



ORIOLE
RESOURCES PLC



ANNUAL REPORT

For the year ended
31 December 2020

COMPANY NUMBER: 05601091

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
territories in Africa



Actively seeking further exploration
opportunities



A number of interests and royalties in
companies operating throughout Africa
and Turkey



Joint venture partnership on Senaia gold
project in Senegal, reducing financial
exposure

Highlights

Operational Highlights:

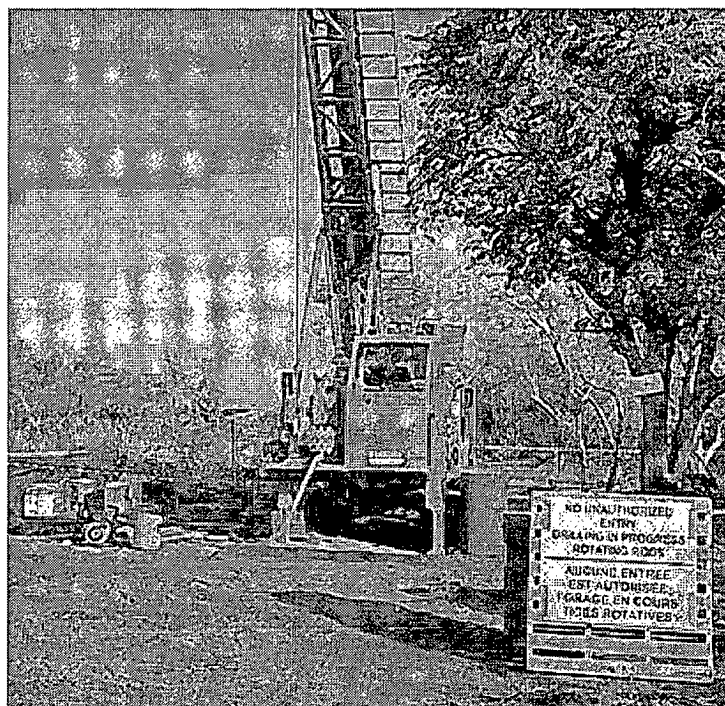
- Maiden drilling programme underway at the Bibemi licence in Cameroon for a planned 3,080 meters of diamond drilling in 28 holes;
- Continued exploration by IAMGOLD Corporation ('IAMGOLD') through the completion of a 6,901m aircore ('AC') programme, drilled at the Faré prospect in the north of the licence, as part of its continued earn-in to the Senala licence. The work has confirmed and enhanced the scale of the gold-in-soil anomalism at Faré;
- Award of an extensive 3,592km² licence package in central Cameroon.

Financial Overview:

- Operating loss of £0.34m reported for the year to 31 December 2020; a significant reduction compared to a loss of £1.41m in the prior year;
- Loss for the year after tax reduced to £0.32m, a reduction of 81% when compared to the prior year;
- Fund raises totalling £2.37m as the Group successfully fully-fund the next stage of work in Cameroon;
- UK Administration expenses reduced by 16% to £0.87m.

Post Year End:

- £678k of cash received from warrant exercises subsequent to the year end.



Contents

COMPANY INFORMATION	2
Directors	3
Environmental Social Governance	4
Projects and Investments	5
Chairman's statement	11
STRATEGIC REPORT	17
Report of the Remuneration Committee	28
Directors' report	30
Independent Auditor's Report to the members of Oriole Resources PLC	32
FINANCIAL STATEMENTS	
Statement of consolidated comprehensive income	37
Statement of consolidated financial position	38
Statement of consolidated changes in equity	39
Statement of consolidated cash flows	40
Statement of Company financial position	41
Statement of Company changes in equity	42
Statement of Company cash flows	43
Notes to the financial statements	44
Notice of AGM	68
Advisors & offices	71

Company information

Oriole is focused on early-stage gold 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 listed 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 to 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 earn-in to a 70% equity position.

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

Delivery of a maiden drilling programme at Bibemi in Cameroon through Q1 and Q2 2021.

02

Continued exploration by IAMGOLD at Senala, with reverse circulation and diamond drilling programmes at the more advanced Faré and Madina Bafé prospects.

03

Grassroots exploration of district-scale licence package in central Cameroon, covering 3,592km² of gold-prospective terrane.

04

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

Directors



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\$85m. He is currently a non-executive director to Caledonia Mining Corporation plc and to Perseus Mining Limited.



Tim Livesey

Chief Executive Officer

Tim has over 30 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 Limited (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\$365m. 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. 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.



David Pelham

Non-Executive Director

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.

Environmental Social Governance

Senegal

The stable democratic republic of Senegal is considered a low security risk to operate within and recent updates to the Mining Code have created a transparent legislation focused on promoting foreign investment with a robust social engagement framework. In addition to these positive political, legislative and security factors, highly prospective rocks can be found in the southeast of the country, a part of the world renowned for significant gold endowment within Birimian-aged greenstone belts related to the West African Craton.

Oriole's 85 per cent owned Senala licence area is located within this highly prospective region, known as the Kedougo-Kenieba Inlier (KKI), which spans the Senegal-Mali border. The KKI is structurally complex with two regional scale shear zones, multiple related second and third order structures and hosts deep seated crustal structures that have enabled sustained periods of fluid flow, necessary prerequisites for the formation of large orogenic gold deposits. The KKI hosts several world class orogenic gold deposits including: Sadiola, Loulo-Gouunkoto complex, Fekola, Sabodala-Massawa complex, Mako and Boto.

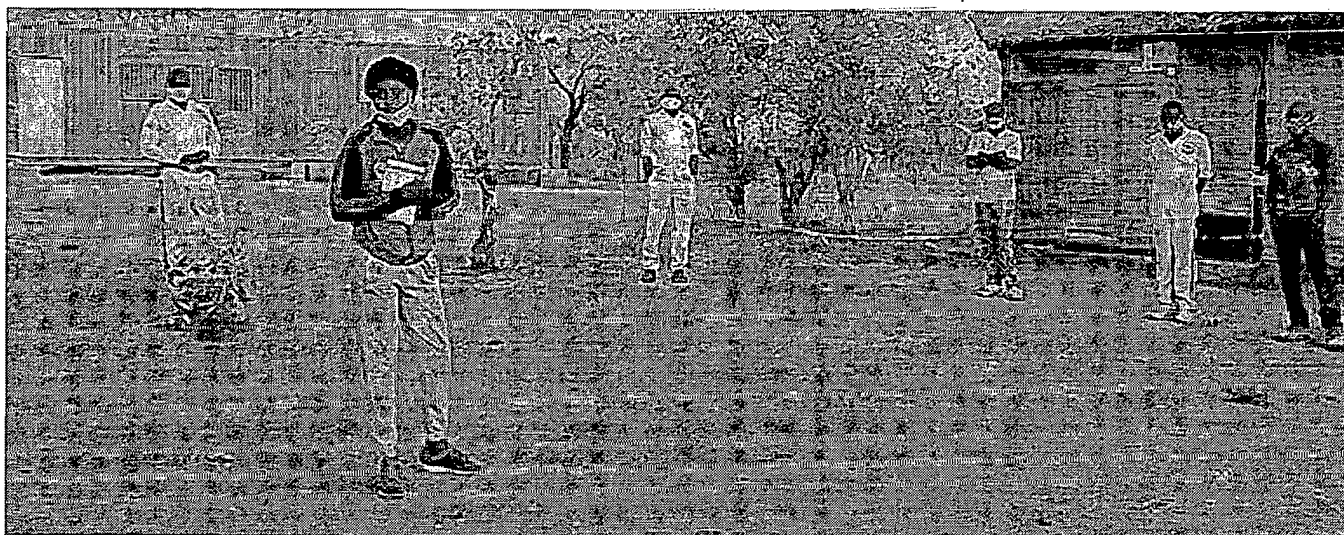
The occurrence of these world class deposits means that the KKI is considered a hotspot for gold exploration and industry consolidation. Active modern exploration has been on-going since the 1970s which has led to the establishment of a competent technical workforce and a modern mining code that is supportive of foreign investment. Oriole's local partner Energy & Mining Corporation S.A. (EMC), a 15 per cent owner of Senala, provides administrative support for the Company and helps it achieve its social and corporate governance (ESG) goals. Through the option agreement with IAMGOLD, the Company provides annual contributions to the country's Social Mining Programme, a fund dedicated to benefiting local communities and an integral part of the Senegalese Mining Code.

Cameroon

With a government focused on developing its mining industry, Cameroon is an underexplored country with significant potential for mineral resource definition. This is underpinned by a new modern mining code, based upon the Finnish Mining Code, and a US\$30m World Bank-funded, country-wide prospecting programme that is currently being undertaken by the French and Finnish Geological Surveys.

