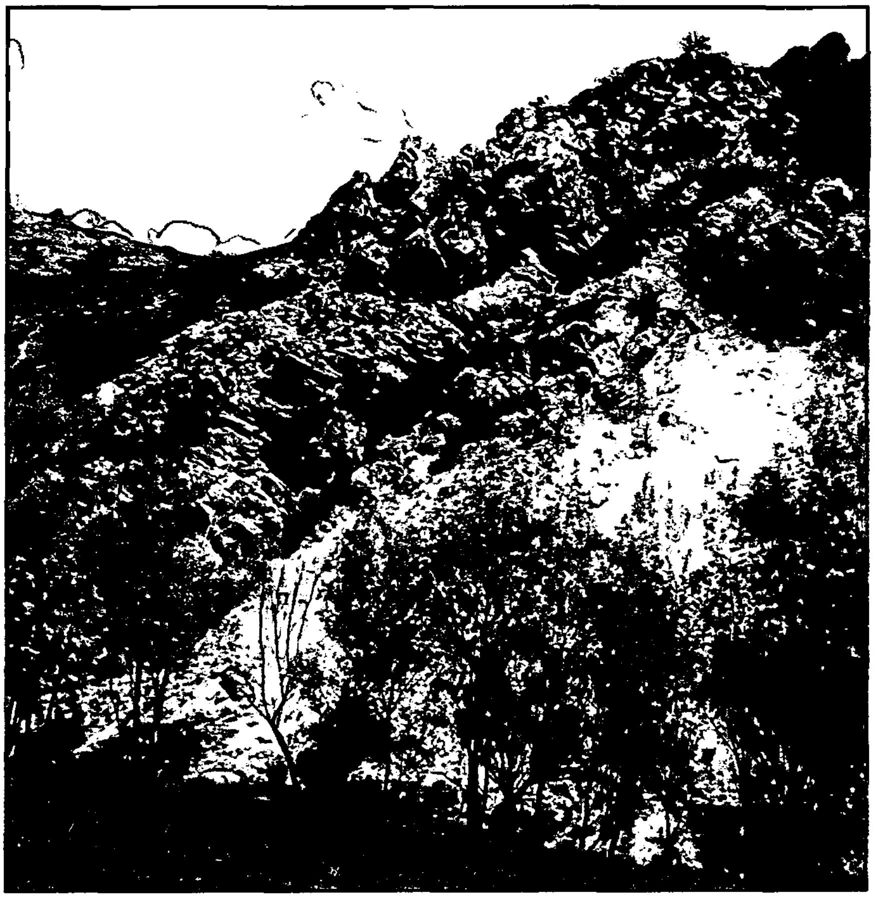
KARAAĞAC GOLD PROJECT (Turkey):

- Located 300 km west-south-west of Ankara, mineralisation at Karaağac is hosted by an outcropping thrust zone and altered limestone. Oriole had previously defined an inferred non-JORC resource of 156,798 oz Au;
- In March 2019, the Company's partner Anadolu Export Maden Sanayi ve Ticaret Limited Şirketi ('Anadolu'), 96%-owned by Istanbul-listed ODAŞ Elektrik, confirmed the definition of a JORC-2012 compliant Measured, Indicated and Inferred resource of 348,150 oz Au and 2,832,036 oz Ag (0.2 g/t cut-off);
- Under the terms of the Agreement, definition of this JORC-resource triggered the payment by Anadolu of a US$500,000 success-based fee, which the Company agreed to receive in staged payments of US$25,000 per month for a period of 20 months. To date, Oriole has only received a total of US$75,000 with Anadolu failing to meet the agreed repayment schedule. The Company continues to pursue repayment of the outstanding US$425,000, and full provision has been made against the receivable;
- Oriole retains a 1.5% NSR royalty on any future mineral production from this EIA-stage project.



HASANÇELEBI AND DOĞALA PROJECTS (Turkey):

- Hasançelebi is a high-sulphidation epithermal gold-silver project located 500 km southeast of Ankara. Doğala is a grassroots exploration project, located approximately 225 km to the west of Hasançelebi. It is prospective for high-sulphidation gold mineralisation;
- During the year, the Company signed an exploration agreement with Bati Toroslar Madencilik Ltd. Şti. ('Bati Toroslar') for the Hasançelebi and Dogala licences which will result in a US$500,000 success-based payment on delivery of a minimum 100,000 oz Measured or Indicated JORC-compliant gold resource (with a 0.3 g/t cut off), defined within the oxide and transition material, at Hasançelebi;
- The Company will also receive a 1.5% NSR royalty on any future precious metals production at the licences, and a 5% NSR on future production of other metals or industrial raw minerals.



More detail of the above Oriole projects and investments can be found on the Company's website: www.orioleresources.com

CHAIRMAN'S STATEMENT

"IAMGOLD's continued investment at Senala, and its progression towards mine development at Boto, should provide an excellent value creation dynamic throughout 2020."

John McGloin
Non-Executive Chairman

During 2019, the Company has worked hard to develop its West Africa portfolio, with significant investment made into the Group's exploration programmes and partnerships.

Substantial progress has also been made on our investment and royalty portfolio, with management actively moving to monetise non-core assets in order to fund ongoing exploration activities in Cameroon and thus minimise the Company's requirement for dilutionary equity funds.

The Company's strategy is to develop a portfolio of exploration projects for gold and base metals, and identify potential partners to take them into the advanced exploration and mine development stages. To this end, we regularly review potential new projects and maintain an active dialogue with potential investment and joint-venture partners.

OPERATIONS

Senala, Senegal

In south-eastern Senegal, our 472.5km^2 Dalafin licence reached its maximum term during the period. However, as a result of the recent progress at the project and our partnerships with IAMGOLD and Energy & Mining Corporation S.A. ('EMC'), we were able to reapply for a new licence, covering the same coordinates but now renamed Senala. This has provided security of tenure for up to a further 10 years and IAMGOLD continues to invest in the exploration work, under the terms of the earn-in agreement we signed in March 2018. To date IAMGOLD has spent approximately US$1.5 million and earlier this month it confirmed that it will shortly commence Year 3 of the earn-in. As per the terms of the option agreement, IAMGOLD must spend a further US$1 million during Year 3 (to end February 2021) to keep the option in good standing.

To date IAMGOLD has focused on the Madina Bafé prospect, which lies within 10km of its 2.5 million-ounce Boto project. Boto received mine permitting in January 2020, positioning it for a development decision and eventual production. As per its fourth quarter 2019 results, it has already announced US$30 million of infrastructure investment. Best results at Madina Bafé to date include 9.60m grading 16.08 g/t Au from 15.10m, 15.00m grading 6.10 g/t Au from 14.00m and 8.00m grading 2.56 g/t Au from 76.00m (Announcements dated 16 July 2014 and 6 February 2018).

The Year 3 programme will see exploration move to the more advanced Faré prospect in the north, which showed significant potential during the Group's own exploration programmes with best results to date of 96.00m grading 1.51 g/t Au and 7.00m grading 86.39 g/t Au (Announcements dated 18 December 2013 and 19 February 2014). An initial programme involving approximately 10,000m of AC drilling is planned to further define and confirm areas of anomalism. A follow up reverse circulation ('RC') drilling programme will be designed contingent on results from the AC drilling. As a result of the new licence, new permit (environmental, water and forestry) applications are underway to enable commencement of the programme and we look forward to reporting on the results as they become available.

The proximity of Senala to Boto, and its prime location within the highly gold-endowed Kédougou-Kéniéba inlier represents a significant driver of value for the Group, and securing tenure for up to another 10 years has been an exceptional result.

Bibemi, Wapouzé and new licences, Cameroon

In 2018 we were delighted to announce the completion of an earn-in agreement with Bureau d'Etudes et d'Investigations Géologico-minières, Géotechniques et Géophysiques SARL ('BEIG3'), a well-established Cameroonian company with strong in-country technical and logistic support, for its two early-stage gold exploration projects, Bibemi and Wapouzé, in northern Cameroon. Through 2019 we have advanced the Bibemi project significantly, having completed 12,500m of trenching that has confirmed two adjacent gold-mineralised corridors, the most robust of which extends over 5.3km and includes best intersections of up to 9.00m at 3.14 g/t Au (Announcement dated 21 May 2019). During the period we have developed a strong geological model at the Bakassi Zone and are planning a drill campaign in 2020 to test the system at depth. To date, drill targets for an initial 1,500m of drilling (over 14 holes) have been pegged.

Work at Wapouzé is less advanced, but the two phases of soil sampling identified c.13km strike length of gold anomalism within the eastern Bataol Zone. A targeted trenching programme is planned for 2020 to follow-up on the most significant anomalies.

We continue to see great potential in Cameroon becoming the next frontier for gold exploration. The countrywide-survey funded by the World Bank has delivered regional scale geological information, and identified a number of areas of interest which correlated to the views of our own technical team. In addition to our existing Bibemi and Wapouzé licences, we have applied for eight contiguous licences covering 3,500 km2 in central Cameroon. We are discussing funding options with a number of potential partners, with the intention of commencing exploration work as soon as possible once the licences are formally granted.

INVESTMENTS AND ROYALTY POSITIONS

The Group has a range of investment and potential royalty positions arising from exploration activities in prior years. We take an active interest in managing these positions, with the ultimate goal of maximising shareholder value. These positions provide a potential source of funding for the Group and are subject to an active and ongoing asset realisation programme. Although the timing and quantum of proceeds from that plan are not easily predictable, the recent disposal of the Company's 12.27% holding in Tembo for net proceeds of £172k (Announcement dated 25 February 2020) represents the first significant success in that programme. The Company anticipates making a number of further announcements around non-core asset disposals in the coming months. The most significant remaining positions within the Group are set out below.

Thani Stratex Resources ('TSR')

TSR has undergone a significant restructuring that has resulted in the spin-out of its 50%-owned joint venture, Thani Stratex Djibouti. As such, TSR is now exclusively focused on its 100%-owned Hodine licence in Egypt that hosts the Anbat and Hutite projects. At Hutite, former operator Thani Ashanti drilled over 30,000m of RC and diamond drilling between December 2010 and March 2013. On the basis of this work, South Africa-based Quantitative Group estimated an Inferred Resource (non-JORC) of 11,410,000 tonnes grading 1.41 g/t Au for 520,000 in-situ ounces using 0.4 g/t Au cut-off. At Anbat, TSR has previously announced a maiden JORC 2012-compliant Mineral Resource Estimate of 209,000 oz at 1.11 g/t Au within porphyry sills (Announcements dated 6 and 13 December 2017). Limited work has been performed at either project since 2017, and we continue to look for opportunities to maximise value from our 26.1% holding in TSR.

CHAIRMAN'S STATEMENT CONTINUED

Thani Stratex Djibouti ('TSD')

The above restructuring of TSR, has resulted in TSD becoming a standalone vehicle that is now funded and managed independently. The company is focused on the exploration of epithermal gold projects in Djibouti, namely Pandora, Assaleyta and Hesdaba. Results from previous drill campaigns at Pandora in particular have demonstrated broad zones of multi-gramme gold mineralisation, with narrower zones of higher-grade mineralisation. Best drilling results to date at Pandora include 35.07m at 1.28 g/t Au and 8.30m at 7.21 g/t Au (Announcement dated 19 April 2018).

In the fourth quarter of 2019, African Minerals Exploration & Development ('AMED') Fund III (TSD's largest shareholder with a 50% stake) committed to funding an exploration programme in Djibouti (Announcement dated 19 November 2019). Exploration is currently underway at the Pandora and Hesdaba projects, with further funding to be released in tranches that are subject to performance milestones. Oriole currently has an 11.80% interest in TSD and maintains a monitoring role in its management, with Tim Livesey to shortly be appointed to the board (Announcement dated 9 March 2020). We look forward to reporting results of the ongoing drilling campaign as they become available.

Karaağaç

At the Company's former Karaağaç gold project in Turkey, the current owner, Anadolu Export Maden Sanayi ve Ticaret Limited Şirketi ('Anadolu'), has confirmed an Indicated Resource significantly in excess of the 50,000 ounces of gold necessary to trigger the success-based payment due to Oriole upon meeting that milestone. Currently only US$75k has been received, with US$425k outstanding. We continue to push for full recovery of this debt.

Muratdere

Our interest in the Muratdere gold project in Turkey converted to a 1.2% net smelter return royalty during the year (Announcement dated 21 November 2019). Our joint-venture partner, Lodos Maden Yatırım Sanayii ve Ticaret A.Ş. ('Lodos'), is continuing to develop the Environmental Impact Assessment ('EIA') programme, and we are awaiting the successful conclusion of this key phase.

Hasançelebi and Doğala

At two of the Company's gold projects in Turkey, Hasançelebi and Doğala, the Company has signed an exploration agreement with Turkish private company Bati Toroslar Sti ('Toroslar'), to replace a similar agreement signed the previous year. Due to the need to change partners, progress has been slow, but we anticipate a more active exploration programme during 2020. Oriole will be involved in the exploration programme and so its operational overheads in Turkey will be further reduced as costs will be recharged to Toroslar.

FINANCIAL REVIEW

We are pleased to be reporting a considerably reduced loss for the year, of £1.66 million (2018: £4.66 million), with significant cost reductions targeted and achieved, despite an increase in exploration activity. The Group reported reduced administrative costs of £1.56 million, 14% down on the prior year. With a significant reduction reported last year, the Group has now achieved a 36% reduction in administrative expenses since 2018 when the new Board was appointed.