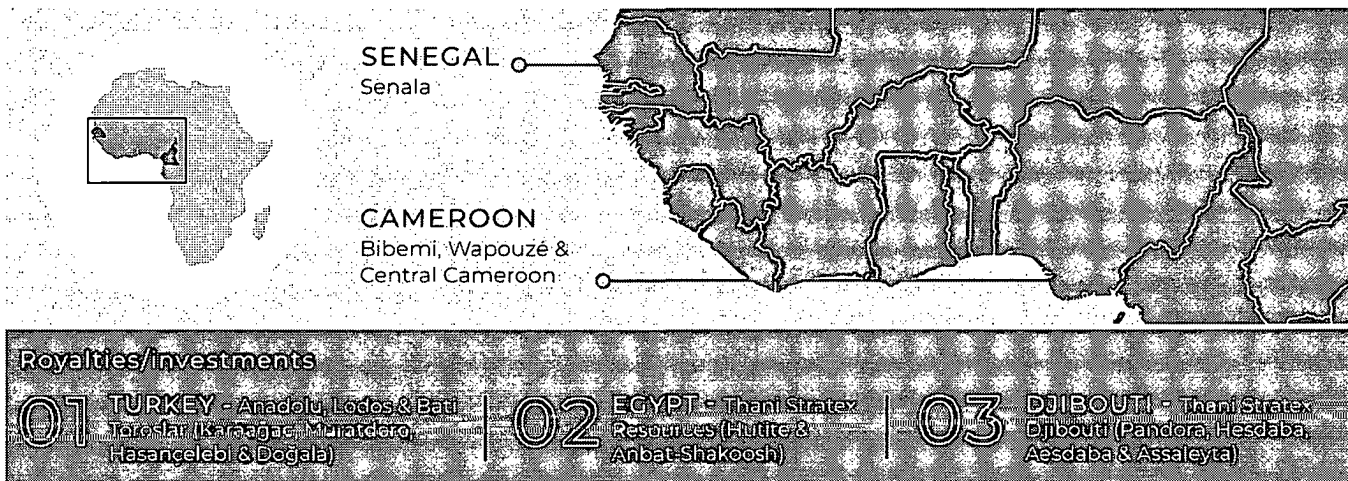
The country is highly prospective for a range of commodities but in particular for the discovery of orogenic-type gold mineralisation, being centred on Pan African and Neo-Proterozoic greenstone belts associated with the Central African Shear Zone (CASZ), a crustal scale suture zone and mobile belt between the Congo Craton and the Saharan Metacraton. Although no resources have been defined within Cameroon, the regional geology shares many characteristics with other world class orogenic districts, including the Birimian-aged greenstone belts within the West African Craton.

The underexplored nature of the CASZ, and Cameroon in general, has enabled Oriole to enter the country with a 'first mover advantage' and, in partnership with Cameroon-based technical and logistics company BEIG3, it is now operating a licence package of almost 4,000km². Partnering with BEIG3 has enabled the Company to develop its 'social licence to operate' within Cameroon and to continue its commitment to ESG best practice. BEIG3 has been crucial in organising and implementing Oriole's maiden drilling programme at Bibemi, with the majority of the workforce, including graduate-level, technical and non-technical roles, having been sourced locally. As with all its projects, the Company also favours using in-country suppliers wherever possible, to support development of the local economy.



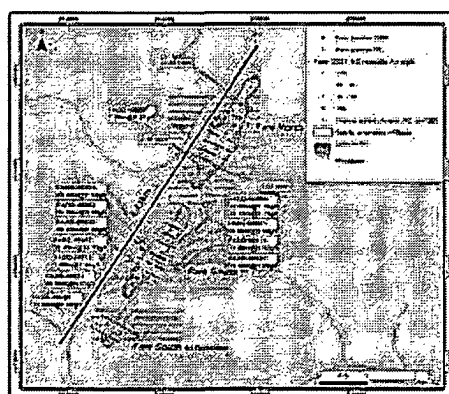
Projects and investments

Focus projects

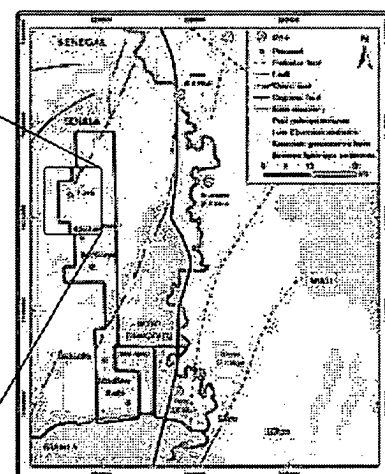


Senala (renamed from Dalafin in January 2020) Senegal:

- 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 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;
- The first two years of IAMGOLD's earn-in was focused on AC, RC and diamond drilling at the southernmost Madina Bafé and Saroudia prospects, located within 10km and 20km, respectively, 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 and IAMGOLD is currently undertaking US\$60m of pre-development expenditure ahead of a mining decision;
- In January 2020, Oriole successfully reapplied for a new licence over the Dalafin territory, to be re-named Senala, with an initial 4 year term, and up to 10 years in total, subject to meeting agreed exploration spend targets;
- During 2020, IAMGOLD commenced Year 3 of its earn-in and completed a 6,091m AC drilling programme. Results re-confirmed the potential of Faré as a standalone mineable target, endorsing and enhancing the results yielded from the Company's previous soil sampling campaigns;
- Unfortunately IAMGOLD did not complete its year 3 expenditure and work programme commitments, however we have agreed to roll-forward the shortfall and a planned 5,000m RC and 1,000m diamond drilling programme will commence shortly.
- The Year 4 commitment will bring IAMGOLD's total investment in the project to US\$4m by 28 February 2022.



Planned year 4 drill programmes at Faré



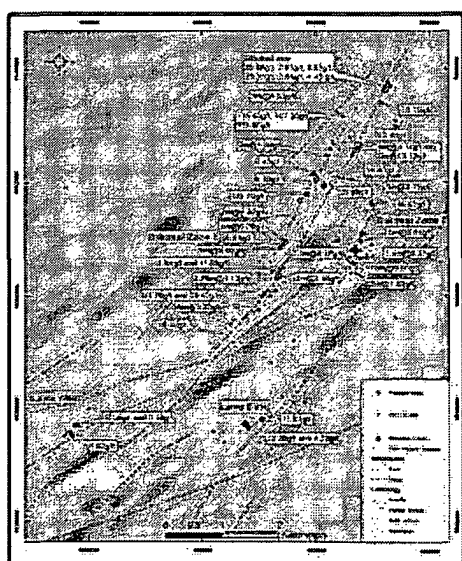
Senala licence geology with prospects

Projects and investments continued

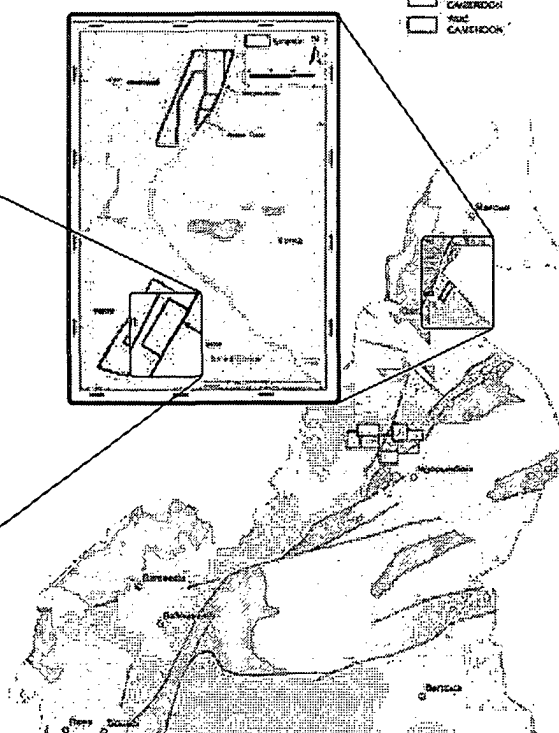
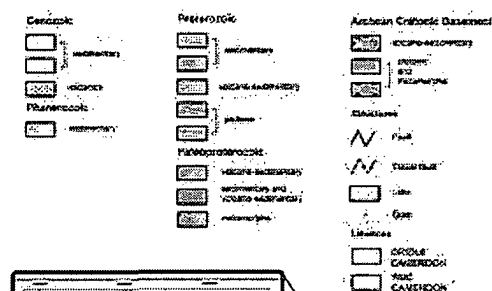


Bibemi and Wapouzé Cameroon:

- ° 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, Reservoir Minerals 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 US\$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;
- ° During the year, renewals were received for Bibemi and Wapouzé licences for a third and second two-year term respectively;
- ° Surface exploration to date has identified four key prospects – Bakassi Zone 1, Bakassi Zone 2, Lawa West and Lawa East – over an 8.3km strike length. Best results to date include up to 135.40 g/t Au from selective rock-chip sampling and 9m @ 3.14 g/t Au from trenching;
- ° A maiden drilling programme is currently underway for a planned 3,080m for 28 holes and will focus on testing the depth extension of mineralisation identified at the four main prospects. First results are anticipated by the end of Q1;
- ° 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;
- ° Pilot trenching and detailed mapping has recently been completed at Wapouzé to test gold-in-soil anomalies identified from previous soil campaigns. Subject to results of this trenching programme it is possible that the diamond drilling rig could be moved to Wapouzé upon completion of the drilling program at Bibemi;
- ° The Company has exceeded its initial expenditure commitment of US\$1.56m to secure a 51% ownership of the holding company for Bibemi and Wapouzé (Reservoir Minerals Cameroon SARL) and is currently working through the legal formalities to complete that process. With the maiden drilling programme currently underway, the Company is on track to exceed its 90% earn-in target, being a further US\$1.56m of expenditure.

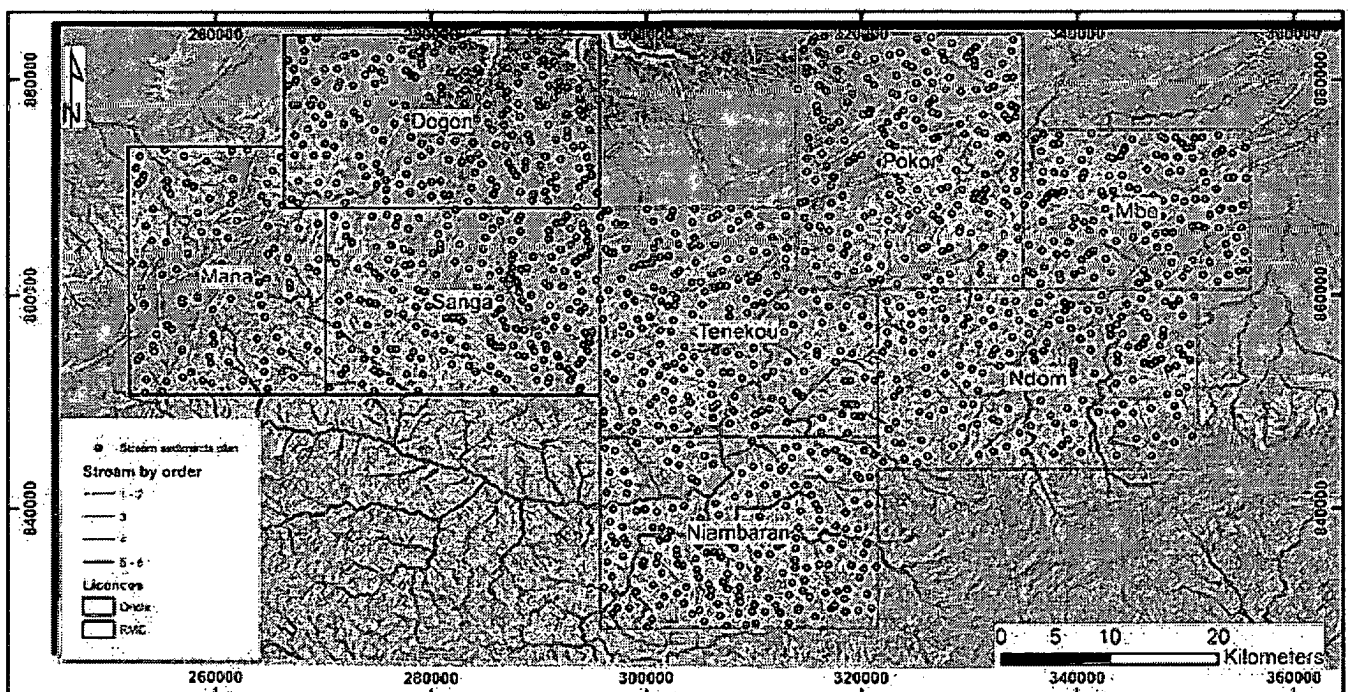


Best results of surface sampling at Bakassi zone

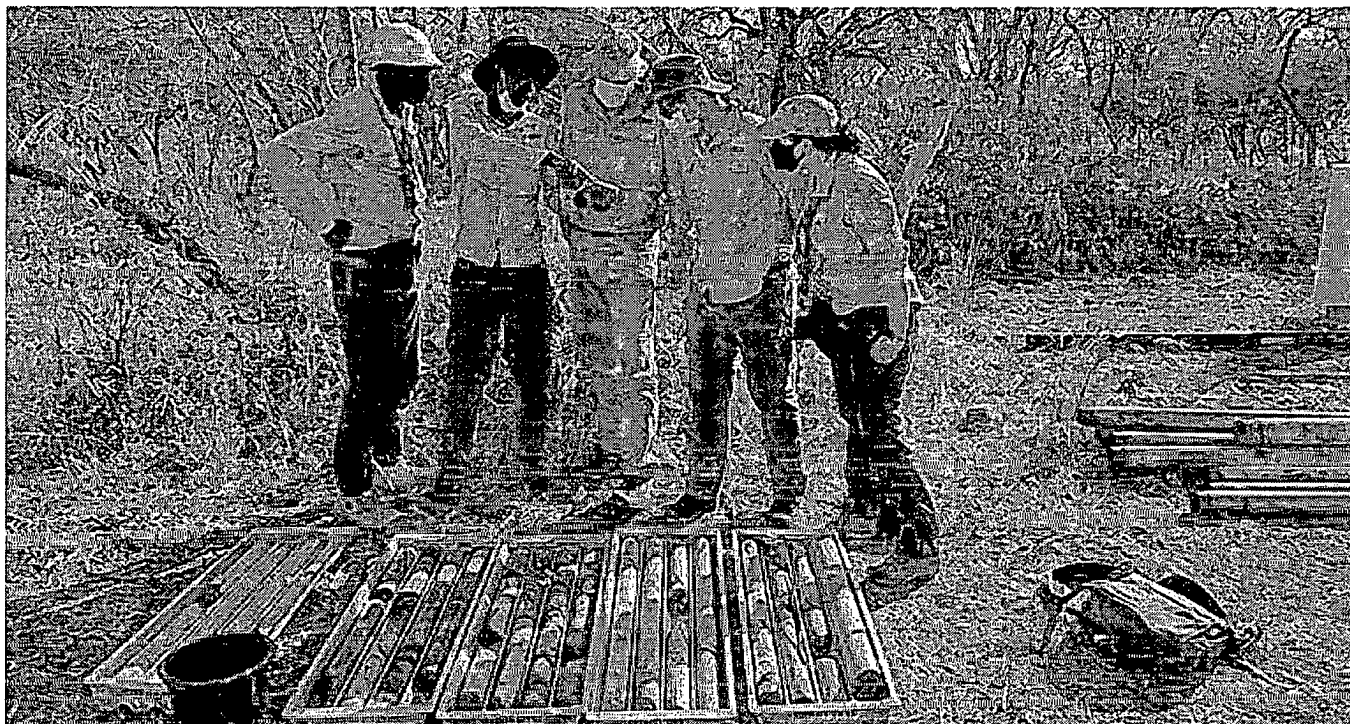


Central Cameroon

- During the year the Company announced that it had expanded its footprint in Cameroon with the confirmation of a further eight licences, covering a contiguous land package of c.3,592km². Five of these licences (Tenekou, Niambaran, Pokor, Ndom and Mbe) are held directly by our 90% subsidiary, Oriole Cameroon SARL, with the other three (Mana, Dogon and Sanga) held by Reservoir Minerals Cameroon SARL, under the same earn-in agreement that controls ownership of Bibemi and Wapouzé;
- The licences were applied for in 2019, following an in-house, country-wide prospectivity analysis that deemed the district as having significant potential to host orogenic-type gold mineralisation. This assessment was made on the basis of host-rock geology, structural location – targeting the regional Tcholliré-Banyo shear zone (TBSZ) which is a major splay off the larger scale Central African Shear Zone;
- The TBSZ and its associated shears, thrusts and faults are, according to academic literature, thought to be one of the significant structural controls for gold and other mineralisation in the region.
- BEIG3 and its associate Roxane Minerals Limited will have a collective 10% free-carried interest in each of the Oriole Cameroon SARL licences 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;
- BEIG3 will have a 10% free-carried interest in each of the Reservoir Minerals Cameroon SARL licences under the same terms as above, with Oriole having the remaining beneficial interest;
- All licences have an initial exploration term of three years and are renewable three times for a term of two years each;
- An initial remote sensing study across the entire licence package has interpreted that seven of the eight licences cover predominantly Paleo-Proterozoic and Pan-African (Neo-Proterozoic) terranes, both of which are prospective for orogenic gold. It also interpreted that the TBSZ passes through at least six licences;
- An initial 12 priority gold targets have been identified and will be given particular attention during the Company's upcoming regional-scale mapping and stream sediment sampling programme, planned for Q2-2021.



Projects and investments continued



Reviewing drill core at Bibermi

ROYALTIES & INVESTMENTS

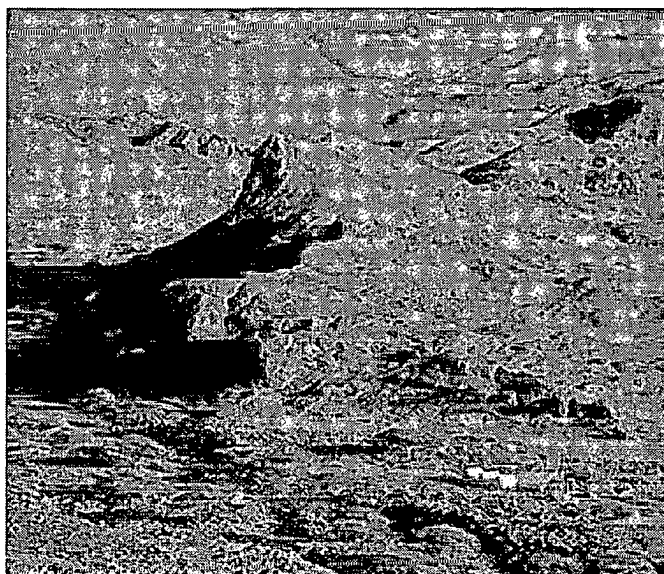
Thani Stratex Resources Ltd ('TSR') (Egypt):

- In late 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;
- As a result, TSR became solely focused on the Hodine licence in Egypt that hosts the Anbat-Shakoosh and Hutite projects:

Anbat-Shakoosh: TSR completed a total 18 holes diamond drilling for 3,976.80m between October 2016 and July 2017, which led to a revised geological model for a near-surface, flat-lying zone of gold-mineralisation on the eastern side of an identified mineralised intrusion. Reported intersections confirmed the continuity of broad zones of mineralisation defined by historic drilling, as well as narrower high-grade intervals of up to 227 g/t Au over 1.25m. In December 2017, TSR announced a maiden JORC 2012-compliant Inferred Mineral Resource Estimate of 209,000 oz at 1.11 g/t Au₁ within porphyry sills (announcements dated 6 and 13 December 2017), although the geometry of these sills is yet to be fully resolved. Potential upside has also been highlighted within the granodiorite, where an Exploration Target has been disclosed. No work was completed at Anbat during the year.