In addition, Research and Development credits of £142k were received as cash in 2019, relating to claims from 2016 to 2018. We anticipate a similar success when we submit our claim for 2019, a year where research and development-related costs were significantly higher as our exploration activities in Cameroon increased.

The Board's commitment to maximising the cash available for exploration work was demonstrated by the agreement to move to an equity-only remuneration plan in November 2019, and into early 2020. The issue of the options that underpin the plan will be delayed pending the Company coming out of a close period, and the necessary shareholder authorities. Salary costs have been accrued until such time as the options are issued.

The successful realisation of our 12.27% stake in Tembo and the £245k equity raise early in 2020 will provide funding for continued work on our Cameroonian licences.

COVID-19

The Board is monitoring the global health crisis and considering its impact on the position of the Company from an operational and financial perspective, including the measures required to protect our staff. With extreme international travel restrictions in force, and the effects of Covid-19 impacting the Company's operational areas of Cameroon and Senegal, it is clear that limited exploration work will be possible, at least in Cameroon, until later in the year. Unless advised otherwise, we anticipate that the IAMGOLD-drilling campaign in Senegal will continue as planned and we will continue to drive our asset realisation programme, albeit in difficult markets. In the UK and Turkey, the Company has systems in place for all staff to be able to work remotely from home.

With limited exploration work expected over the next three to six months, the Directors and senior management team have decided to go onto reduced salaries from April for three months, in order to conserve cash for the planned drilling campaign later this year.

ANNUAL GENERAL MEETING ("AGM") UPDATE

The Company's AGM is scheduled for 26 May 2020 at Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9FD. The Company encourages all shareholders to vote via proxy form in advance of the meeting date and not to attend the meeting in person to minimise the number of individuals present in response to the COVID-19 situation. Guests will not be permitted to attend the meeting. The legal requirements of the AGM will be completed, with no social reception or investor presentation. The Company will adhere to all restrictions and recommendations regarding public meetings, and social distancing measures will be in place.

OUTLOOK

In 2020, we look to continue the progress we have made, and to drive shareholder value through the targeted exploration and development of our position in Cameroon. Funding remains difficult for exploration companies in general but with a well-advanced programme of asset realisation and a strong gold price, we believe we can procure the funds we need whilst minimising shareholder dilution and ultimately driving shareholder value.

IAMGOLD's continued investment at Senala, and its progression towards mine development at Boto, should provide an excellent value creation dynamic throughout 2020, whilst we further develop our earlier-stage projects in Cameroon. Cameroon is largely unexplored from a gold and other metals perspective, and we believe that our operational presence over what has been almost two years, gives us first mover advantage for acquiring further prospective ground. The identification of a 3,500 km^2 district with proven gold prospectivity has garnered significant interest among the exploration departments of a number of mid-tier mining companies and we look forward to commencing exploration on these licences as soon as possible.

On behalf of Oriole's Board of Directors, I would like to express our appreciation and thanks to all of our employees for their efforts and hard work during the past year.

J. McGloin

John McGloin

Non-Executive Chairman

23 March 2020

STRATEGIC REPORT

The Directors present their strategic report on the Group for the year ended 31 December 2019.

Oriole Resources PLC

Company number: 05601091

Registered office: 180 Piccadilly, London, W1J 9HF, UK

STRATEGIC MANAGEMENT

PRINCIPAL ACTIVITIES

The principal activity of the Group is the exploration and development of gold and other high-value base metals projects.

STRATEGIC APPROACH

The Board's strategy is to establish the Company as a leading value-adding project-generator in our chosen mineral specialisations and in our geographic areas of operation. We seek to acquire exposure to highly prospective districts, primarily in West Africa, and have developed a first-mover position in Cameroon, an exciting new frontier for gold-exploration. The Board aims to develop a portfolio of projects that cover a range of mineral deposits across multiple jurisdictions, thus mitigating sovereign, technical and operational risks.

The Group finances its activities through the monetisation of more advanced projects and through periodic capital raisings.

ORGANISATION OVERVIEW

The Board of Directors, appointed in 2018, provide extensive experience in the exploration of mineral projects and the operation of public companies. The Board is ably supported by a management team who, for many years, have delivered successful exploration projects across Turkey and Africa.

The Board of Directors

The Board is responsible for providing strategic direction for the Group, setting objectives and management policies and agreement on performance criteria. The Board monitors compliance with objectives and policies of the Group through monthly performance reporting, budget updates and monthly operation reviews.

The current composition of the Board is two Executive Directors and two Non-Executive Directors. The Board believes the composition of the Board provides an appropriate mix to conduct the Group's affairs at the present time.

The Audit Committee

The Audit Committee provides a formal review of the effectiveness of the internal control systems, the Group's financial reports and results announcements, and the external audit process. It comprises John McGloin (Non- Executive Chairman) and David Pelham (Independent Non- Executive Director). The external auditors and Bob Smeeton the Chief Financial Officer attend by invitation when appropriate.

No internal control issues were identified during 2019 requiring disclosure.

The Remuneration Committee

The Remuneration Committee provides a formal and transparent review of the remuneration of the Executive Directors and senior employees and makes recommendations to the Board on individual remuneration packages. This includes the award of non-contractual performance related bonuses and share options. Remuneration packages are designed to reward, motivate, retain and recruit individuals. Bonuses are only paid in recognition of performance.

The committee comprises John McGloin (Non- Executive Chairman) and David Pelham (Independent Non- Executive Director). No Director took part in discussions concerning the determination of their own remuneration.

BUSINESS ENVIRONMENT

The price of gold increased by 19% during the year, from an opening position of US$1,281 per ounce, to US$1,523 per ounce at 31 December 2019. With continued economic uncertainty, we believe gold's reputation as a safe haven will continue to give upward pressure on its price.

In addition, since 2012, exploration budgets and teams have been cut in the major gold producers, and resource pipelines have not been replenished.

The need to replenish resources is driving renewed interest in early-stage exploration. The junior exploration sector will benefit from this and we expect to see increased appetite for investment into our sector, once financial markets start to recover from the current Covid-19 related downturn.

Exploration Industry Risks:

Mineral exploration is speculative in nature, involves many risks and is frequently unsuccessful. Following any discovery, it can take a number of years from the initial phases of drilling and identification of mineralisation until production is possible, during

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations are exposed to a variety of risks, many of which are outside of the Company's control.

which time the economic feasibility of production may change. Substantial expenditures are required to establish mineral reserves and to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Group will result in any new commercial mining operations being brought into operation. Government activity, which could include non-renewal of licences, may result in any income receivable by the Group being adversely affected. In particular, changes in the application or interpretation of mining and exploration laws and/or taxation provisions in the countries in which the Group operates could adversely affect the value of its interests.

These risks are mitigated as much as possible by building and maintaining a pipeline of projects at various stages of development, by employing highly experienced and highly trained geologists, both at Board level and at the operational level and by maintaining good relationships with the Governments of the countries in which we operate.

Political risks:

All of the Group's operations are located in a foreign jurisdiction. As a result, the Group is subject to political, economic and other uncertainties, including but not limited to, changes in policies or the personnel administering them, terrorism, nationalisation, appropriation of property without fair compensation, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, export quotas, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which these operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrection.

The Board only conducts operations in those countries with a stable political environment and which have established acceptable mining codes. The Company adheres to all local laws and pays heed to local customs.

Financial and liquidity risks:

The main financial risks facing the Group are the availability of adequate funding and fluctuations in foreign exchange rates.

The Group's main source of finance is the monetisation of projects supported where necessary by the issue of share capital. Tight budgetary and financial controls are maintained across the Group. The Group only deals with high-quality banks. It does not hold derivatives, does not trade in financial instruments, does not engage in hedging arrangements and does not enter into binding commitments for exploration expenditure.

Tight budgetary and financial controls are maintained across the Group. The use of interest-bearing deposit accounts is maximised and cash flow forecasts are constantly updated and reviewed by the Board.

The financial exposure of the Group, for a number of its exploration projects, is substantially reduced by partnering with third parties in exploration joint ventures.

Foreign exchange risks:

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Turkish Lira, Euro and US Dollar.

The Group's exposure to foreign exchange movements is set out in Note 19 of the Accounts. Risks to exchange movements are mitigated by minimising the amount of funds held overseas. All treasury matters are handled centrally in the UK. All requests for funds from overseas operations are reviewed and authorised by Board members. The Group does not hedge its exposure to foreign currencies and recognises the profits and losses resulting from currency fluctuations as and when they arise.

As the Group does not operate within the European Union, the Directors currently anticipate that the impact on the business of the UK's exit from the European Union will be limited to the effects of potential increased foreign exchange fluctuations. As a result of these fluctuations, it is expected that the reported results of the Group may decline in the short- to medium-term. However, the Directors do not expect there to be any significant lasting impact.

Liquidity risk:

The Group's liquidity risk is considered to be significant as it is a pre-revenue business. The Directors regularly review the opportunities for asset realisation and the need for further equity raising.

The Group does not enter into binding commitments for exploration expenditure. Cash forecasts are updated continuously. The financial exposure of the Group is substantially reduced by partnering with third parties in exploration joint ventures.

STRATEGIC REPORT CONTINUED

BUSINESS PERFORMANCE 2019 OPERATIONS

The Group's main operations are split between active exploration projects and the management of our investment and royalty positions.

Active Exploration projects:
The primary focus for the Group's own exploration activities is our position in Cameroon. In 2018 the Group signed an earn in agreement with BEIG3 to gain an interest in the Bibemi and Wapouzé licences in northern Cameroon.
Work on the licences has progressed throughout 2019, with 12,500m of trenching at Bibemi, and two phases of soil sampling at Wapouzé. Encouraging results have been observed at both licences and further exploration programmes have been planned for 2020. We are currently awaiting confirmation of licence renewal for both Bibemi and Wapouzé. Both applications are moving through the renewal process, with our rights secured by deemed tenure rules.

In addition, the Group has applied for a district scale package of licences in central-Cameroon, covering 3,500 km² of highly prospective ground that has yielded anamolous gold samples during a World Bank-funded, regional-scale stream sediment sampling programme. Exploration activities are being planned, with the licence application process expected to be completed shortly.

In 2018, the Group entered an agreement with Canadian-listed gold miner IAMGOLD, for it to earn-in to the exploration licence at Dalafin in Senegal. This 472 km² of highly prospective ground, in the middle of the Kédougou-Kéniéba inlier, is surrounded by historic and contemporary gold discoveries. As a result of the US$8 million earn-in programme, around US$1.5 million of exploration expenditure has been incurred by IAMGOLD, and further substantial drilling is planned for 2020, subject to possible operational restrictions as a result of Covid-19.

Importantly, the Group managed to re-licence the Dalafin land package which, under its new name Senala, now has security of tenure for up to a further 10 years. The earn-in is progressing as scheduled and exploration is now planned to move to the stand-alone Faré target in the north of the licence. We look forward to reporting on these drill results as they become available, which will add to the already extensive results from previous work by the Group that delivered best results of 96.00m grading 1.51 g/t Au and 7.00m grading 86.39 g/t Au (Announcements dated 18 December 2013 and 19 February 2014).

Investment and royalty positions:
TSR has recently completed a re-organisation, with its TSD subsidiary hived out to become a standalone company. TSD, which operates the Pandora, Assaleyta and Hesdaba licences in Djibouti, is currently undergoing an active drilling campaign, funded by AMED, the 50% main shareholder, and we look forward to receiving preliminary results shortly. Oriole currently has a 11.80% interest in TSD and continues to have a 26.10% interest in TSR and its Egyptian assets.

At the Company's former Karaağaç gold project in Turkey, Anadolu has confirmed a JORC 2012-compliant Indicated Resource of 156,798oz, which has triggered a success based payment of US$500k to Oriole. We are disappointed to report the continued failure by Anadolu to meet an agreed repayment schedule for this debt but we are continuing to pursue its repayment. Oriole also retains a 1.5% net smelter return royalty on any future mineral production.

At the Muratdere Madencilik copper-gold project in northern Turkey, our joint-venture partner, Lodos, exercised its option to convert our sub-10% interest into a 1.2% post-Turkish tax royalty position.

The other investment assets held by the Group during 2019 were holdings in Tembo and Aforo. Tembo was held to the year end but disposed of in early 2020, for net proceeds of £172k, as part of the Company's asset realisation strategy.

Aforo unfortunately found funding hard to come by and the business closed in 2019, leading to a write off of £227k in these financial statements.

Financial Review:
The Group's loss after tax for the year was £1,660k (2018: loss of £4,661k).

Administration expenses of £1,556k (2018: £1,806k) were 14% lower than the previous year, building on that years' 26% reduction from 2017. Work to reduce the cost base is continuing. In addition to the savings, an accrual of £69k for salaries will be released as soon as the Directors Share Option Remuneration plan can be fulfilled by the issue of options.

The Group loss after tax was inflated due to an exchange loss of £325k on the translation of the Dalafin (now Senala) asset, which is denominated in Euros.

The Group ended the year with a cash balance of £163k, a decrease in the year of £1,124k following £711k investment into the Group's exploration work in Cameroon. Incoming funds included £522k from successful conclusion of the long-running VAT dispute (Announcement dated 29 April 2019) and £142k from the reclamation of Research and Development tax credits from HMRC. During 2019, the Group commenced an asset realisation programme with the intention of raising incoming cash to fund forthcoming exploration activities whilst minimising share holder dilution. Significant progress has been made, including the disposal of the Tembo holding (Announcement dated 25 February 2020).

Future developments
The Company advances its exploration projects on the basis of analysing results to date, deciding on the most cost effective techniques for the next stage and raising funds to support those activities as appropriate. In addition, the Company regularly reviews potential new exploration projects at various stages of development, and based within the European and African time-zones.

KEY PERFORMANCE INDICATORS

The Board monitors the following KPIs on a regular basis:

Finance related:
- Share price versus its peer group
- Funding and cash flow forecasts
- Overheads as a percentage of total expenditure

Project related:
- Exploration activities and results
- Metres drilled
- Acquisition of new licence areas
- Exploration expenditure by project.

STRATEGIC REPORT CONTINUED

SECTION 172(1) STATEMENT

Promotion of the Company for the benefit of the members as a whole.

The Director's believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The Company operates as a gold-exploration business, which is inherently speculative in nature and, without regular income, is largely dependent upon fund-raising for its continued operation. The pre-revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under AIM regulations.

The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2019:

- Pursuit of an aggressive asset realisation strategy: the choice between raising new funds from equity or from asset disposals was driven by the Board's belief that the prevailing share price during the year was not reflective of the Company's value, and so asset realisation provided the best route to enhanced shareholder value for existing members.
- Remunerate the Directors with share options in lieu of cash: having decided on an asset realisation plan the Directors also decided that to maximise funds that could be used for exploration activities they would be remunerated in share options instead of cash, for a three-month period commencing 1 November 2019. As well as maximising cash to use operationally, this has the added benefit of more fully aligning the interests of the Directors with those of the members.
- Expanding our position in Cameroon: having established our presence in Cameroon, and developed a good working relationship with our partners and suppliers there, the decision to apply for new licences was driven by the Board's view that the long-term future of mineral exploration in Cameroon is very positive. Inclusion of our existing partner in the new licences was seen as a mutually beneficial decision, having formed strong working relationships with them on the initial licences.

As a gold exploration Company operating in West Africa, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption & bribery. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact.

The interests of our employees are a primary consideration for the Board. An inclusive share-option programme allows them to share in the future success of the Company, personal development opportunities are supported and a health and security support network is in place to assist with any issues that may arise on field expeditions.

CORPORATE GOVERNANCE

The Chairman of the Board of Directors of Oriole Resources PLC ('Oriole' or 'the Company' or' the Group' or 'we/our') has a responsibility to ensure that Oriole has a sound corporate governance policy and an effective Board.

The Board has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code in line with the London Stock Exchange's recent changes to the AIM Rules requiring all AIM-quoted companies to adopt and comply with a recognised corporate governance code. The QCA code identifies ten principles to be followed in order for companies to deliver growth in long-term shareholder value, encompassing effective management with regular and timely communication to shareholders. This report follows the structure of those principles and explains how we have applied the guidance as well as disclosing any areas of non-compliance.

We will provide annual updates on our compliance with the QCA Corporate Governance Code. The Company notes that it does not comply with the QCA Corporate Governance Code as no Audit Committee Report has been prepared in this Annual Report. The Board has assessed that, having regard to the nature and current stage of development of the Company and its projects, this is not currently required for the Company to maintain its corporate governance and will continue to review this in the future.

The sections below set out how the Group applies the ten principles of the QCA code and sets out areas of non-compliance.

There have been no significant governance changes during the year.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The Company is a gold and base metals exploration specialist, with operations in Africa and Turkey. Our goal is to deliver long term value for our shareholders. We aim to do this by identifying good quality grassroots and early-stage exploration projects. Consequently we:

- use our expertise to identify those areas with economically feasible deposits;
- assess the business environment of the target country and its attractiveness for prospecting and eventual mining operation;
- understand existing interests in a licence area in order to ensure we can earn-in to existing interests on terms favourable to our shareholders.

Early stage mineral exploration is by its nature speculative and we aim to reduce the risks inherent in the industry by careful application of funds throughout individual projects. We do that by:

- Reviewing existing exploration data;
- Establishing close in-country partnerships for our projects;
- Applying the most appropriate cost-effective exploration techniques in order to determine whether further work, using increasingly expensive exploration techniques, is justified; and
- Appreciating the likely realisation routes that will be available to us as the project moves towards development.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company is committed to engaging with its shareholders to ensure that its strategy, operational results and financial performance are clearly understood. We engage with our shareholders via roadshows, attending investor conferences and through our regular reporting on the London Stock Exchange. Roadshows are typically timed to follow the release of interim and final results. The Company regularly takes part in investor conferences, both in the UK and internationally. LSE announcements include details of the website, Twitter page and include phone numbers to contact the Company and its professional advisors.

PRIVATE SHAREHOLDERS

The AGM is the main forum for dialogue with retail shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. All Directors attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are announced via the London Stock Exchange. In addition, the Executive Directors regularly attend investor forums specific to the mining industry and engage with shareholders at those events. Investors can contact us via our website (https://www.orioleresources.com) or by email (info@oriolereources.co.uk).

Retail shareholders also regularly attend investor evenings held by our brokers or other industry bodies and we publicise our attendance via LSE announcements and Twitter. In addition, our up to date Corporate presentation is made available on our website.

STRATEGIC REPORT CONTINUED

INSTITUTIONAL SHAREHOLDERS

The Directors actively seek to build a relationship with institutional shareholders. Shareholder relations are managed primarily by the Chief Executive Officer and Chief Financial Officer. The Chief Executive Officer and Chief Financial Officer make presentations to institutional shareholders and analysts throughout the year, mainly in London and Cape Town through events such as Mines and Money and 121 Group. We also have ad-hoc meetings with our shareholders via conference call and email. The Board as a whole is kept informed of the views and concerns of major shareholders by the Chief Executive Officer. Any significant investment reports from analysts are also circulated to the Board. The Non-Executive Chairman and Non-Executive Director are available to meet with major shareholders if required to discuss issues of importance to them and are considered to be Independent from the executive management of the Company.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long term success. Aside from our shareholders, our most important stakeholder groups are our employees, local partners and those local communities that may be impacted by our exploration activities. The Board is regularly updated on stakeholder issues and their potential impact on our business to enable the Board to understand and consider these issues in decision-making. The Board understands that maintaining the support of all its stakeholders is paramount for the long-term success of the Company.

EMPLOYEES

We maintain only a small permanent staff across the UK, Africa and Turkey and as such employee engagement with the Executive Directors is frequent with a scheduled weekly team call as well as daily meetings and discussions. We aim to provide an environment which will attract, retain and motivate our team and monitor the effectiveness by regular one-on-one discussions and a recently introduced annual appraisal system. We have recently published a new employee handbook in order to provide a comprehensive document detailing all the policies and procedures covering all aspects of employment with Oriole Resources PLC. Our key value underpinning the Employee Handbook is to treat all employees fairly and equally and to promote ethical behaviour, diversity and non-discrimination.

Relevant, cost-effective training courses are available to all employees and are discussed during the bi-annual appraisal process.

LOCAL PARTNERS AND COMMUNITIES

Our operations provide employment in remote areas of developing countries. Essential to our success is the establishment of close working relationships with local partners. We seek local partners who have a good understanding of the local exploration and mining industry and regulations within their country, and with the capacity and capability to assist with the management and maintenance of the project.

We are mindful of our obligations to the local environment and operate to high levels of health and safety in respect of both our local workers and the local community. Employee training focuses on operating safely and considerately in these communities. Engagement with local communities is dependent on jurisdiction and the stage of exploration but is typically by public forum or with local or regional leaders, including site visits and workshops. Social projects in the local communities are dependent on local need and also the stage of exploration/level of project investment. Examples of our previous social projects include drilling new boreholes for drinking water, provision of medical clinics, supply of equipment to a local school and building a new road.

As projects move forward, towards potential mining activities, we seek to bring in partners who can credibly make the investments to move towards mine production. In doing so we have regard for their ability and desire to move projects forward, their industry reputation and their commitment to treating the local communities fairly and protecting the environment. We enter agreements that allow us to monitor their activities and have monthly updates on project progress.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

AUDIT, RISK AND INTERNAL CONTROL:

FINANCIAL CONTROLS

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Executive Management, the Audit Committee and the Board. The key financial controls are:

- The Board is responsible for reviewing and approving overall Company strategy, approving new exploration projects and budgets, and for determining the financial structure of the Company including treasury, tax and dividend policy. Monthly results and variances from plans and forecasts are reported to the Board;
- The Audit Committee, comprising the two Non-executive Directors, assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls;
- Regular budgeting and forecasting is performed to monitor the Company's ongoing cash requirements and cash flow forecasts are circulated to the Board on a monthly basis;
- Actual results are reported against budget and prior year and are circulated to the Board;
- The Company has an investment appraisal system that considers expected costs against a range of potential outcomes arising from the exploration opportunities that we are invited to participate in;
- Regular reviews of exploration results are performed as the basis for decisions regarding future expenditure commitment;
- Due to the international nature of the business there are, at times, significant foreign exchange rate movement exposures. Cash flow forecasting is done at the 'required currency' level and foreign currency balances are maintained to meet expected requirements; and
- For exploration projects, we manage the risk of failure to find economic deposits by low cost early stage exploration techniques, with detailed analysis of results. Moving projects to more expensive exploration techniques requires a rigorous review of results data prior to deciding whether to proceed with further work.

NON-FINANCIAL CONTROLS

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- Close management of the day-to-day activities of the Group by the Executive Directors;
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks; and
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The Group reviews at least annually the effectiveness of its system of internal control, whilst also having regard to its size and the resources available. As part of the Group's plans we continue to review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, and corporate social responsibility. All employees are aware of their obligations under anti-bribery and corruption legislation and detailed information is provided in the Employee Handbook. In addition, whistle-blowing procedures have been established and publicised to all employees.

STRATEGIC REPORT CONTINUED

Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chair

The Board comprises the Non-Executive Chairman, two Executive Directors and one Non-Executive Director. All current Directors were appointed during 2018 as part of a full Board refresh. John McGloin serves as Independent Non-Executive Chairman and David Pelham as an independent Non-Executive Director. Both Non-executive Directors have extensive experience in the mining industry, are qualified geologists and have considerable experience of serving on the Board of public companies. Given the current board structure, the Company has not designated a Senior Independent Director.

The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company and industry on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

The Board aim to meet at least monthly. The agenda is set by the Company Secretary in consultation with the Chairman and CEO. The standard agenda points include:

- Review of previous meeting minutes and actions arising there from;
- A report by the CEO covering all operational matters;
- A report from the CFO covering all financial matters;
- Any other business including update of Register of Conflicts.

DIRECTORS' CONFLICT OF INTEREST

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. A Register of Conflicts is maintained and is a standard agenda item at each Board Meeting. The Board has access to the Company's nominated adviser, its brokers and its lawyers. The advisers do not typically provide materials for Board meetings except if requested to do so for the purposes of discussing upcoming regulations and other issues.

Board meetings are deemed quorate if two Board members are present and providing 7 days' notice of such meeting has been given and waived by the non-attending Directors.

Directors and Officers Liability insurance is maintained for all Directors and key employees.

The table below sets out the attendance statistics for all current Board members through 2019:

	Meetings attended	Meetings held during the year
Tim Livesey	10	10
Bob Smeeton	10	10
John McGloin	10	10
David Pelham	10	10

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, particularly so in the area of gold and base metal exploration and development. Biographies of the Directors are available on the company website, orioleresources.com. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings by the Company Secretary. Contracts are available for inspection at the Company's registered office and at the Annual General Meeting ("AGM").

New Directors are selected having regards to the Company's needs for a balance of operational, industry, legal and financial skills. Experience of the Mining industry and in particular the exploration sector is important but not critical, as is experience of running a public company.

All Directors retire by rotation at regular intervals in accordance with the Company's Articles of Association.

APPOINTMENT, REMOVAL AND RE-ELECTION OF DIRECTORS

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments. The Company's Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation; that all Directors must stand for re-election at least once every three years; and that any new Directors appointed during the year must stand for re-election at the AGM immediately following their appointment.

INDEPENDENT ADVICE

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense from lawyers, the nominated adviser, brokers and other professional advisors that they deem relevant. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer who, due to the size of the Company, are currently the same individual.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

During 2018 the Board of Directors was fully refreshed. During 2019 the Board has adopted a policy to evaluate the Board's performance based on clear and relevant objectives, seeking continuous improvement. The clear and relevant objectives that the Board has identified are as follows:

- suitability of experience and input to the Board;
- attendance at Board and committee meetings; and
- interaction with management in relevant areas of expertise to ensure insightful input into the Company's business.

The Board will review on a regular basis the effectiveness of its performances as a unit, as well as that of its committees and the individual directors, based against the criteria set out above. The board performance review will be carried out internally from time to time, and at least annually. The review should identify development or mentoring needs of individual directors or the wider senior management team. As part of the performance review, the Board will consider whether the membership of the Board should be refreshed. The review will also identify any succession planning issues and put in place processes to provide for succession planning.

Principle 8: Promote a culture that is based on ethical values and behaviours

The Board aims to lead by example and do what is in the best interests of the Company. We operate in remote and under-developed areas and ensure our employees understand their obligations towards the environment and in respect of anti-bribery and corruption.

Details of the Company's values are set out in the Employee Handbook that was published to all employees during 2018. This document brings together various policies that have been distributed to all employees previously. Regular calls and meetings serve to refresh and re-iterate the Company's ethical standards as they apply to the operational issues that are discussed on that call.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

BOARD PROGRAMME

The Board aims to meet monthly and as and when required. The Board sets direction for the Company through a formal schedule of matters reserved for its decision. During the year to December 2019 the Board met for ten scheduled meetings. The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting and Board and Committee papers are distributed by the Company Secretary several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors.