Hutite: The mineralised system is hosted by a melange of ultramafic/mafic rocks, representing one of the many suture zones between tectonic terranes in the eastern desert of Egypt and as seen all over the Arabian Nubian Shield. Although TSR has not completed any work at this project since acquiring it in 2014, 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 0.40 g/t Au cut-off.

- In March 2021, TSR signed a Binding Heads of Terms with private investment company Red Sea Resources (RSR) with respect to earning up to an 85% interest in Hodine in return for paying all outstanding fees and charges and making staged expenditure commitments totalling US\$2.2m;
- RSR currently holds a 7% interest in the holding company for Hodine, with TSR holding the remaining 93%. In the event that TSR's position is diluted below 10%, its holding shall be converted to a 1.5% net smelter return ('NSR') royalty on future gold production from the licence. This would equate to a 0.37% NSR royalty for Oriole;
- As at 31 December 2020, Oriole's holding in TSR stood at 24.92%.



Thani Stratex Djibouti Ltd ('TSD') (Djibouti):

- In late 2019, TSD became a standalone vehicle and is now being funded and operated by its largest shareholder African Minerals Exploration & Development Fund III (AMED);
- AMED is committed to the development of TSR's assets in Djibouti and is funding a substantial three-year exploration programme. Funding is taking place in equal tranches, subject to performance milestones;
- Funding to date has been focused at the following three main projects within the Afar epithermal province of the East African Rift Valley:

Pandora: The 93km² 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 three diamond drilling programme was completed in Q1-2020 for 1,242m in 13 holes. Results supported those yielded from the previous

drilling phases, with the best intersections yielded at the north-western end of main Pandora prospect and at the south-eastern end of Pyrrha prospect. Best results (recalculated by the Company using a 0.3 g/t Au cut-off) included 16.86m grading 1.42 g/t Au from 13.00m, including 6.63m at 2.68 g/t Au.

Hesdaba: Located 10km northwest of Pandora, TSD has completed detailed mapping that has identified veins over a combined strike of 16km. During the year, a Phase 1 drilling programme comprising 1,931m of diamond drilling (in 14 holes) and 1,529m of RC drilling (in 15 holes) was completed to test the epithermal system at depth across three primary targets: Maranzana, Caravan and Red Horns. Results for an initial 478 core samples and 1,129 RC samples (inclusive of QAQC) have confirmed significant mineralisation at all three targets, with best results achieved from Red Horns, including 15.00m grading 4.08 g/t Au. Further results from the programme are still pending.

Assaleyta: Located c.16km to the north of Pandora, low-sulphidation epithermal gold occurs as high-grade veins and disseminated mineralisation in rhyolite domes. Phase one 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. During the year, work at Assaleyta mostly comprised camp and road construction as well as drill access works for a planned 2,000m Phase 2 diamond drilling programme that is yet to commence.

- In March 2020, Tim Livesey was appointed to the TSD board as Oriole's representative;
- As at 31 December 2020, Oriole's holding in TSD stood at 11.80%.

Muratdere (Turkey):

- Muratdere is a substantial copper-molybdenum-gold porphyry system located west of Ankara with significant silver, molybdenum and rhenium credits. The project has a JORC-compliant Inferred resource of 51 million tonnes, comprising 186,000 tonnes Cu, 204,296oz Au and 3.9 million 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 processed 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 (announcement dated 11 March 2015);

- 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 Istanbul-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 updated Environmental Impact Assessment ('EIA') and a decision is expected in 2021; thereafter, completion of construction is anticipated within 18-24 months.

Projects and investments continued

Karaağac Gold project (Turkey):

- Karaağac is located 300km west-south-west of Ankara, mineralisation is hosted by an outcropping thrust zone and altered limestone and has 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) (announcement dated 11 March 2019);
- Under the terms of the Agreement, definition of this JORC-resource triggered the payment by Anadolu of a US\$500k

success-based fee, which the Company agreed to receive in staged payments of US\$25k per month for a period of 20 months. US\$75k of this was received in 2019 but the balance remains outstanding and the Company has commenced legal proceedings in order to secure recovery of this debt. With monthly installments now overdue, the whole US\$425k is now payable

- Despite this non-payment, Anadolu was contractually entitled to exercise their right of first refusal on the remaining 1.5% NSR royalty position when an offer for this was received from a third party. Consequently, the Company received US\$50k from Anadolu (announcement dated 17 August 2020) with a further US\$250k due when the project moves towards mine building.

Hasançelebi and Doğala projects (Turkey):

- Hasançelebi is a high-sulphidation epithermal gold-silver project located 500km SE of Ankara. Doğala is a grassroots exploration project, located approximately 225km to the west of Hasançelebi. It is prospective for high-sulphidation gold mineralisation;
- In 2019, the Company's wholly-owned subsidiary, Stratex Madencilik Sanayi ve Ticaret Limited Şirketi ('Stratex Madencilik'), signed an exploration agreement with Toroslar Madencilik Ltd. Şti. ('Bati Toroslar') for the Hasançelebi and Dogala licences which will result in a US\$500k success-based payment on delivery of a minimum 100,000 oz indicated and inferred JORC-compliant indicated or measured gold resource (with a 0.3 g/t Au cut off), defined within the oxide and

transition zones, at Hasançelebi and the completion of an Environmental Impact Assessment (Announcement dated 29 October 2019);

- Drilling was on-going through the latter part of 2020 and into 2021 and our Turkish team are engaged as consultants on the programme. Completion of the drilling phase will allow resource calculation to proceed and news on this is anticipated during 2021;
- During the year, Toroslar exercised its right to acquire our 1.5% royalty on Hasançelebi and Doğala for an initial cash payment of US\$30k, with a further US\$220k due once the project moves to the mine-development stage.

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



Chairman's statement

"2020 will be remembered as the year of the Covid-19 pandemic, with all businesses impacted to some degree by the unprecedented events arising from this. I am pleased to report that the Company proved largely resilient to the impacts of the pandemic, and whilst certain exploration activities did get delayed, the Company advanced its strategic objectives in Cameroon, saw IAMGOLD continue its investment in Senegal and moved forward on realising value from some of its legacy assets."



John McCloin
Non-Executive Chairman

Our initial reaction to the near-global lockdown of March 2020 was to protect the business and move into a cash conservation mode as markets across the world faced great uncertainty. This strategy is reflected in the financial information presented herein, with further reductions in costs adding to the substantial savings that had already been made prior to the pandemic. Two small fund raises early in the year protected the business and enabled us to start planning for our maiden drilling programme in Cameroon with as much certainty as possible considering the turbulent times.

For a junior explorer, active exploration and results drives shareholder value and so we feel we are extremely well placed as we start 2021 with active drilling campaigns at our core projects in Cameroon and Senegal as well as at our investment projects in Djibouti and Turkey, and very shortly in Egypt. Now with a robust gold price, a significantly improved share price and a strong cash position, we will look back on 2020 as a year of significant progress in the development of the Company, providing the foundation blocks to support our growth.

Operations

Senala, Senegal

Despite Covid-19, work on our 472.5km² Senala licence in Senegal continued, largely due to the availability of drill-rigs in-country. From late Q2 2020, IAMGOLD was able to commence its planned Year 3 programme and completed a total of 6,901m Air Core ('AC') drilling during the period, covering the majority of the 6.4km strike of anomalous mineralisation. The AC results (announcement dated 11 March 2021) re-confirmed the potential of Faré as a standalone surface mineable target, endorsing and enhancing the results yielded from the Company's previous soil sampling campaigns.

Despite the underspend on the Year 3 commitment of US\$172k, IAMGOLD remains enthusiastic about the earn-in and is planning to push ahead with Year 4, which will comprise follow up Reverse Circulation ('RC') and Diamond Drilling ('DD') programmes at Faré as well as more drilling at the southernmost Madina Bafé target (announcement dated 23 March 2021). The Year 4 commitment will bring

Chairman's statement continued

IAMGOLD's total investment in the project to US\$4m by 28 February 2022, which will require an additional c.US\$1.7m of expenditure over the next 11 months.

The proximity of Senala to IAMGOLD's mine-development project at Boto, and its prime location within the highly gold-endowed Kédougou-Kéniéba inlier, represents a significant driver of value for the Group, as do the results from other exploration companies operating in this area. We look forward to a very active Year 4 and sharing the results of that work.

Bibemi, Wapouzé and new licences, Cameroon

As a precautionary reaction to Covid-19, Cameroon closed its borders in March 2020 and so our in-country work during the first half of 2020 was limited to the Q1 mapping campaign at Bibemi (announcement dated 11 May 2020). Following the seasonal rains (late June to early October) we finalised plans for our maiden drilling campaign at Bibemi in northern Cameroon, securing a minimum 3,000m drilling contract with Capital Ltd. The necessary equipment for that programme was mobilised towards the end of the year and, despite some delays in response to the Covid 19-related global shipping crisis, drilling commenced in Q1 2021.