Any specific actions arising from such meetings are agreed by the Board or relevant Committee and are then followed up by the Company's management.

STRATEGIC REPORT CONTINUED

ROLES OF THE BOARD, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy; approval of exploration projects; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction.

The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company. The CEO, together with the CFO and other senior employees, is responsible for establishing and enforcing systems and controls, and liaison with external advisors. The CEO has responsibility for communicating with shareholders, assisted by the CFO and other senior employees.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. Senior executives below Board level attend Board meetings when deemed appropriate by the CEO or Chairman, to present business updates.

BOARD COMMITTEES

The Board is supported by the Audit and Remuneration committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The two committees comprise both of the Non-Executive Directors.

The Audit Committee provides a formal review of the effectiveness of the internal control systems, the Group's financial reports and results announcements and the external audit process. The Committee meets twice per year to review the published financial information and to meet with the Auditors.

The Remuneration Committee provides a formal and transparent review of the remuneration of the Executive Directors and senior employees and makes recommendations to the Board on individual remuneration packages. The Committee met once during the year.

Notable work undertaken during 2019 by the Audit Committee included meeting with the Company's independent auditor in connection with the audit of the Group financial statements for the year ended 31 December 2018, and it was noted that there were no material matters arising. The Audit Committee has not provided a separate report on its activities.

The Remuneration Committee has produced a report on its activities as set out on page 25.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year results announcements, the Annual General Meeting and one-to-one meetings with large existing or potential new shareholders. The Company regularly posts LSE announcements covering operational and corporate matters, such as drilling results and significant changes in ownership positions across historic projects in which it still retains an investment. A range of corporate information (including all Company announcements and a corporate presentation) is also available to shareholders, investors and the public on the Company's corporate website, www.orioleresources.com and also on its Twitter feed @OrioleResources.

The Board receives regular updates on the views of shareholders through briefings and reports from Investor Relations, the CEO, CFO and the Company's brokers. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

This Strategic Report was approved by the Board of Directors on 23 March 2020.

Tim Livesey
Chief Executive Officer

REPORT OF THE REMUNERATION COMMITTEE

The Remuneration and Nominations committee of the Board is responsible for providing recommendations to the Board on matters including the composition of the Board and competencies of directors, the appointment of directors, the performance of the executive directors and senior management, and making recommendations to the Board on matters relating to their remuneration and terms of employment.

The committee will also make recommendations to the Board on proposals for the granting of shares awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time. The remuneration and nominations committee meet at least once a year. The members of the committee are John McGloin (chair of the committee) and David Pelham.

The Board recognises that the remuneration of Directors (both executive and non-executive) and senior management is of legitimate concern to shareholders and is committed to following current best practice. The Group operates within a competitive environment and its performance depends upon the individual contributions of the Directors and senior management. Throughout the year, the Company paid remuneration to Directors and senior management in accordance with Contracts for Services (in respect of non-executive directors) and Service Agreements (in respect of officers and senior management).

The policy of the Board is to provide remuneration packages designed to attract, motivate and retain personnel of the calibre necessary to maintain the Group's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid, paying more than is necessary. Remuneration packages also reflect levels of responsibilities and contain incentives to deliver the Group's objectives. On 19 March 2019 the Board approved a share option plan, and granted and approved share options over 20,700,000 ordinary shares in the capital of the Company exercisable at 0.37 pence per ordinary share, being the mid-market price on the date of grant.

Remuneration paid to the Directors is set out below:

2019	Salaries and other short-term benefits Salary £	 Accrued salary (see note below) £	 Taxable benefits £	Post employment benefits Pension £	Share based payments £	Total £
Tim Livesey	**118,750**	**32,210**	**1,124**	**3,188**	**11,808**	**167,080**
Robert Smeeton	**95,000**	**25,768**	**–**	**2,550**	**6,210**	**129,528**
John McGloin	**30,000**	**6,000**	**–**	**–**	**–**	**36,000**
David Pelham	**23,333**	**4,667**	**–**	**–**	**–**	**28,000**
Total	**267,083**	**68,645**	**1,124**	**5,738**	**18,018**	**360,608**

2018	Salaries and other short-term benefits Salary £	 Taxable benefits £	Termination benefits Severance pay £	Post employment benefits Pension £	Share based payments £	Total £
Peter Addison (resigned 3 September 2018)	26,320	–	9,750	–	–	36,070
Dr Bob Foster (resigned 1 March 2018)	2	–	–	24,998	–	25,000
Perry Ashwood (resigned 4 June 2018)	53,463	1,492	67,427	–	1,145	123,527
Chris Worcester (resigned 3 September 2018)	20,921	–	7,750	496	3,434	32,601
Tim Livesey (appointed 1 March 2018)	125,000	–	–	2,375	11,259	138,634
Robert Smeeton (appointed 4 June 2018)	66,923	–	–	1,338	2,276	70,537
John McGloin (appointed 3 September 2018)	12,000	–	–	–	–	12,000
David Pelham (appointed 3 September 2018)	9,333	–	–	–	–	9,333
Total	313,962	1,492	84,927	29,207	18,114	447,702

REPORT OF THE REMUNERATION COMMITTEE CONTINUED

As announced on 14th November 2019 the Directors agreed to take share options in lieu of salary for the three months to 31 January 2020. These options, which are subject to board, option recipient and shareholder approval (to be sought at the 2020 Annual General Meeting), will be granted, at the nominal value of the Company's Ordinary Shares, in sufficient quantities, when compared to the prevailing market prices for those three months, to match the value of salary to be foregone. Salary for the two months to 31 December 2019 has been accrued and will be converted to share options at the earliest possible opportunity.

Details of share options held by Directors over the ordinary shares of the Company are set out below. The market price of the Company's shares at the end of the financial year was 0.43p per 0.1p share (2018: 0.36p) and the range of market prices during the year was between 0.25p and 0.65p.

Director	At 1/1/19	Granted	At 31/12/19	Exercise Price (p)	Issue Date	Vesting Date
Tim Livesey	2,000,000	–	2,000,000	0.90	1/3/18	1/3/19
Tim Livesey	2,000,000	–	2,000,000	0.90	1/3/18	1/3/20
Tim Livesey	2,000,000	–	2,000,000	0.90	1/3/18	1/3/21
Tim Livesey	–	2,000,000	2,000,000	0.37	19/3/19	19/3/20
Tim Livesey	–	2,000,000	2,000,000	0.37	19/3/19	19/3/21
Tim Livesey	–	2,000,000	2,000,000	0.37	19/3/19	19/3/22
Robert Smeeton	666,666	–	666,666	0.62	4/6/18	4/6/19
Robert Smeeton	666,667	–	666,667	0.62	4/6/18	4/6/20
Robert Smeeton	666,667	–	666,667	0.62	4/6/18	4/6/21
Robert Smeeton	–	2,000,000	2,000,000	0.37	19/3/19	19/3/20
Robert Smeeton	–	2,000,000	2,000,000	0.37	19/3/19	19/3/21
Robert Smeeton	–	2,000,000	2,000,000	0.37	19/3/19	19/3/22

In compliance with the Pensions Act 2008 the Company has established a Workplace Pension Scheme for its UK based Directors and employees. The Executive Directors and employees are members of the scheme and contributions are in line with the statutorily prescribed minimum contributions for employees and employers. The Non-Executive Directors have individually elected to opt-out of the Workplace Pension Scheme.

Report approved on behalf of the Remuneration Committee on 23 March 2020, by

J McGloin

Chairman

DIRECTORS' REPORT

ORIOLE RESOURCES PLC

Company number: 05601091

The Directors present their report, together with the Financial Statements and auditor's report, for the year ended 31 December 2019.

GENERAL INFORMATION

Certain information required by the Companies Act 2006 relating to the information to be provided in the Directors' Report is set out in the Group Strategic Report and includes: principal activities, future developments, principal risks and uncertainties and events after the end of the reporting period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRS's) 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 Group as at the end of the financial year and of the profit and loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Financial Statements comply with IFRS's as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the website is the responsibility of the Directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the Financial Statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions. The Company is compliant with AIM Rule 26 regarding the Company's website.

SUBSTANTIAL SHAREHOLDINGS

As at 24 January 2020, the Company was aware of the following holdings of 3% or more in the Company's issued share capital:

Shareholder	Number of shares	% of issued share capital
Preston Road Limited	53,710,219	7.65
R Welschinger	39,875,000	5.68
Trinvest AB	37,050,000	5.28
Teck Cominco Limited	35,727,487	5.09
Orion Trust	26,469,925	3.77

DIRECTORS' REPORT CONTINUED

DIRECTORS AND THEIR INTERESTS

The current Directors are listed on page 3.

In compliance with the Company's Articles of Association, John McGloin, will retire and, being eligible, offer himself for re-election at the forthcoming Annual General Meeting

Those Directors serving at the end of the year, or at the date of this report, had beneficial interests in the issued share capital and share options of the Company as follows:

	As at 31 December 2019		As at 31 December 2018	
	Ordinary shares	Share options	Ordinary shares	Share options
Tim Livesey	**6,315,369**	**12,000,000**	4,746,800	6,000,000
Robert Smeeton	**3,572,327**	**8,000,000**	2,000,000	2,000,000
John McGloin	–	–	–	–
David Pelham	**948,105**	–	–	–
Total	**10,835,801**	**20,000,000**	6,746,800	8,000,000

PROVISION OF INFORMATION TO AUDITOR

The Directors who held office at the date of this report confirm that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

GOING CONCERN

The Company raises money for exploration and capital projects as required. There can be no assurance that the Group's projects will be developed in accordance with the current plans. Future work on these projects, the levels of production and the financial returns arising there from, may be adversely affected by factors (e.g. COVID-19) outside of the control of the Group.

Notwithstanding the loss incurred during the year under review, the Directors have a reasonable expectation that the Group will have sufficient access to funds to provide adequate resources to continue in operational existence for the foreseeable future being a period of 12 months from the date of signing of these financial statements. The Group has therefore continued to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on Directors assumptions and conclusions thereon are included in the statement on going concern in note 1 to the Financial Statements.

The auditors have made reference to going concern by way of a material uncertainty within their audit report.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the Balance Sheet date the following significant events occurred;

- The holding in Tembo Gold Corporation, with a year end carrying value of £165k, was sold for £172k;
- The successful placing of 70 million shares at 0.35p per share, to raise funds of £245k.

AUDITOR

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

Approved by the Board on 23 March 2020 and signed on its behalf.

R J Smeeton
Company Secretary

INDEPENDENT AUDITOR'S REPORT

OPINION

We have audited the financial statements of Oriole Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Statement of Consolidated Comprehensive Income, the Statement of Consolidated and Parent Company Financial Position, the Statement of Consolidated and Parent Company Changes in Equity, the Statement of Consolidated and Parent Company Cash Flows and the notes to the financial statements, including a *summary of significant accounting* policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 RELATED TO GOING CONCERN

We draw attention to note 2.1 in the financial statements, which indicates conditions casting doubt on the going concern assumption. The group has incurred a net loss of £1.8m during the year ended 31 December 2019 and, as of that date, the company's current liabilities exceeded its current assets by £129k.

These events or conditions, along with the other matters as set forth in note 2.1 of the annual report indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

OUR APPLICATION OF MATERIALITY

Group materiality 2019	Group materiality 2018	Basis for materiality
£230k	£250k	2.5% of net assets

INDEPENDENT AUDITOR'S REPORT

CONTINUED

Our calculation of materiality has decreased by £20k as compared to last year. There has been a decrease in net assets due to the loss in the current year, and also a significant decline in asset balances including cash and receivables. We therefore consider the level of materiality set to be appropriate.

We consider net assets to be the most significant determinant of the Group's financial position and performance used by shareholders, with the key financial statement balances being exploration and evaluation assets, investment in associate, and cash levels. The use of net assets also takes into account the group's historic and current year financial performance which is particularly important given the current low cash levels and concern surrounding going concern status as at the current year end.

Whilst materiality for the financial statements as a whole was set at £230k, significant components of the Group were audited to a level of materiality ranging between £137k - £163k. Performance materiality for the Group and components was set at 70% to ensure sufficient coverage of key balances. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We agreed with the audit committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of £12k (2018: £12.5k). There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit scope focused on the principal areas of operation being:

- West Africa - the Dalafin (now renamed Senala) gold project (Senegal);
- East Africa through its investment in the associate, Thani Stratex Resources Limited, the Hodine concession (Egypt) and the Pandora project (Djibouti);
- Turkey - the Karaagac gold project and various other royalty arrangements; and
- Cameroon - early-stage exploration on Bibemi & Wapouzé projects.

Together with the Parent Company and its group consolidation, which was also subject to a full scope audit, these represent the significant components of the group, and include financially significant and risk significant components.

The audits of each of these components were principally performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing mining exploration entities and publicly listed entities. The Turkish component was audited by a component auditor and the group audit team reviewed and challenged their findings. Although not material to the Group, this component was assessed as risk significant and therefore our review of the component auditor's work was focussed on Group risks areas including management override, related parties, and compliance with laws & regulations.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a *separate opinion on these matters.*

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Capitalisation and impairment of exploration and evaluation expenditure under IFRS 6 GROUP & COMPANY The Group holds exploration and evaluation assets of £7.2m which relate to the Dalafin (renamed Senala) project in Senegal and the Bibemi & Wapouzé projects in Cameroon. This is considered to be a key audit matter as it is the most significant balance in the Group's financial statements and involves a significant level of judgement to be made by management. There is a further risk that the costs capitalised during the year do not meet the recognition criteria under IFRS 6, and that the carrying value of exploration assets is overstated. Related disclosures are included in Note 4 and Note 12 to the financial statements.	Our work included the following: ° Reviewing the exploration and evaluation expenditures to assess their eligibility for capitalisation under IFRS 6 by corroborating to source documentation; ° Obtaining and reviewing the current exploration licenses to ensure that they remain valid; ° Considering the Group's future plans for each license area and ensuring that activity and expenditure thereto was planned and in line with any minimum spend requirements; ° Enquiries of management over the future plans for each license area including obtaining cashflow projections where necessary and corroborating to minimum spend requirements attached to licences; and ° Considering the indicators of impairment identified in IFRS 6 to ascertain whether these have been triggered. We draw attention to the fact that the two Cameroon licenses, Bibemi & Wapouzé, are currently in the process of renewal. Failure to obtain the necessary licence renewals may result in an impairment to the carrying value of the intangible assets held.
Valuation of investments in associates and subsidiaries (including intercompany receivables) GROUP & COMPANY There is a risk of material misstatement regarding the recoverability of investments in associates and investments in subsidiaries (including intercompany receivables i.e. the net investment in each subsidiary). The carrying value of investments in associates and net investment in subsidiaries is ultimately dependent on the value of the underlying assets. Many of the underlying assets are exploration projects which are at an early stage of exploration making it difficult to definitively determine their value. Valuations for these sites are therefore based on judgments and estimates made by the Directors, which may lead to a risk of misstatement. Similar considerations apply to the recoverability of loans to group undertakings disclosed as investments. This is considered to be a key audit matter as investments in subsidiaries and associates, along with related intercompany balances, are the most significant balances in the Company's financial statements and involve a significant level of judgement to be made by management. Related disclosures are included in Note 11 to the financial statements.	Our work included the following: ° Reviewing management's impairment considerations and calculations for all investments held and corroborating to supporting source documents where appropriate; ° Reviewing work performed in the Thani Stratex Djibouti Limited audit file (also audited by PKF Littlejohn LLP) to gain additional assurance surrounding the valuation of the associate in Thani Stratex Resources Limited; ° Reviewing the value of the net investment in subsidiaries against their underlying asset values and corroborating the judgements/estimates used by management to assess the recoverability of investments and intercompany receivables; and ° Consideration of the IFRS 6 impairment indicators in relation to the exploration and evaluation assets on which the valuation of investments largely depends.

INDEPENDENT AUDITOR'S REPORT
CONTINUED

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer

Joseph Archer
(Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
23 March 2020

15 Westferry Circus
Canary Wharf
London E14 4HD

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Continuing operations	Notes	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Revenue		–	–
Administration expenses	8	**(1,556)**	(1,806)
Other profits/(losses)	7	**150**	(741)
Operating loss		**(1,406)**	(2,547)
Finance income		**5**	67
Share of losses of associates	14	**(126)**	(2,042)
Loss on change of ownership interest	6	**(212)**	(98)
Loss before income tax		**(1,739)**	(4,620)
Income tax credit/(charge)	10	**79**	(41)
Loss for the year		**(1,660)**	(4,661)
Other comprehensive income for the year			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		**102**	134
Items that may not be subsequently reclassified to profit or loss			
Change in fair value of equity investments at fair value through other comprehensive income		**(240)**	(167)
Other comprehensive income for the year, net of tax		**(138)**	(33)
Total comprehensive income for the year		**(1,798)**	(4,694)
Loss for the year attributable to:			
Owners of the Parent Company		**(1,554)**	(4,574)
Non-controlling interests	24	**(106)**	(87)
Loss for the year		**(1,660)**	(4,661)
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		**(1,692)**	(4,607)
Non-controlling interests	24	**(106)**	(87)
Total comprehensive income for the year		**(1,798)**	(4,694)
Earnings per share for losses from continuing operations attributable to the owners of the Company (expressed in pence per share).			
– basic and diluted, continuing operations	21	**(0.22)**	(0.77)

The notes on pages 40 to 61 form part of these financial statements.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

Company number: 05601091

	Notes	As at 31 December 2019 £'000	As at 31 December 2018 £'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	**21**	27
Intangible assets	12	**7,244**	6,780
Investments in equity-accounted associates	14	**2,250**	2,250
Financial assets at fair value through other comprehensive income	15	**165**	414
Deferred tax asset	17	**38**	111
		9,718	9,582
Current Assets			
Trade and other receivables	16	**121**	783
Cash and cash equivalents	18	**163**	1,287
		284	2,070
Total Assets		**10,002**	11,652
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	20	**4,908**	4,908
Share premium	20	**21,253**	21,253
Other reserves	23	**1,185**	1,701
Retained earnings		**(17,578)**	(16,427)
Total equity attributable to owners of the Company		**9,768**	11,435
Non-controlling interest	24	**(209)**	(103)
Total equity		**9,559**	11,332
LIABILITIES			
Non-Current Liabilities			
Employee termination benefits		**30**	30
Current Liabilities			
Trade and other payables	25	**413**	290
Total Liabilities		**443**	320
Total equity and liabilities		**10,002**	11,652

The notes on pages 40 to 61 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2020 and were signed on its behalf by:

J. McGloin

John McGloin
Non-executive Chairman

Robert Smeeton
Chief Financial Officer

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

	Attributable to owners of the Company						
	Share capital £'000	Share premium £'000	Other reserves (see note 23) £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2018	4,673	20,427	1,683	(11,853)	14,930	(16)	14,914
Loss for the year	–	–	–	(4,574)	(4,574)	(87)	(4,661)
Other comprehensive income	–	–	(33)	–	(33)	–	(33)
Total comprehensive income for the year	–	–	(33)	(4,574)	(4,607)	(87)	(4,694)
Issue of share capital net of expenses	235	826	–	–	1,061	–	1,061
Share-based payments	–	–	51	–	51	–	51
Total contributions by and distributions to owners of the Company	235	826	51	–	1,112	–	1,112
Balance at 31 December 2018 and 1 January 2019	**4,908**	**21,253**	**1,701**	**(16,427)**	**11,435**	**(103)**	**11,332**
Loss for the year	–	–	–	(1,554)	(1,554)	(106)	(1,660)
Other comprehensive income	–	–	(138)	–	(138)	–	(138)
Total comprehensive income for the year	–	–	**(138)**	**(1,554)**	**(1,692)**	**(106)**	**(1,798)**
Share-based payments	–	–	25	–	25	–	25
Share options expired	–	–	(403)	403	–	–	–
Total contributions by and distributions to owners of the Company	–	–	**(378)**	**403**	**25**	–	**25**
Balance at 31 December 2019	**4,908**	**21,253**	**1,185**	**(17,578)**	**9,768**	**(209)**	**9,559**

The notes on pages 40 to 61 form part of these financial statements

STATEMENT OF CONSOLIDATED CASH FLOWS

	Notes	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Cash flow from operating activities:			
Net cash used in operating activities	27	**(560)**	(2,259)
Cash flow from investing activities:			
Purchase of property, plant and equipment	13	**(2)**	(25)
Proceeds from disposal of property, plant and equipment		–	2
Purchase of intangible assets		**(711)**	(229)
Investment in associate company	14	–	(156)
Tax received	10	**142**	–
Loan to third parties		–	787
Interest received		**7**	67
Net cash (used)/generated from investing activities		**(564)**	446
Cash flow from financing activities:			
Funds from the issue of shares		–	1,061
Funds received from partners		–	–
Net cash generated from financing activities		–	1,061
Net decrease in cash and cash equivalents		**(1,124)**	(752)
Cash and cash equivalents at beginning of the period		**1,287**	2,039
Cash and cash equivalents at end of the period	18	**163**	1,287

The notes on pages 40 to 61 form part of these financial statements

STATEMENT OF COMPANY FINANCIAL POSITION

Company number: 05601091

	Notes	As at 31 December 2019 £'000	As at 31 December 2018 £'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	**20**	25
Intangible assets	12	**1,018**	186
Financial assets at fair value through other comprehensive income	15	**–**	227
Investments in equity-accounted associates	14	**1,458**	1,458
Investment in subsidiaries	11	**4,085**	3,762
		6,581	5,658
Current Assets			
Trade and other receivables	16	**49**	665
Cash and cash equivalents	18	**130**	1,243
		179	1,908
Total assets		**6,760**	7,566
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	20	**4,908**	4,908
Share premium	20	**21,253**	21,253
Other reserves	23	**149**	527
Retained earnings		**(19,884)**	(19,296)
Total equity		**6,426**	7,392
LIABILITIES			
Current Liabilities			
Trade and other payables	25	**334**	174
		334	174
Total equity and liabilities		**6,760**	7,566

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The Parent Company loss for the year was £764,000 (2018: £3,726,000).

The notes on pages 40 to 61 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2020 and were signed on its behalf by:

J. McGloin

John McGloin
Non-executive Chairman

Robert Smeeton
Chief Financial Officer

STATEMENT OF COMPANY CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Other Reserves (see note 23) £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018	4,673	20,427	476	(15,570)	10,006
Comprehensive income for the year:					
– loss for the year	–	–	–	(3,726)	(3,726)
Total comprehensive income for the year	–	–	–	(3,726)	(3,726)
Issue of share capital net of expenses	235	826	–	–	1,061
Share-based payments	–	–	51	–	51
Total contributions by and distributions to owners of the Company	235	826	51	–	1,112
Balance at 31 December 2018 and 1 January 2019	**4,908**	**21,253**	**527**	**(19,296)**	**7,392**
Comprehensive income for the year:					
– loss for the year	–	–	–	(764)	(764)
– other comprehensive income	–	–	–	(227)	(227)
Total comprehensive income for the year	**–**	**–**	**–**	**(991)**	**(991)**
Share based payments	–	–	25	–	25
Share options expired	–	–	(403)	403	–
Total contributions by and distributions to owners of the Company	**–**	**–**	**(378)**	**403**	**25**
Balance at 31 December 2019	**4,908**	**21,253**	**149**	**(19,884)**	**6,426**

The notes on pages 40 to 61 form part of these financial statements

STATEMENT OF COMPANY CASH FLOWS

	Notes	**Year ended 31 December 2019 £'000**	Year ended 31 December 2018 £'000
Cash flow from operating activities			
Net cash used in operating activities	27	**(315)**	(1,771)
Cash flow from investing activities:			
Purchase of property, plant and equipment	13	**(2)**	(25)
Investment in intangible assets		**(754)**	(186)
Funding of subsidiary exploration companies		**(191)**	(572)
Investment in associated company	14	**-**	(156)
Tax received		**142**	-
Loan repayment from third party		**-**	821
Interest received		**7**	67
Net cash used in investing activities		**(798)**	(51)
Cash flow from financing activities			
Net proceeds from share issue		**-**	1,061
Net cash generated from financing activities		**-**	1,061
Net decrease in cash and cash equivalents		**(1,113)**	(761)
Cash and cash equivalents at beginning of the period		**1,243**	2,004
Cash and cash equivalents at end of the period	18	**130**	1,243

The notes on pages 40 to 61 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activity of Oriole Resources Plc ('the Company') and its subsidiaries (together 'the Group') is the exploration and development of precious and high-value base metals. The Company's shares are quoted on the AIM Market of the London Stock Exchange. The Company is incorporated and domiciled in the UK.

The address of its registered office is 180 Piccadilly, London, W1J 9HF.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements were prepared under the historical cost convention as modified by the measurement of certain investments at fair value.

Going Concern

It is the prime responsibility of the Board to ensure the Company and the Group remains a going concern. At 31 December 2019 the Group had cash and cash equivalents of £163k and no borrowings.

Having considered the prepared cashflow forecasts and Group budgets and the progress in the post year-end sales of investment assets and successful fund raise of £245k, the Directors consider that they will have access to adequate resources in the 12 months from the date of the signing of these financial statements. As a result, they consider it appropriate to continue to adopt the going concern basis in the preparation of the financial statements.

There can be no assurance that the asset sales or other means of cash generation will be successful and this may affect the Group's ability to carry out its work programs as expected. Uncertainty also surrounds the impact that the COVID-19 outbreak will have on the Group and its financial position.

Should the Group be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify non-current assets as current. The financial statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group was unable to continue as a going concern.

The Auditors have made reference to going concern by way of a material uncertainty within their audit report.

Changes in Accounting Policies

a) New and amended standards adopted by the Group

The following IFRs or IFRIC interpretations were effective for the first time for the financial year beginning 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Standards/interpretations	Application
IFRS 16	Leases
IFRIC 23	Uncertainty over tax treatments
IFRS 9 amendments	Prepayment Features with Negative Compensation
IAS 28 amendments	Long-term Interests in Associates and Joint Ventures
Annual Improvements	2015 – 2017 Cycle
IAS 19 amendments	Plan Amendment, Curtailment or Settlement

IFRS 16 has been adopted during the year. The Group only has one lease arrangement in place, and was previously accounting for this under IAS 17 (the previous leasing standard) effectively as a finance lease except without liability discounting on the basis that this had no material impact on the financial statements. The directors have assessed the appropriateness of the treatment under the new standard and confirmed that any differences arising as a result of discounting would be insignificant, both to the current year financial statements and to the opening equity position, and so no adjustments have been made to the financial statements.