The total planned programme now stands at 28 holes for 3,080m and will focus on testing the depth extension of surface gold mineralisation identified at four main prospects - Bakassi Zone 1, Bakassi Zone 2, Lawa West and Lawa East - that occur within an 8.3-kilometre-long system. Based on the surface exploration to date, we believe we have developed a strong initial geological model and this drilling will test and refine that model. First results are anticipated by the end of Q1 2021.

Exploration at Wapouzé is less advanced but two phases of soil sampling have previously identified c.13km strike length of gold anomalism within the eastern Bataol Zone. A limited trenching programme was completed early in 2021.

Under the terms of the earn-in agreement with our well-established local partner, Bureau d'Etudes et d'Investigations Géologico-minières, Géotechniques et Géophysiques SARL ('BEIG3'), our investment is progressing well, and will accelerate as the drilling campaign moves ahead. We have already passed the US\$1.56m earn in target to secure 51% ownership of the holding company for Bibemi and Wapouzé (Reservoir Minerals Cameroon SARL), and are currently working through the legal formalities to complete that process. With the maiden drilling programme currently underway, the Company is on track to exceed its 90% earn-in target, through a further US\$1.56m of expenditure.

Alongside Bibemi and Wapouzé, we were delighted to receive confirmation of eight licence awards in central Cameroon (announcement dated 3 February 2021). Five of these licences are held directly by our 90%-owned subsidiary, Oriole Cameroon SARL, with the other three held by Reservoir Minerals Cameroon SARL, under the same earn-in agreement that controls ownership of Bibemi and Wapouzé. A remote sensing study has already been completed, identifying an initial 12 priority gold targets, and the team has undertaken a reconnaissance visit to complete initial ground-truthing of those targets and to inform the local authorities of the Company's upcoming work programmes (announcement dated 18 February 2021). The initial phase of exploration work will include a package-wide regional stream sediment sampling programme, the orientation study for which is currently underway, that we anticipate commencing in Q2.





We continue to see great potential in Cameroon as a new frontier for gold exploration, and note increased interest from the wider exploration community, with a number of new licences applied for by our peers. We remain confident that our first mover position has enabled us to secure what we consider to be the most prospective ground and welcome the increased interest. The more active companies there are in a country, the easier and cheaper it becomes to secure drill rigs, specialist equipment and to provide the appropriate training for local staff, increasing the speed and economy of operations.

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. During the year, the Group realised its 12.27% holding in Tembo for net proceeds of £172k (announcement dated 25 February 2020), and received US\$80k from the initial proceeds on the sale of two royalty positions. The remaining positions provide a potential source of funding for the Group and are subject to an ongoing asset realisation programme, whilst recognising that a number of these projects are progressing at a good pace, providing the opportunity to enhance shareholder value. The most significant remaining positions within the Group are set out below.

Thani Stratex Resources ('TSR')

TSR underwent a restructuring at the end of 2019 with the spin-out of its 50%-owned joint venture, Thani Stratex Djibouti. As such, TSR became exclusively focused on its (then 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 grammes per tonne ('g/t') gold ('Au') for 520,000 in-situ ounces using 0.40 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).

TSR was unable to fund significant work at either project in the last few years, but the recently signed agreement with Red Sea Resources Limited ('RSR'; announcement dated 16 March 2021) provides an opportunity for this project to move forward. Under the terms of the agreement, RSR has paid all outstanding liabilities on the licence and will make staged payments of US\$2.2m to earn a total 85% interest in the project, with the parties contributing or diluting thereafter. If, at any time, TSR's shareholding in the licence holding company (currently 93%) falls below 10%, its interest shall be converted to a 1.5% net smelter return ('NSR') royalty on future gold production. Based on our 24.92% shareholding in TSR, this would equate to a 0.37% NSR royalty to Oriole, something that we would not have been entitled to under the previous joint venture terms with TSR.

Chairman's statement continued

We await details of the work programme from RSR but anticipate that drilling will commence during 2021. Extension of the already identified resources will provide an impetus to mine building and we look forward to news flow in that regard. In order to monitor developments, Tim Livesey has accepted a seat on the Board of the joint-venture vehicle.

Thani Stratex Djibouti ('TSD')

TSD became a standalone vehicle in late 2019 and is now funded and managed independently from TSR. The company is focused on the exploration of epithermal gold projects in Djibouti, namely Pandora, Assaleyta and Hesdaba. Active drilling campaigns continued throughout 2020 and into 2021, and consequently our initial holding has been diluted down to 10.61% (announcement dated 23 March 2021). However, with African Minerals Exploration & Development Fund III ('AMED Fund III', TSD's largest shareholder) committed to funding and managing a substantial three-year exploration programme in Djibouti (announcement dated 19 November 2019) we believe the value being added outweighs the impact of dilution. AMED Fund III is now managing and funding substantial exploration campaigns at the three main projects, Pandora, Assaleyta and Hesdaba.

At Pandora, a Phase 3 drilling programme was completed for 1,242m. Results from the 13-hole programme supported those yielded from the previous drilling phases, with the best intersections yielded at the north-western end of main Pandora prospect and at the south-eastern end of the Pyrrha prospect. Best results included 16.86m grading 1.42 g/t Au from 13.00m and 6.80m grading 2.19 g/t Au from 23.58m, meanwhile, at Hesdaba, a Phase 1 drilling programme comprising 2,242m of diamond drilling (17 holes) and 3,413m of RC drilling (33 holes) was also completed to test the epithermal system at depth across three primary targets: Maranzana, Caravan and Red Horns. Initial results have confirmed significant mineralisation at all three prospects, with best results achieved from Red Horns, including 15.00m grading 4.08 g/t Au (announcements dated 22 December 2020 and 23 March 2021). The remaining results from the programme are anticipated in Q2-2021.

Work at Assaleyta mostly comprised camp and road construction as well as drill access works for a planned Phase 2 diamond drilling programme. In Q1-2021, that programme was completed for 687.80m diamond drilling in three holes and 2,508m RC drilling in 22 holes. Results for 1,558 diamond core and RC chip samples (inclusive of QAQC) are anticipated in Q2.

Tim Livesey has been appointed to the TSD board (announcement dated 9 March 2020) and the encouraging results to date provide the Board with confidence in the carrying value of this asset (£784k at the 2020 year-end).

Muratdere

Our interest in the Muratdere gold project in Turkey converted to a 1.2% NSR royalty during 2019 (announcement dated 21 November 2019). Our joint-venture partner, Lodos Maden Yatırım Sanayii ve Ticaret A.Ş. ('Lodos'), has submitted its Environmental Impact Assessment ('EIA') report and we are awaiting the successful conclusion of this key phase. Our royalty attracted significant interest from a number of groups during the year. However with a 27% rise in the copper price during 2020, and anticipated progress towards authorisation of the mine building phase, we are pleased to have retained this asset within our portfolio.

Karaağaç

At the Company's former Karaağaç gold project in Turkey, the current owner, Anadolu Export Maden Sanayi ve Ticaret Limited Şirketi ('Anadolu'), confirmed an Indicated Resource significantly in excess of the 50,000 ounces of gold necessary to trigger the US\$500k success-based payment due to Oriole upon meeting that milestone. US\$75k of this was received in 2019, but the balance remains outstanding and we have commenced legal proceedings in order to secure recovery of this debt.

Despite this non-payment, Anadolu was contractually entitled to exercise its right of first refusal on the remaining 1.5% NSR royalty position when we received an offer for this from a third party. Consequently, we received US\$50k from Anadolu (announcement dated 17 August 2020) with a further US\$250k due when the project moves towards mine building. We monitor progress on this project carefully and retain the right to re-instate the royalty position should Anadolu default on this second payment.

Hasançelebi and Doğala

At the Hasançelebi and Doğala gold projects in Turkey, the Company signed an exploration agreement with Turkish private company Bati Toroslar Sti ('Toroslar') in 2019. In addition to exploration expenditure commitments of US\$1.38m, the agreement provides for the payment of a US\$500k success-based fee upon successful definition of a minimum 100,000 oz Au JORC-compliant resource and completion of the Environmental Impact Assessment. Drilling has been on-going through the latter part of 2020 and into 2021 and our Turkish team are engaged as consultants on the programme. Completion of the drilling phase will allow resource calculation to proceed and we look forward to news on this during 2021.

In addition, in 2020 and following a third party offer, Toroslar exercised its right to acquire our 1.5% royalty on Hasançelebi and Doğala for an initial cash payment of US\$30k, with a further US\$220k due once the project moves to mine-building (announcement dated 30 July 2020). We would expect this, and the US\$500k success-based fee, to potentially become payable in 2022.