However, accounting policies and the lease disclosure note have been updated in order to comply with the new standard.

b) New and amended standards not yet adopted by the Group

Standards/interpretations	Application
IAS 1 & IAS 8 amendments	Definition of Material: Effective 1 January 2020
IFRS 3 amendments	Business Combinations: Effective 1 January 2020*
IAS 1 amendments	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current: Effective 1 January 2022*
N/A	*Amendments to References to the Conceptual Framework in IFRS Standards*

* Subject to EU endorsement

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

2.2 Basis of consolidation

Oriole Resources PLC was incorporated on 24 October 2005 as Stratex International PLC. On 21 November 2005 the Company acquired the entire issued share capital of Stratex Exploration Ltd by way of a share for share exchange. The transaction was treated as a Group reconstruction and was accounted for using the merger accounting method.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The business acquisition method is used to account for the acquisition of subsidiaries.

Any contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or a liability is recognised in accordance with IFRS9 either in profit or loss or as a change in other comprehensive income. The unwinding of the discount on contingent consideration liabilities is recognised as a finance charge within profit or loss.

Acquisition related costs are expensed as incurred.

The Group measures goodwill at the acquisition date as the excess of the fair value of the consideration transferred, plus the recognised amount of any non-controlling interests, less the recognised amount of the identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All significant intercompany transactions and balances between group entities are eliminated on consolidation.

When the Group ceases to consolidate a subsidiary as a result of losing control and the Group retains an interest in the subsidiary and the retained interest is an associate, the Group measures the retained interest at fair value at that date and the fair value is regarded as its cost on initial recognition. The difference between the net assets de-consolidated and the fair value of any retained interest and any proceeds from disposing of a part interest in the subsidiary is included in the determination of the gain or loss on disposal. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that subsidiary had directly disposed of the related assets or liabilities.

Associates are all entities over which the Group has significant influence but not control over the financial and operating policies.

References to joint venture agreements do not refer to arrangements which meet the definition of joint ventures under IFRS 11 "Joint Arrangements" and therefore these Financial Statements do not reflect the accounting treatments required under IFRS 11.

Investments in associates and jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses exceeds its interest in an equity-accounted investee the carrying amount of the investment, including any other unsecured receivables, is reduced to zero, and the recognition of further losses is discontinued, unless the Group has incurred obligations or made payments on behalf of the investee.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Unrealised gains on transactions between the Group and equity-accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in equity-accounted investees are recognised in profit or loss.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are recorded in equity.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in sterling, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- income and expenses in profit or loss for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income. On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

2.4 Intangible assets - Exploration and evaluation assets

The Group capitalises expenditure in relation to exploration and evaluation of mineral assets when the legal rights are obtained. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, research into the topographical, geological, geochemical and geophysical characteristics of the asset, exploratory drilling, trenching, sampling and activities to research the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation assets are not amortised but are assessed for impairment, with an impairment test being required when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. Whenever the exploration for and evaluation of mineral resources does not lead to the discovery of commercially viable quantities of mineral resources or the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to profit or loss.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive Board of Directors.

2.6 Impairment of non-financial assets

The carrying amount of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

In assessing the carrying values of major exploration assets, the Directors would use cash flow projections for each of the projects where a JORC – compliant resource had been calculated. The Group currently has no such directly controlled projects.

Certain of the other exploration projects are at an early stage of development and no JORC-compliant resource estimate has been completed. In these cases, the Directors have assessed the impairment of the projects based on future exploration plans and estimates of geological and economic data. The Board does not believe that the key assumptions will change so as to cause the carrying values to exceed the recoverable amounts.

To date impairment losses recognised have followed the decision of the Board not to continue exploration and evaluation activity on a particular project licence area where it is no longer considered an economically viable project or where the underlying exploration licence has been relinquished.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

2.8 Financial instruments

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income ('OCI') or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). See Note 15 for further details.

(b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

The Group's financial assets at amortised cost include trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables due within 12 months the Group applies the simplified approach permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but rather recognises a loss allowance based on the financial asset's lifetime expected credit losses at each reporting date.

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss.

2.9 Deferred taxation

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled. Deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. No liability to UK corporation tax arose on ordinary activities for the current period or prior periods. The Group has losses to be carried forward on which no deferred tax asset is recognised. Deferred tax assets are recognised on tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Current and deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited directly to equity, in which case the related tax is also dealt with in equity.

2.10 Share-based payments

The fair value of the services received from employees and third parties in exchange for the grant of share options is recognised as an expense. The fair value of the options granted is calculated using the Black-Scholes pricing model and is expensed over the vesting period. At each reporting period the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

2.12 Finance income

Finance income comprises bank interest receivable. Interest revenue is recognised using the effective interest method.

2.13 Other income

Other income represents income from activities other than normal business operations. Royalty payments, arising from the involvement of exploration partners, are recognised as other income once payment has been received.

2.14 Post-employment benefits

Retirement benefit costs are calculated by applying the Projected Unit Credit Method and the resulting adjustments are recognised in profit or loss.

2.15 Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group is not a lessor in any transactions, it is only a lessee.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date when the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Computer equipment – 5 years

Right of use assets are subject to impairment (see Note 2.6).

b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable.

Note that the lease liability recorded in the financial statements has not been discounted to present value as any impact of discounting would be immaterial to the financial statements.

3. RISK MANAGEMENT

3.1 Financial risk management

The main financial risks facing the Group are the availability of adequate funding, movements in interest rates and fluctuations in foreign exchange rates. Constant monitoring of these risks ensures that the Group is protected against any potential adverse effects of such risks so far as it is possible and foreseeable. The Group only deals with high-quality banks. It does not hold derivatives, does not trade in financial instruments and does not engage in hedging arrangements.

In keeping with similar sized mineral exploration groups, its continued future operations depend on the ability to raise sufficient working capital. The Group finances itself through the monetisation of exploration assets and the issue of equity share capital and has no borrowings. Management monitors its cash and future funding requirements through the use of on-going cash flow forecasts. All cash, with the exception of that required for immediate working capital requirements, is held on short term deposit.

The Group's only exposure to interest rate fluctuations is restricted to the rates earned on its short-term deposits. These deposits returned an interest rate of between 0.1% and 1.15% during the past year.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Turkish Lira, Euro and US Dollar, see note 19. Foreign exchange risk arises from future commercial transactions and net investments in foreign operations. The Group does not hedge its exposure to foreign currencies and recognises the profits and losses resulting from currency fluctuations as and when they arise.

The Group will continue to make substantial expenditures related to its exploration and development activities. The financial exposure of the Group has been substantially reduced as a result of entering into agreements with third parties.

3.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, most importantly the carrying values assigned to intangible assets, associates, and financial assets designated as fair value through other comprehensive income. Actual results may vary from the estimates used to produce these financial statements.

Exploration asset carrying value

The most significant judgement for the Group is the assumption that exploration at the various sites will ultimately lead to a commercial mining operation, which includes the assumption that any licenses held will be renewed as required upon expiry. Failure to do so could lead to the write-off of the intangible assets relating to the particular site (see note 2.4). It should be noted that certain licenses, due for renewal in 2019 are awaiting formal confirmation of renewal, however in these circumstances deemed tenure continues to apply.

Thani Stratex Resources carrying value

The Directors have given consideration to the carrying value of the 26.10% holding in Thani Stratex Resources Limited ('TSR'). This associated investment was written down to a carrying value of £2.25m in 2018, During 2019 TSR has initiated a re-organisation of its 50% subsidiary, Thani Stratex Djibouti ('TSD') which completed shortly after the year end. TSD has secured significant funding to allow it to progress its projects, and the Group now has a directly held 13.05% stake in TSD. Given the incoming investment into TSD the Directors expect to see value being added to the holding, and with a rising gold price supporting the more advanced stage assets in TSR, in the Directors' judgment the £2.25m carrying value of TSR has been maintained. £446,000 of the £1.4m impairment provision booked in 2018 has been reversed in 2019 in order to maintain the carrying value of TSR at £2.25m, being the Directors' best estimate using all information available at this time.

Local taxes

The Group is subject to income taxes in numerous jurisdictions. Judgement is required in determining the worldwide provision for such taxes. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the current and deferred income tax assets and liabilities in the period in which such determination is made. A deferred tax asset of £38,000 has been recognised in respect of temporary timing differences relating to the Group's intangible assets. Should these timing differences not reverse, the Group may need to revise the carrying value of this asset.

Provision for bad debts

The Group is currently due $425,000 from Anadolu Export Maden Sanayi ve Ticaret Limited Şirketi in respect of a success-based payment of $500,000 that was due on the basis of an exploration partnership with that company. The Directors continue to pursue payment, but have made full provision against the debt in these financial statements.

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

5. SEGMENT REPORTING

The Group's main exploration operations are located in Turkey, East Africa and West Africa. The Group's head office is located in the UK and provides corporate and support services to the Group and researches new areas of exploration opportunities. The management structure and the management reports received by the Directors and used to make strategic decisions reflect the split of operations.

a) The allocation of assets and liabilities by segment is as follows:

	Exploration				
	Turkey £'000	East Africa £'000	West Africa £'000	UK support & other £'000	Group Total £'000
At 31 December 2019					
Intangible assets	**–**	**–**	**7,244**	**–**	**7,244**
Property, plant and equipment	**1**	**–**	**–**	**20**	**21**
Investment in associate companies	**–**	**2,250**	**–**	**–**	**2,250**
Cash and other assets	**80**	**165**	**41**	**201**	**487**
Liabilities	**(98)**	**–**	**(5)**	**(340)**	**(443)**
Inter-segment	**(2,617)**	**–**	**(2,213)**	**4,830**	**–**
Net assets	**(2,634)**	**2,415**	**5,067**	**4,711**	**9,559**
Additions to property, plant and equipment	**–**	**–**	**–**	**2**	**2**

	Exploration				
	Turkey £'000	East Africa £'000	West Africa £'000	UK support & other £'000	Group Total £'000
At 31 December 2018					
Intangible assets	–	–	6,780	–	6,780
Property, plant and equipment	1	–	1	25	27
Investment in associate companies	–	2,250	–	–	2,250
Cash and other assets	203	187	284	1,921	2,595
Liabilities	(136)	–	(3)	(181)	(320)
Inter-segment	(2,422)	–	(1,967)	4,389	–
Net assets	(2,354)	2,437	5,095	6,154	11,332
Additions to property, plant and equipment	–	–	–	25	25

The capitalised cost of the principal projects and the additions during the year are as follows:

	Capitalised cost		Additions in year	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
West Africa				
Senala – Senegal	**6,225**	6,551	**–**	67
Bibemi/Wapouze – Cameroon	**1,019**	229	**792**	229
Total Intangible assets	**7,244**	6,780	**792**	296

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

b) The allocation of profits and losses for the year by segment is as follows:

	Exploration				
	Turkey £'000	East Africa £'000	West Africa £'000	UK support & other £'000	Group Total £'000
2019					
Revenue	–	–	–	–	–
Administration expenses	**(373)**	–	**(142)**	**(1,034)**	**(1,549)**
Depreciation charge	**(1)**	–	–	**(6)**	**(7)**
Other income/(losses)	**149**	**446**	–	**5**	**600**
Share of associate company losses	–	**(338)**	–	–	**(338)**
Exchange gains/(losses)	**(5)**	–	**(437)**	**(3)**	**(445)**
Inter-segment charges	**(148)**	–	**(103)**	**251**	–
Income tax	**(63)**	–	–	**142**	**79**
Profit/(loss) for year	**(441)**	**108**	**(682)**	**(645)**	**(1,660)**

	Exploration				
	Turkey £'000	East Africa £'000	West Africa £'000	UK support & other £'000	Group Total £'000
2018					
Revenue	–	–	–	–	–
Administration expenses	(281)	–	(197)	(1,324)	(1,802)
Depreciation charge	(1)	–	(1)	(2)	(4)
Other income/(losses)	120	(1,430)	–	698	(612)
Share of associate company losses	–	(2,140)	–	–	(2,140)
Exchange gains/(losses)	(65)	–	77	(74)	(62)
Inter-segment charges	(131)	–	(209)	340	–
Income tax	(41)	–	–	–	(41)
Profit/(loss) for year	(399)	(3,570)	(330)	(362)	(4,661)

6. LOSS ON CHANGE OF OWNERSHIP INTEREST

	2019 £'000	2018 £'000
Loss for the year on change of ownership interest	**(212)**	(98)

Small changes to the Company's interest in Thani Stratex Resources Limited during the year have resulted in a loss of £212,000, which has been recognised in the consolidated statement of comprehensive income.

7. OTHER PROFITS/(LOSSES)

	2019 £'000	2018 £'000
Exchange losses	**(445)**	(62)
Impairment of investments (see note 14)	–	(1,430)
Reversal of impairment (see note 14)	**446**	–
VAT provision release	–	631
Success based payment due (see note 4)	**384**	–
Provision against bad debt (see note 4)	**(326)**	–
Other profits	**91**	120
Net profit/(loss) for the year	**150**	(741)

8. EXPENSES BY NATURE

Administration expenses comprise:

	2019 £'000	2018 £'000
Personnel expenses (see note 9)	**994**	870
Legal and professional expenses	**236**	291
Amounts paid to the Company's auditors (see below)	**25**	40
Other exploration related expenses	–	224
Consultant geologists	–	131
Office costs	**82**	60
Travel costs	**97**	49
Contract staff fees	–	27
Depreciation expense	**8**	4
Other expenses	**114**	110
Total for year	**1,556**	1,806

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

	2019 £'000	2018 £'000
Auditor's remuneration		
Fees payable for the audit of parent and consolidated financial statements	**25**	35
Fees payable for tax compliance	–	5
Total for year	**25**	40

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

9. PERSONNEL EXPENSES

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Wages and salaries	**906**	683	**529**	454
Social security costs	**49**	56	**49**	56
Share options granted to Directors and employees	**25**	18	**25**	18
Employee benefits-in-kind	**1**	1	**1**	1
Employee termination benefits	**–**	(5)	**–**	–
Employee pensions	**13**	32	**13**	32
Compensation for loss of office	**–**	85	**–**	85
Total for year	**994**	870	**617**	646
Average number of employees, including Directors	**14**	13	**9**	8

Employee termination benefits in 2018 relate to Stratex Madencilik Sanayi Ve Ticaret Ltd. Şti and has been calculated using the projected unit credit method.