Financial Review

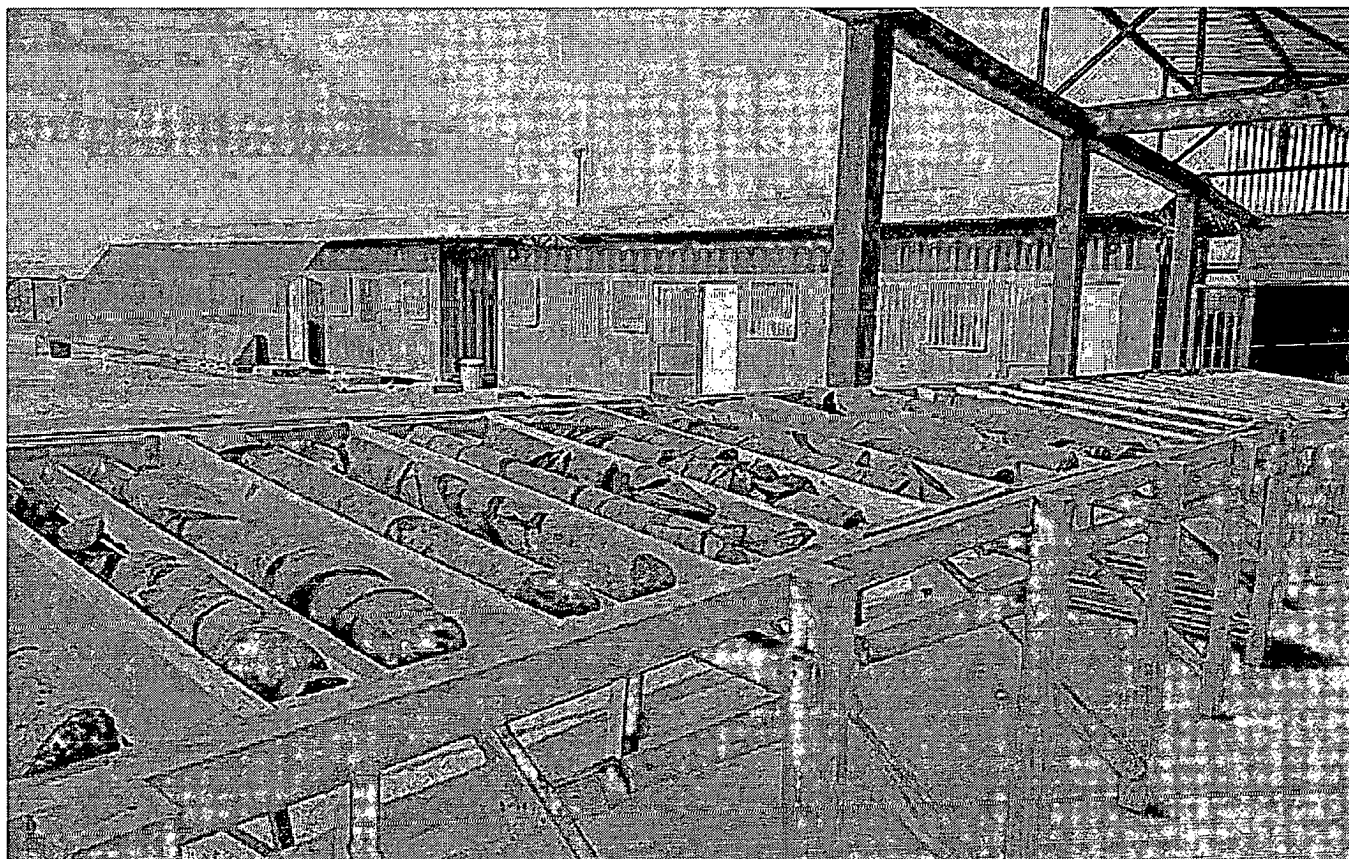
We are pleased to be reporting a considerably reduced loss for the year of £0.32m (2019: £1.66m), aided by a £317k foreign exchange gain on our Senala asset, but also by significant cost-saving measures that have reduced administrative overheads by 35%, as well as the continued successful growth of the Turkish consultancy business. Excluding the foreign exchange gain, an operating loss of just £645k for an active AIM-quoted exploration company is a real achievement and reflects the Board's determination to focus available funds on its exploration programmes. Whilst Covid-19 restrictions limited activity in the early part of the year, the focus on being drill-ready for when restrictions finally lifted meant that, at the turn of the year, we were on the ground in Cameroon preparing for the arrival of a drill rig.

With a significant fund raise completed in October 2020, along with funds from asset realisations and Research and Development tax credits of £165k, the Group closed the year with £1.75m of cash. As a result of a rising share price, a further £678k of cash has been received from warrant exercises in early 2021. The Group's plans for the current exploration season in Cameroon are fully-funded, and with potentially another £1.47m to come from warrant exercises, the Company's financial position is looking strong to support significant work planned throughout 2021.

The Board's commitment to maximising the cash available for exploration work was demonstrated by the agreement to convert four-months of salary into share options (announcement dated 20 August 2020) and members of the Board also participated in the Company's fundraise at the end of the year (announcement dated 7 October 2020). In addition, work continues to realise value from our legacy assets, with progress made with the sales of two of the Turkish royalty assets and the disposal of the 12.27% stake in Tembo.

Covid-19

Covid-19 was a significant global challenge in 2020 and remains so going into 2021. Whilst the UK is showing encouraging signs of recovery, with the easing of restrictions enabled by the mass vaccination programme, we are an international business operating largely in Africa, where vaccine programmes will, sadly, inevitably lag behind their Western counterparts. Whilst Cameroon and Senegal are currently open for business, and our drill-camp in northern Cameroon is isolated from any significant population, there is undoubtedly uncertainty around how the pandemic may impact operations in the future. Whilst we do not anticipate any operational issues currently, we continue to monitor the situation closely, and put the health and safety of our employees and contractors first.





Annual General Meeting ("AGM") Update

The Company's AGM is scheduled for 23 June 2021 at Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9FD. Whilst we currently plan that this will be an open meeting, the Company encourages all shareholders to vote via proxy form in advance of the meeting date, although attendance will be permitted, subject to any delay on reducing lockdown restrictions in the United Kingdom. The Company shall inform shareholders via regulatory announcement if the meeting needs to revert to being a closed meeting.

Outlook

The Company's strategy is to develop a portfolio of exploration projects for gold and base metals and to identify potential partners to take them into the advanced exploration and mine development stages. Our Senala licence in Senegal and our Bibemi, Wapouzé and Central Licence package in Cameroon, provide us with exposure to various stages of the exploration cycle, and we also have a number of valuable legacy positions that can help us to generate cash for our exploration activities.

In 2021, we expect news across five drill programmes, as well as the generation of targets across our 3,592 km² Central Cameroon licence package. With cash in the bank, and further cash potentially coming in from warrant exercises and the legacy asset realisation programme, the near-term exploration programme is fully-funded. We continue to look for further opportunities that we believe would add shareholder value.

Though 2020 was a very challenging year for companies everywhere, we have come through it stronger, thanks to the exceptional support from our employees. 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, sacrifices and hard work during the past year.

John McGloin
Non-Executive Chairman
23 March 2021

Strategic Report

The Directors present
their strategic report
on the Group for
the year ended
31 December 2020.

Africa Resources PLC

Company number 0540091

Registered office: 150 Piccadilly, London, W1B 9HR, UK

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 innovative 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, provides extensive experience in the exploration of mineral projects and the operation of public companies. The Board is fully supported by a management team that, for many years, has 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 McGuinn (Non-Executive Chairman) and David Palmer (Independent Non-Executive Director). The external auditors and Bob Smeaton (the Chief Financial Officer) attend by invitation when appropriate.

No internal control issues were identified during 2020 requiring disclosure.

Strategic Report continued

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 24% during the year, from an opening position of US\$1,523 per ounce, to US\$1,894 per ounce at 31 December 2020. With continued economic uncertainty, we believe gold's reputation as a safe haven will continue to give upward pressure on its price.

In addition, the low global levels of exploration work, and consequently low levels of new resource definition, over the last decade has meant resource pipelines have not been replenished. The need to replenish resources, and the strength of the gold price, is driving renewed investment into early-stage exploration.

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.

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 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.

The use of interest-bearing deposit accounts is maximised and cash flow forecasts are constantly updated and reviewed by the Board.

Foreign exchange risks:

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the 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. This may mean exploration costs rise, as the Group primarily operates in West Africa, where currencies are typically linked to the Euro. 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.

Business performance

2020 Operations

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

Impact of Covid-19

The global pandemic of 2020 had an impact on the Group's operations, mainly in respect of its exploration operations in Cameroon. For much of Spring and Summer 2020, Cameroon's borders were shut and we could not get access to our licence areas. As these restrictions were eased in Autumn, we were able to complete the mapping work we had been progressing in early 2020 in advance of a drilling programme. We are now fully operational in Cameroon.

The other main impact on the business was the related impact that the Covid-19 crisis had on the global shipping industry, that suffered from a crisis of logistics with ships unable to dock, containers in the wrong places

and congestion at major dock facilities. These shipping challenges ultimately delayed the arrival of the drill rig from an initially expected Q4 2020, into Q1 2021. This short term inconvenience is now resolved.

In March 2020, as an immediate response to the developing pandemic, the Board and management team took substantial pay cuts in order to preserve funds in uncertain times. Our employees, professional advisors and other suppliers supported us in these cost savings measures, and the Board would like to thank all those that gave the Company their support during those uncertain and unprecedented times.

We continue to monitor the impact of Covid-19 but believe the impact on our operations in 2021 will not be significant.

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 in 2019 and early 2020 provided encouraging results at both licences and further exploration programmes are now underway, including a maiden 3,080m drilling programme at Bibemi. Trenching at Wapouzé has been completed with the intention of defining drill targets once results of that work are available.

We received confirmation of licence renewals for both Bibemi and Wapouzé during the year, giving us the confidence to proceed with our exploration plans. In 2018, we signed an agreement with the owner of the licences, BEIG3, that enabled the Group to earn into a 51% equity position on completion of US\$1.56m of expenditure, and up to 90% equity position following the completion of a further US\$1.56m of expenditure. We have reached the first milestone and are in the process of formalising the ownership position.