Details of the Directors' remuneration is shown in the Report of the Remuneration Committee on page 25.

10. INCOME TAX

Analysis of income tax expense:

	2019 £'000	2018 £'000
Current taxation:		
UK Corporation tax credit for the year	**142**	–
Deferred taxation:		
Deferred tax charge for the year	**(63)**	(41)
Total tax on loss for the year	**79**	(41)

The Group does not anticipate a UK corporation tax charge for the year due to the availability of tax losses. The Group did not recognise deferred income tax assets of approximately £1,700,000 (2018: £1,400,000).

Reconciliation of tax charge:

	2019 £'000	2018 £'000
Loss before tax	**(1,739)**	(4,620)
Current tax credit at 19% (2018: 19%)	**330**	878
Effects of:		
Expenses not deductible for tax purposes	**142**	(676)
Tax losses carried forward – UK	**(286)**	(15)
Tax losses carried forward – outside UK	**(186)**	(187)
Origination and reversal of temporary differences	**(63)**	(41)
Prior year differences (research and development credits claim)	**142**	–
Tax credit	**79**	(41)

11. INVESTMENT IN SUBSIDIARIES

The cost of shares in subsidiary companies is as follows:

Company	2019 £'000	2018 £'000
Cost of investment at 1 January	**2,699**	2,699
Impairment provision	**(1,000)**	(1,000)
	1,699	1,699
Loans to subsidiary companies	**2,386**	2,063
At 31 December	**4,085**	3,762

During the prior year the Company made a provision for impairment against its investment in Stratex Exploration Limited.

There are no significant restrictions in relation to the subsidiaries.

Investments in subsidiaries are stated at cost and are as follows:

	Country of incorporation	% owned by the Company	% owned by subsidiary	Nature of Business
Stratex Exploration Ltd	UK	100	–	Holding company
Stratex Gold AG	Switzerland	100	–	Holding company
Stratex West Africa Limited	UK	100	–	Exploration
Oriole Cameroon SARL	Cameroon	90	–	Exploration
Stratex Madencilik Sanayi Ve Ticaret Ltd. Şti	Turkey	–	100	Exploration
Stratex EMC SA	Senegal	–	85	Exploration

	Registered office
Stratex Exploration Ltd	180 Piccadilly, London, W1J 9HF, UK
Stratex Gold AG	St Gallen, Goethestrasse 61, St Gallen, 9008, Switzerland
Stratex West Africa Limited	Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9FD, UK
Oriole Cameroon SARL	Yaounde-Rue Marie Gocker, Place De L'Intendance, BP 11792 ,Yaounde, Cameroon
Stratex Madencilik Sanayi Ve Ticaret Ltd. Sti	Çukurambar Mahallesi 1458. Sokak, Elit Aprt. No: 17/6, Ankara, Turkey
Stratex EMC SA	Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9FD, UK

12. INTANGIBLE ASSETS

The Group's Intangible assets comprise entirely of exploration assets.

	Group		Company	
Cost	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Cost at 1 January	**6,780**	6,484	**186**	–
Exchange movements	**(328)**	67	–	–
Transfer from subsidiary company	–	–	**40**	–
Additions	**792**	229	**792**	186
At 31 December	**7,244**	6,780	**1,018**	186

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. PROPERTY, PLANT, AND EQUIPMENT

	Group				Company
	Motor Vehicles £'000	Field Equipment £'000	Office furniture and equipment £'000	Total £'000	Office furniture and equipment £'000
Cost					
At 1 January 2018	30	19	206	255	81
Exchange movements	–	–	(25)	(25)	–
Additions	–	–	25	25	25
Disposals	–	–	(19)	(19)	–
At 31 December 2018	30	19	187	236	106
Exchange movements	–	–	–	–	–
Additions	–	–	**2**	**2**	**2**
Disposals	–	–	–	–	–
At 31 December 2019	**30**	**19**	**189**	**238**	**108**
Depreciation					
At 1 January 2018	(30)	(19)	(198)	(247)	(79)
Exchange movements	–	–	25	25	–
Additions	–	–	(4)	(4)	(2)
Disposals	–	–	17	17	–
At 31 December 2018	(30)	(19)	(160)	(209)	(81)
Exchange movements	–	–	–	–	–
Additions	–	–	**(8)**	**(8)**	**(7)**
Disposals	–	–	–	–	–
At 31 December 2019	**(30)**	**(19)**	**(168)**	**(217)**	**(88)**
Net Book Value					
at 1 January 2018	–	–	8	8	2
at 31 December 2018	–	–	27	27	25
at 31 December 2019	**–**	**–**	**21**	**21**	**20**
Right of use assets included above	**–**	**–**	**16**	**16**	**16**

14. INVESTMENT IN EQUITY-ACCOUNTED ASSOCIATES

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
At 1 January	**2,250**	5,524	**1,458**	1,302
Exchange movements	**(108)**	140	**–**	–
Share of losses	**(126)**	(2,042)	**–**	–
Additions	**–**	156	**–**	156
Loss on change of ownership interest	**(212)**	(98)	**–**	–
Provision for impairment	**–**	(1,430)	**–**	–
Release of impairment provision	**446**	–	**–**	–
At 31 December	**2,250**	2,250	**1,458**	1,458

The Company's shareholding interest in Thani Stratex Resources Limited ("TSRL") reduced to 26.1% from 29.0% during the course of the year. £446,000 of the impairment provision recognised in 2018 has been reversed in 2019, as the Directors believe the value of the investment has been maintained over the year (see note 4).

The following entity has been included in the consolidated financial statements using the equity accounting method:

	2019			2018		
	%	Value £'000	Change £'000	%	Value £'000	Change £'000
Thani Stratex Resources Limited	**26.1**	**2,250**	**–**	29.0	2,250	(3,274)

Thani Stratex Resources Limited has a reporting date of 31 December and its registered office is PO Box 173, Kingston Chambers, Road Town, Tortola, British Virgin Islands.

Summarised financial information for investments accounted for using an equity accounting method is shown below. This information reflects the amounts presented in the draft financial statements of the associates (and not Oriole Resources PLC's share of those amounts) adjusted for differences in accounting policies between the Group and associates:

Statement of financial position for Thani Stratex Resources Limited

	2019 £'000	2018 £'000
As at 31 December		
Current Assets		
Cash and equivalents	**3**	6
Net current assets/(liabilities)	**(295)**	(331)
Total current assets	**(292)**	(325)
Non-current assets		
Furniture, fittings and equipment	**2**	2
Intangible assets	**14,649**	14,834
Associated companies	**2,274**	2,322
Total non-current assets	**16,925**	17,158
Non-current liabilities	**(4,143)**	(4,132)
Net assets	**12,490**	12,701

Statement of comprehensive income for Thani Stratex Resources Limited

	2019 £'000	2018 £'000
As at 31 December		
Administration expenses	**(328)**	(353)
Depreciation	**–**	(1)
Other income	**–**	4
Exchange gains	**(6)**	(1)
Loss from continuing operations	**(334)**	(351)
Income tax expenses	**(8)**	(1)
Loss after tax for continuing operations	**(342)**	(352)
Share of associated company loss	**(115)**	(121)
Total comprehensive income	**(457)**	(473)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. FINANCIAL ASSETS AND LIABILITIES

a) Financial Assets

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Financial assets at amortised cost:				
Trade and other receivables	**110**	633	**49**	600
Deposits and guarantees	**11**	26	**–**	–
Cash and cash equivalents	**163**	1,287	**130**	1,243
Financial assets at fair value through other comprehensive income	**165**	414	**–**	227
Total	**449**	2,360	**179**	2,070

b) Financial Liabilities

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Financial assets at amortised cost:				
Trade and other payables	**94**	87	**89**	87
Amounts due to related parties and employees	**134**	52	**67**	–
Social security and other taxes	**29**	30	**5**	20
Leases	**15**	17	**15**	17
Accrued expenses	**171**	134	**158**	50
Total	**443**	320	**334**	174

c) Assets by quality

Trade Receivables:

Trade receivables includes VAT due from the Turkish government of £Nil (2018: £9,000) and net receivables from exploration partners of £21,000 (2018: £22,000). None of the exploration partners have external credit ratings.

Cash and cash equivalents:

External ratings of cash at bank and short-term deposits:

	2019 £'000	2018 £'000
A	**142**	1,256
Ba, Bb & Bbb	**21**	31
Total	**163**	1,287

d) Financial Assets at Fair Value Through Other Comprehensive Income ('FVOCI')

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
At 1 January	**414**	581	**227**	227
Disposals	**(9)**	–	**–**	–
Fair value adjustment	**(240)**	(167)	**(227)**	–
At 31 December	**165**	414	**–**	227

	Group		Company	
Equity investments at FVOCI comprise the following individual investments	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000
Tembo Gold Corporation – Listed Security	**165**	187	**–**	–
Aforo Resources Limited – Unlisted Security	**–**	227	**–**	227
At 31 December	**165**	414	**–**	227

Financial assets at fair value through other comprehensive income comprise a 11.66% (2018: 12.27%) investment in Tembo Gold Corporation. The 8% investment in Aforo Resources Limited has been written off during the year, following the closure of the company.

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

During the year the following losses were recognised in profit or loss and other comprehensive income:

	Group	
	2019 £'000	2018 £'000
Losses recognised in other comprehensive income	**240**	167

Information about the methods and assumptions used in determining fair value is provided in (f) below. The assets are held in non-sterling currencies but there are no significant exchange rate risks associated with these investments.

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

e) Financial Assets at Fair Value Through Profit and Loss ('FVPL')

The Group classifies the following financial assets at fair value through profit or loss:

1. Equity instruments for which the entity has not elected to recognise fair value gains and losses through OCI.

The Group's investment in Muratdere Madencilik Sanayi ve Ticaret AS ('Muratdere') is held at £Nil (2018: £Nil) following its write down in 2017. Due to the decision in 2017 not to provide further funding for Muratdere, the Company's interest has reverted to a 1.2% net smelter royalty.

f) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under Accounting Standards, as set out and explained below:

Recurring fair value measurements

At 31 December 2019	Level 1	Level 3	Total
Financial assets at fair value through other comprehensive income:			
Canadian listed equity securities	165	–	165
Australian unlisted equity securities	–	–	–
Total Financial Assets	**165**	**–**	**165**
At 31 December 2018			
Financial assets at fair value through other comprehensive income:			
Canadian listed equity securities	187	–	187
Australian unlisted equity securities	–	227	227
Total Financial Assets	187	227	414

There were no transfers of assets between levels for recurring fair value measurements during the year. The Group has no level 2 financial instruments.

Level 1 – the fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are held at level 1.

Level 3 – if one or more of the significant valuation inputs is not based on observable market data, the instrument is held at level 3. This is the case for unlisted securities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices either to provide:
  - Direct market pricing for Level 1 instruments;
  - Comparative pricing for Level 3 instruments when reviewed against comparable companies at similar stages of asset development.
- Cost of asset development work to date, together with a review of exploration results and a view of market values of similar companies.

16. TRADE AND OTHER RECEIVABLES

The fair value of trade and other receivables equate to their carrying values, which also represents the Group's maximum exposure to credit risk. No collateral is held as security.

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Receivables from exploration partners	**337**	22	**6**	–
Bad debt provision	**(326)**	–	–	–
Deposits and guarantees given	**11**	26	–	–
Loans	**21**	46	–	–
VAT recoverable	–	611	–	600
Prepayments and other current assets	**78**	78	**43**	65
Total	**121**	783	**49**	665
Non-current	–	–	–	–
Current	**121**	783	**49**	665
Total	**121**	783	**49**	665

$425,000 of a success-based payment due from Anadolu Export Maden Sanayi ve Ticaret A.S. is past due, and has been fully provided against in these financial statements. There were no receivables past due in 2019 (2018: Nil).

17. DEFERRED TAX ASSET AND LIABILITIES

	Group	
	2019 £'000	2018 £'000
Deferred tax assets		
Temporary timing differences arising on:		
Intangible assets	**24**	95
Employee termination benefits	**14**	6
Other	–	10
Total	**38**	111

The movement in the year on the net deferred tax assets is:

	Group	
	2019 £'000	2018 £'000
At 1 January	**111**	198
Exchange movements	**(10)**	(46)
Movement in year	**(63)**	(41)
At 31 December	**38**	111

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Cash at bank and on hand	**163**	495	**130**	271
Short-term deposits	**–**	792	**–**	972
Total	**163**	1,287	**130**	1,243

19. CURRENCY RISK

The Group's exposure to foreign currency is as follows:

	2019		2018	
GBP £'000	**US$**	**Turkish Lira**	US$	Turkish Lira
Trade and other receivables	**–**	**11**	–	70
Cash and cash equivalents	**2**	**6**	179	22
Trade and other payables	**–**	**(98)**	–	(136)
Net exposure	**2**	**(81)**	179	(44)
The following year end spot rates to sterling have been applied	**1.3101**	**7.676**	1.2769	6.7529

A 20% fluctuation in the sterling exchange rate would have affected profit and loss as follows:	**£'000**	**£'000**	**£'000**	**£'000**
Strengthening of sterling	**–**	**(16)**	(31)	(11)
Weakening of sterling	**–**	**13**	44	8

The Group's exposure to foreign currency at 31 December 2019 was US$ cash deposits and Turkish Lira receivables shown above.

20. SHARE CAPITAL AND SHARE PREMIUM

Group and Company	Number of Ordinary shares issued	Ordinary shares £'000	Deferred shares £'000	Share premium £'000	Total £'000
At 31 December 2018 and 2019	**701,801,276**	**702**	**4,206**	**21,253**	**26,161**

The Ordinary shares have a nominal value of 0.01p and all shares have been fully paid.

21. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the loss attributable to the equity holders of the Company and a weighted average number of Ordinary shares in issue during the year, as follows:

	2019 £'000	2018 £'000
Loss attributable to owners of the Company from continuing operations	**(1,554)**	(4,574)
Weighted average number of ordinary shares in issue	**701,801,276**	592,586,755
Basic and diluted loss per share from continued operations (pence per share)	**(0.22)**	(0.77)

There is no difference between basic and diluted loss per share as the effect on the exercise of the options would be to decrease the earnings per share.

At 31 December 2019 there were 32,469,067 (2018: 25,755,144) share options and 13,470,000 (2018: 13,470,000) warrants that could potentially dilute the earnings per share in the future.

Deferred shares have no rights to dividends or retained profits and are excluded from the calculation of earnings per share.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22. SHARE OPTIONS AND WARRANTS

Share options

The Directors have discretion to grant options to Group employees to subscribe for Ordinary Shares up to a maximum of 10% of the Company's issued share capital. The Company runs two schemes, one is the Enterprise Management Incentive scheme and the other is the Unapproved Share Option scheme.

As at 31 December 2019, the Company had in issue 26,718,000 (2018: 8,678,000) options to Group employees granted under the Enterprise Management Incentive scheme and no (2018: 1,950,000) options to Group employees granted under the unapproved scheme. In addition, there are 5,751,067 (2018: 15,227,144) unexercised options held by past employees. All options vest over one to three years from the grant date and lapse on the tenth anniversary of the grant date.

The granting of the share options has been accounted for as equity-settled share-based payment transactions. The total expenses recognised in the loss for the year arising from share-based payments was £25,000 (2018: £ 51,000). The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2019		2018	
Group and Company	**Number of options**	**Weighted average exercise price pence**	Number of options	Weighted average exercise price pence
Outstanding at 1 January	**25,755,144**	**2.4**	17,755,144	3.0
Expired	**(11,986,077)**	**3.503**	–	–
Cancelled	**(2,000,000)**	**(0.37)**	–	–
Granted	**20,700,000**	**0.37**	8,000,000	0.8
Outstanding at 31 December	**32,469,067**	**0.97**	25,755,144	2.4
Exercisable at 31 December	**8,435,734**	**2.38**	16,843,811	3.1

The weighted average contractual life of the outstanding options at 31 December 2019 was 8.26 years (2018: 4.7 years).

Details of share options outstanding at 31 December 2019 are as follows:

Life of option			
Start date	Expiry date	**Outstanding 31 December 2019**	Option Price pence
1 June 2011	1 June 2021	**1,026,067**	7.0
5 December 2014	5 December 2024	**1,859,000**	2.7
4 June 2015	4 June 2025	**150,000**	1.5
2 September 2016	2 September 2026	**2,734,000**	2.0
1 March 2018	1 March 2028	**6,000,000**	0.9
4 June 2018	4 June 2028	**2,000,000**	0.62
19 March 2019	19 March 2029	**18,700,000**	0.37
Total options outstanding		**32,469,067**	

During the year 20,700,000 share options were issued at a price of 0.37p per option share with a fair value of 0.15p per option share, The fair value for these options has been measured by use of the Black-Scholes pricing model, using a price volatility of 35% and a risk-free interest rate of 3%. The expected volatility was determined by calculating the historical volatility of the Company's share price over the previous two years.

Share Warrants

On 13 June 2018 the Company issued 13,470,000 warrants to Turner Pope Investments in connection with the June 2018 share placement. The warrants are exercisable at a price of 0.5p per warrant share any time before 13 June 2021 at which point they lapse. The resultant warrant charge of £32,000 was recognized in full in 2018 and debited to the Share Premium Account.

23. OTHER RESERVES

Group	Merger reserve £'000	FVOCI reserve £'000	Share option reserve £'000	Translation reserve £'000	Total £'000
At 1 January 2018	**(485)**	**–**	**476**	**1,692**	**1,683**
Share based payments	–	–	51	–	51
Other comprehensive income	–	(167)	–	134	(33)
At 31 December 2018	**(485)**	**(167)**	**527**	**1,826**	**1,701**
Share based payments	–	–	25	–	25
Share options expired	–	–	(403)	–	(403)
Other comprehensive income	–	(240)	–	102	(138)
At 31 December 2019	**(485)**	**(407)**	**149**	**1,928**	**1,185**

Company	Share option reserve £'000	Total £'000
At 1 January 2018	**476**	**476**
Share based payments	51	51
Other comprehensive income	–	–
At 31 December 2018	**527**	**527**
Share based payments	25	25
Share option cancelled	(403)	(403)
At 31 December 2019	**149**	**149**

The Merger reserve arose on consolidation as a result of the merger accounting for the acquisition of the entire issued share capital of Stratex Exploration Limited during 2005 and represents the difference between the nominal value of shares issued for the acquisition and that of the share capital and share premium account of Stratex Exploration Limited.

The Group has elected to recognise changes in the fair value of certain investments in equity securities through Other Comprehensive Income, as explained in Note 15 and the accounting policies. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are recognised.

The Share option reserve balance relates to the fair value of outstanding share options measured using the Black-Scholes method.

The Translation reserve comprises the exchange differences from translating the net investment in foreign entities and of monetary items receivable from subsidiaries for which settlement is neither planned nor likely in the foreseeable future (see Note 2.3).

24. NON-CONTROLLING INTEREST

Effect on equity of transactions with Non-controlling interests:

Balance attributable to NCI	Stratex EMC SA £'000	Total £'000
At 1 January 2018	**(16)**	**(16)**
Losses for the year	(87)	(87)
At 31 December 2018	**(103)**	**(103)**
Losses for the year	(106)	(106)
At 31 December 2019	**(209)**	**(209)**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The non-controlling interest arises in the 15% holding by a third party in Stratex EMC SA, whose financial statements include the following balances:

Stratex EMC SA	2019 £'000	2018 £'000
Intangible assets	**5,881**	6,206
Other assets	**991**	1,037
Intercompany loans	**(8,242)**	(7,942)
Other creditors	**(5)**	(3)
Net liabilities	**(1,375)**	(702)
Loss for the year	**(720)**	(560)
Cash flows:		
Cash flows from operations	**(149)**	(190)
Cash flows from intercompany funding	**150**	196
Net cash flow	**1**	6

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Trade payables	**94**	87	**89**	87
Amounts due to related parties and employees	**104**	52	**67**	-
Social security and other taxes	**29**	30	**5**	20
Lease liability	**15**	17	**15**	17
Accrued expenses	**171**	104	**158**	50
At 31 December	**413**	290	**334**	174

All financial liabilities, except those for accrued expenses, are stated where material at amortised cost.

26. LEASES

The Group has in place one lease contract for computer equipment used in its operations. The lease has a term of 5 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased asset. There are no variable lease payments attached.

The right of use asset recognised in respect of this lease has a carrying value of £15,000 (2018: £18,000) and is included within tangible fixed assets. Depreciation of £3,000 (2018: £1,000) has been recorded in the year.

The lease liability is included within trade and other payables and has a carrying value of £15,000 (2018: £17,000). Cash payments of £2,000 (2018: £1,000) have been made in payment of the liability during the year.

Neither the right of use asset nor the lease liability have been recorded separately on the statement of consolidated or company financial position as the values are not material.

Lease liabilities fall payable as follows:

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
Within one year	**3**	3	**3**	3
After more than one year	**12**	14	**12**	14
At 31 December	**15**	17	**15**	17

27. CASH FLOW FROM OPERATING ACTIVITIES

	Group		Company	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000
(Loss)/profit before income tax	**(1,739)**	(4,620)	**(907)**	(3,726)
Adjustments for:				
Issue of share options	**25**	51	**25**	51
Depreciation	**8**	4	**7**	2
Impairment write-offs on intangible assets	**(446)**	1,430	–	1,000
Share of losses of associates	**338**	2,141	–	–
Increase in Employee termination benefit fund	–	(5)	–	–
Other (Income) and deductions	**(7)**	(67)	**(7)**	(67)
Interest income on intercompany indebtedness	–	–	**(42)**	(230)
Intercompany management fees	–	–	**(89)**	(140)
Write-off intercompany balances	–	–	–	2,400
Foreign exchange movements on operating activities	**601**	46	–	85
Changes in working capital, excluding the effects of exchange differences on consolidation:				
Trade and other receivables	**646**	(639)	**616**	(661)
Trade and other payables	**14**	(600)	**82**	(485)
Cash used in operations	**(560)**	(2,259)	**(315)**	(1,771)

28. RELATED PARTY TRANSACTIONS

a) Transactions with non-controlling interests:

There have been no transactions with non-controlling interests during the year. (2018: £Nil.)

b) Parent company and ultimate controlling party:

In the opinion of the Directors there is no ultimate controlling party.

c) Amounts provided to subsidiaries:

During the year the Company provided funds amounting to £323,000 (2018: £571,000) to its subsidiaries and charged its subsidiary companies £90,000 (2018: £140,000) for the provision of management services. The total gross receivable from subsidiaries at 31 December 2019 was £4,875,000 (2018: £4,462,000).

d) Transactions with Directors and Key Management Personnel:

During the year the Directors were remunerated for services performed on behalf of the Company. Details of this remuneration are included in the Report of the Remuneration Committee. All Directors during the year were remunerated through the UK payroll.

There are not considered to be any key management personnel other than Directors.

29. CONTINGENCIES AND CAPITAL COMMITMENTS

There are no contingencies or capital commitments at 31 December 2019.

30. PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements.

NOTICE OF AGM

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Oriole Resources Plc (the "Company") will be held at its offices, Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9FD on 26 May 2020, at 1:00pm. The business of the meeting will be to consider and, if thought fit, pass the following Resolutions:

ORDINARY RESOLUTIONS

1. THAT the Directors' Report and the Financial Statements of the Company for the year ended 31 December 2019 be received and adopted.
2. THAT, having retired by rotation in accordance with the Company's Articles of Association, and being eligible, John McGloin be re-appointed as a Director of the Company.
3. THAT PKF Littlejohn LLP be re-appointed as auditors of the Company, and that the Directors be authorised to determine the auditors' remuneration.
4. THAT, in addition to the existing authorities, and in accordance with section 551 of the Companies Act 2006 (the "Act") the Directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £386,000 provided that:
   a. this authority shall, unless previously revoked, varied or extended by the Company at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company; and
   b. that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

SPECIAL RESOLUTIONS

5. THAT, subject to the passing of resolution 4 and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 4, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall:
   a. be limited to the allotment of equity securities up to an aggregate nominal amount of £116,000; and
   b. expire with the authority granted by resolution 4 (unless previously revoked, varied or extended by the Company at a general meeting) at the conclusion of the next Annual General Meeting, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
6. THAT, in addition to the authority granted by resolution 5 above, subject to the passing of resolution 4 and in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by resolution 4, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall:
   a. be limited to the allotment of equity securities up to an aggregate nominal amount of £270,000; and
   b. expire with the authority granted by resolution 4 (unless previously revoked, varied or extended by the Company at a general meeting) at the conclusion of the next Annual General Meeting, save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

R J Smeeton

Company Secretary
23 March 2020

Registered Office
180 Piccadilly
London
W1J 9HF

NOTES:

Eligibility to attend and vote

1. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes a member may cast), members must be entered on the Register of Members of the Company by 1:00pm on 22 May 2020.

Appointment of proxies

2. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
3. A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. If you do not give your proxy an indication of how to vote on any resolution, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be completed and signed and sent or delivered to the Company's registrars, Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR, to be received by Share Registrars Limited no later than 1.00pm on 22 May 2020. Proxy forms may also be faxed to 01252 719232 or emailed to voting@shareregistrars.uk.com
7. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

8. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

NOTICE OF AGM

Changing proxy instructions

9. To change your proxy instructions simply submit a new proxy appointment using the methods set out above.

Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

10. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
    - By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited, The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR.
    - In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
    - Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by Share Registrars Limited no later than 1.00pm on 22 May 2020.
    - If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Communication

11. Except as provided above, members who have general queries about the Meeting should contact Share Registrars Limited on 01252 821390 or by email enquiries@shareregistrars.uk.com (no other methods of communication will be accepted).
12. You may not use any electronic address provided either in this notice of Annual General Meeting or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

Documents available for inspection

13. The following documents will be available for inspection during normal business hours at the Company's registered office up until the date of the Annual General Meeting and at the place of the meeting from 11.00am on 26 May 2020 until the end of the meeting:
    - the audited consolidated accounts of the Company for the financial period ended 31 December 2019;
    - the Register of Directors' interests in the capital of the Company and copies of the service contracts of the Directors of the Company.

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