In addition, in 2019 the Group applied for a district-scale package of licences in central-Cameroon, covering 3,592km² of highly prospective ground that had been identified by the Group as part of a prospectivity review in the summer of that year, based on historic data and our knowledge of the key structural features that define Cameroon's geology. The licence grants were received in February 2021 and we are now commencing our initial exploration activities.

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 472km² of highly prospective ground, in the middle of the Kédougou-Kéniéba inlier, is surrounded by historic and contemporary gold discoveries. Early in 2020, 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. After meeting its Year 1 and Year 2 commitments, IAMGOLD, as

Strategic Report continued

a result of delays due to Covid-19, failed to meet its Year 3 commitment with a shortfall on its expenditure commitment and planned work programme. Nevertheless, an extensive AC programme was completed that confirmed significant anomalism at the Faré prospect, and IAMGOLD has confirmed its intention to proceed with Year 4 of the earn-in. The scope of the Year 4 work programmes has been agreed and the Company is comfortable that IAMGOLD will catch up the underspend and meet its 51% option expenditure requirement.

Investment and royalty positions:

The Company has a long history of gold and base metal exploration success and this history has left it with a valuable portfolio of legacy assets throughout East Africa and Turkey, which are the subject of an on-going asset realisation programme. The management team actively manage these assets, including taking up Board positions where possible in order to assist with value maximisation.

During the year the Company disposed of its interest in Tembo Corporation Inc, for £172k (announcement dated 25 February 2020) and concluded two agreements in respect of royalty positions in Turkey. The two Turkish royalties were sold in similar deals, with a total of US\$80k cash already received and US\$470k to become payable as the underlying projects move into their construction phases.

At the Company's former Karaağaç gold project in Turkey, we continue to pursue payment of US\$425k owed to us by the operator, Anadolu Export. We have now exhausted attempts to negotiate settlement and are moving towards a court date. We remain confident in the strength of our case.

We are also awaiting news of a US\$1m debt owed by a former partner in Turkey, who defaulted on tax payments they should have made. Progress on this is held up by a preceding case involving this bad debtor but we anticipate this moving forward during 2021.

At the Muratdere Madencilik copper-gold project in northern Turkey, where we hold a 1.2% post-Turkish tax royalty position our joint-venture partner, Lodos, has continued to work towards obtaining approval for its EIA on a 16 million tonne optimised copper mine proposal.

During the prior year, TSR 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 majority shareholder, and we have received encouraging results from this investment throughout the year. Oriole currently has a 10.61% interest in TSD and has a 24.92% interest in TSR for its projects in Egypt.

Financial Review:

The Group's loss after tax for the year was £320k (2019: loss of £1,660k).

Whilst this significant reduction in the loss for the year was partly driven by an unrealised foreign exchange gain of £317k, compared to a £445k exchange loss in the prior year, the rest of the decrease, some £578k, was driven by further reductions in costs and increases in the profitability of the consultancy business built up by our Turkish team.

Administration expenses of £1,018k (2019: £1,556k) were 35% lower than the previous year, with a mixture of cost saving measures implemented as a response to the business uncertainty arising from the Covid-19 pandemic. Salaries and professional fees were reduced and accrued salaries from 2019 were, as planned, relinquished by the Directors in exchange for a share option scheme, effectively amounting to a direct investment of four months of salary by each member of the Board.

In Turkey, the consultancy business established by the Turkish team in 2019 managed to prosper despite local lockdowns being in place for much of the year. Net profits of £162k were generated and, importantly, the cash flow was used to settle outstanding historic employment liabilities for that team.

The continued reduction in net cost was bolstered by £317k of foreign exchange gains arising on the Senala asset in Senegal, which is denominated in Euros. In addition, further research and development tax credits, totalling £165k, were received during the year. Consequently the Group loss after tax was reduced by 81% to £320k.

The Group ended the year with a cash balance of £1,751k, an increase in the year of £1,588k. With the exploration programme in Cameroon suspended early in 2020 due to a Covid-19 lockdown, the Group focused on getting ready for the drill programme that is currently underway at Bibemi. Two small fund raises early in the year enabled the Group to push ahead with drill contract negotiations, which were concluded in September, and the raise in October 2020 brought in £1,869k of additional funding for the drill programme. The Group also continued with its asset realisation programme, with the sale of two Turkish royalties bringing in US\$80k cash and a further US\$470k to follow as the projects progress. The disposal of our holding in Tembo delivered further proceeds of £172k.

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 KPI's 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.

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Board of Directors believe they ('the Directors' or 'we/our') 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 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 the regulations for quoted companies and of the AIM Market.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during 2020:

- **Fundraising to support drilling at Bibemi, Cameroon:** the Board determined that the results of our extensive trenching work at Bibemi support an exploration drilling programme. This will add a third dimension to the excellent on-surface results, and move the project firmly towards resource definition. Whilst mindful of difficult market conditions, the Board nevertheless determined that the value to be generated by drilling would outweigh the dilutionary impact of an equity raise, and an equity raise was in the interests of shareholders. Consequently a £1.8m equity raise was executed in Autumn 2020 in order to ensure we could perform significant project advancement in the 2020/21 dry season in Cameroon.
- **Pursuit of an aggressive asset realisation strategy:** the Board continue to believe an asset realisation strategy is in the best interests of shareholders, in order to provide funds for exploration work on our primary projects. Realisations of the holding in Tembo Gold Corp and of certain Turkish royalties have contributed to the Company's cash resources during 2020 and this will continue to be an important part of the Group's funding and value creation strategy.
- **Remunerate the Directors with share options in lieu of cash:** During the year the Directors confirmed the conversion of four months accrued salary into a share option package, in order to retain cash in the Company, and to fully align the interests of Directors with those of the shareholders.

Strategic Report continued

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. 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, it is not currently required for the Audit Committee to produce such a report 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 aim to engage with our shareholders via roadshows, attending investor conferences and through our regular reporting on the London Stock Exchange. In 2020, due to the Covid-19 restrictions, roadshows and investor conferences could not happen in their traditional format. Instead, we moved our engagement with shareholders on-line, running a number of seminars providing the opportunity for presentations followed by question and answer sessions. These seminars remain available for later viewing, and have proven an effective way of engaging with shareholders and potential investors. LSE announcements include details of the website, Twitter page and 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. During 2020, the AGM, and an additional General Meeting, were conducted remotely in line with UK Government guidance. Question and answer sessions were scheduled for a week before the meetings, in order to let Shareholders ask questions in advance of submitting proxy votes. 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. Investors can contact us via our website (<https://www.orioleresources.com>) or by email (info@orioleresources.co.uk).

Retail shareholders also regularly attend our seminar presentations and we publicise our attendance via LSE announcements and Twitter. In addition, our up to date Corporate presentation is made available on our website.

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 conference calls 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 an 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 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 considerably 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.

Strategic Report continued

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.

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 Company has issued options to all Directors including the Non-Executive Directors under a Director share option remuneration plan (the 'Plan'), enacted to maximise funds available for exploration by conserving cash, by granting options in lieu of contractual salary payments for a limited term during 2019 and 2020. In this regard, options are preferable to the issue of full-paid shares, as the tax deferral that options provide allows more cash conservation in the Company. The grant of options to the non-executive directors is not considered to be part of any incentive plan nor to impair their independence.

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 therefrom;
- 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. During most of 2020, Board Meetings were held remotely using video conference facilities, and supplemented by regular update calls.

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 2020:

	Meetings attended	Meetings held during the year
Tim Livesey	8	8
Bob Smeeton	8	8
John McGloin	8	8
David Pelham	8	8

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.

In accordance with the Company's Articles of Association, only the Non-executive Directors are subject to the requirement to retire by rotation.

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 Non-executive Directors must stand for re-election by shareholders annually in rotation 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.

Strategic Report continued

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 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, but was not considered appropriate in 2020 given the wider issues affecting the Company and global economy. 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 approximately monthly and as and when required, and has regular update calls. The Board sets direction for the Company through a formal

schedule of matters reserved for its decision. During the year to December 2020 the Board met, largely via video-conference, for eight 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.

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, are 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. During 2020, the business reported on a quarterly basis on its headline performance against its agreed budget, and the Board reviews the 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 2020 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 2019, 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 28.

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

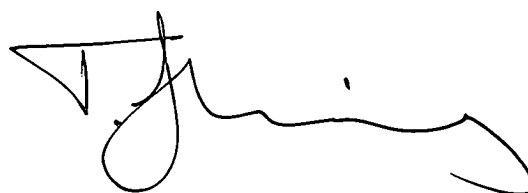
The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year results announcements, the AGM and one-to-one meetings with large existing or potential new shareholders. The Company regularly posts regulatory announcements

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 2021.

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 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.

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), except as disclosed below:

- As announced on 14 November 2019 the Directors agreed to take share options in lieu of salary for the three months to 31 January 2020. This period was extended to for a further month. These options, were granted at the nominal value of the Company's Ordinary Shares, in sufficient quantities, when compared to the prevailing market prices for those four months, to match the value of salary foregone. Salary for the two months to 31 December 2019 was accrued, and this accrual has been released in 2020.
- For various periods throughout 2020 all the directors and senior management team of the Company voluntarily took reduced salary as a response to the global uncertainty arising from the Covid-19 pandemic. In recognition of this, on 22 December 2020 the Board approved a share option plan, and granted and approved share options over 16,350,000 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:

	Salaries and other short-term benefits		Post employment benefits	Share based payments	Total
	Salary	Taxable benefits	Pension		
2020	£	£	£	£	£
Tim Livesey	101,250	2,752	3,038	49,101	156,141
Robert Smeeton	85,000	-	2,550	39,516	127,066
John McGloin	27,600	-	-	11,496	39,096
David Pelham	21,464	-	-	8,771	30,235
Total	235,314	2,752	5,588	108,884	352,538

	Salaries and other short-term benefits			Post employment benefits	Share based payments	Total
	Salary	Accrued salary*	Taxable benefits	Pension		
2019	£	£	£	£	£	£
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

* As noted above, as at 31 December 2019 2 months of salary and pension had been accrued but not paid pending conversion into a share option award. Of the accrued salary £57,395 was converted to share options during 2020.

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 (2019: 0.43p) and the range of market prices during the year was between 0.20p and 0.63p.

Director	At 1/1/20	Granted	At 31/12/20	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
Tim Livesey	-	17,979,940	17,979,940	0.01	19/8/20	19/8/20
Tim Livesey	-	2,000,000	2,000,000	0.37	22/12/20	1/1/21
Tim Livesey	-	2,000,000	2,000,000	0.37	22/12/20	1/1/22
Tim Livesey	-	2,000,000	2,000,000	0.37	22/12/20	1/1/23
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
Robert Smeeton	-	14,383,952	14,383,952	0.01	19/8/20	19/8/20
Robert Smeeton	-	2,000,000	2,000,000	0.37	22/12/20	1/1/21
Robert Smeeton	-	2,000,000	2,000,000	0.37	22/12/20	1/1/22
Robert Smeeton	-	2,000,000	2,000,000	0.37	22/12/20	1/1/23
John McGloin	-	4,230,574	4,230,574	0.01	19/8/20	19/8/20
David Pelham	-	3,290,446	3,290,446	0.01	19/8/20	19/8/20

Three of the Directors participated in the fund raise that completed on 27 October 2020, and as a consequence received warrants to purchase ordinary shares on the same terms as the other investors in that fund raise. Details of these warrants are set out in the table below:

Director	At 1/1/20	Granted	At 31/12/20	Exercise Price (p)	Issue Date	Vesting Date
Tim Livesey	-	735,294	735,294	0.68	27/10/20	27/10/20
Robert Smeeton	-	735,294	735,294	0.68	27/10/20	27/10/20
John McGloin	-	2,205,882	2,205,882	0.68	27/10/20	27/10/20

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 2021, 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 2020.

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 accounting standards in conformity with the Companies Act 2006 and, as regards the Parent Company Financial Statements, as applied in accordance with the Companies Act 2006.

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 international accounting standards in conformity with the Companies Act 2006, 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 Group and 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 15 January 2021, 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	3.68

Directors and their interests

The current Directors are listed on page 3.

In compliance with the Company's Articles of Association, David Pelham, 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 2020			As at 31 December 2019	
	Ordinary shares	Share warrants	Share options	Ordinary shares	Share options
Tim Livesey	7,785,857	735,294	35,979,940	6,315,369	12,000,000
Robert Smeeton	5,042,915	735,294	28,383,952	3,572,327	8,000,000
John McGloin	4,411,765	2,205,882	4,230,574	-	-
David Pelham	948,105	-	3,290,446	948,105	-
Total	18,188,642	3,676,470	71,884,912	10,835,801	20,000,000

On 22 January 2021 John McGloin, Tim Livesey and Robert Smeeton exercised their share warrant holdings in full and were consequently issued 2,205,882, 735,294 and 735,294 Ordinary shares in the Company.

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 therefrom, 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.

Events after the Reporting Period

The following significant events have occurred subsequent to the year end:

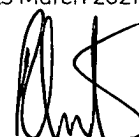
- Exercise of 99,875,259 share warrants, providing funds to the Company of £678k, between 21 January and the date of this report.

Auditor

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

Approved by the Board on 23 March 2021 and signed on its behalf.

R J Smeeton
Company Secretary



Independent Auditor's Report

to the members of Oriole Resources PLC

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 2020 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 accounting standards in conformity with the requirements of the Companies Act 2006 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 2020 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining management's assessment of going concern and associated cash flow forecasts for 12 months from the date of approval of the financial statements. We have reviewed the inputs to the cash flow forecast for reasonableness, compared to historic financial information, and stress-tested where appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Group materiality 2020	Group materiality 2019	Basis for materiality
£320k	£230k	2.5% of net assets

The calculated level of materiality has increased as compared to last year. There has been an increase in net assets which is mainly attributable to the cash balance at 31 December 2020 due to placings in the year and various cost saving schemes, as well as additional exploration expenditure being incurred at the group's projects.

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.

Whilst materiality for the financial statements as a whole was set at £320k, significant components of the group were audited to a level of materiality ranging between £120k - £210k. 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 £16k (2019: £12k). There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material.

Our approach to the audit

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

- West Africa - the Senala gold project (Senegal);
- East Africa through its investment in associate, Thani Stratex Resources Limited, and equity investment in Thani Stratex Djibouti, the Hodine concession (Egypt) and the Pandora project (Djibouti); and
- Cameroon - 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 significant components was performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing mineral 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 significant to the group, this component was assessed as risk significant and therefore our review of the component auditor's work was focussed on group risk areas including management override, related parties, and compliance with laws and regulations.

Our work scope included audit procedures to address the key audit matters, being the capitalisation and impairment of exploration and evaluation expenditure, and the valuation of investments and intercompany receivables.

Independent Auditor's Report continued

to the members of Oriole Resources PLC

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.

Key Audit Matter	How our scope addressed this matter
<p>Capitalisation and impairment of exploration and evaluation expenditure under IFRS 6</p> <p>GROUP & COMPANY</p> <p>There is a risk that the carrying values of the group's exploration assets are not fully recoverable and should be impaired in line with IFRS 6.</p> <p>The group is engaged in various exploration projects, predominantly in Cameroon and Senegal (through Stratex EMC). The Directors use their judgement to assess whether the projects require an impairment and therefore this gives rise to a significant risk.</p> <p>This risk also relates to the appropriate capitalisation of exploration costs in accordance with IFRS 6.</p> <p>Related disclosures are included in Note 4 and Note 12 to the financial statements.</p>	<p>Our work included the following:</p> <ul style="list-style-type: none"> ◦ Substantive testing of a sample of exploration and evaluation expenditures to assess their eligibility for capitalisation under IFRS 6 by corroborating to original source documentation; ◦ Obtaining copies of exploration licences and relevant agreements relating to project partnerships and reviewing key terms to ensure compliance; ◦ Making enquiries of management regarding future plans for each project including obtaining cashflow projections where necessary and corroborating to minimum spend requirements attached to licences, where appropriate; ◦ Considering whether there are indications of impairment on a project by project basis in accordance with IFRS 6; and ◦ Reviewing management's impairment paper in respect of the carrying value of intangible assets and providing challenge, corroborating any key assumptions used. <p>We consider Management's assessment of impairment is reasonable in concluding no impairment is required to be recognised at year-end.</p>
<p>Valuation of investments in associates and subsidiaries (including intercompany receivables)</p> <p>GROUP & COMPANY</p> <p>There is a risk of material misstatement regarding the recoverability of investments in associates, subsidiaries (including intercompany receivables i.e. the net investment in each subsidiary) and other equity investments.</p> <p>The carrying value of investments 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 leads to a risk of misstatement.</p> <p>Similar considerations apply to the recoverability of loans to group undertakings disclosed as investments.</p> <p>Related disclosures are included in Note 4 and Note 11 to the financial statements.</p>	<p>Our work included the following:</p> <ul style="list-style-type: none"> ◦ Reviewing the value of investment balances against the value of the underlying assets, including reference to work performed in respect of the carrying value of exploration expenditure in accordance with IFRS 6; ◦ Obtaining evidence of ownership for all investments held within the group; and ◦ Reviewing management's impairment paper in respect of the recoverability of investment balances (including intragroup receivables at the parent level) and provide appropriate challenge, corroborating any key assumptions used. <p>We consider Management's assessment of impairment, expected credit losses and recoverability is reasonable.</p>

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Independent Auditor's Report continued

to the members of Oriole Resources Plc

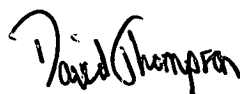
- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about and potential instances of non compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry of a similar size.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
 - Companies Act 2006
 - AIM Rules
 - Local industry regulations in Senegal and Cameroon
 - Local tax and employment law
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management
 - A review of Board minutes
 - A review of legal ledger accounts
 - A review of RNS announcements
 - A review of component auditor's work surrounding local laws and regulations in Turkey
- We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: testing over all journals on a risk based approach to identify any unusual transactions that could be indicative of fraud; reviewing accounting estimates for evidence of bias; evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and reviewing transactions through the bank statements to identify potentially large or unusual transactions that do not appear to be in line with our understanding of business operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.



David Thompson

(Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

23 March 2021

15 Westferry Circus

Canary Wharf

London

E14 4HD

Statement of consolidated comprehensive income

		Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Continuing operations	Notes		
Revenue		–	–
Administration expenses	8	(1,018)	(1,556)
Other profits/(losses)	7	682	150
Operating loss		(336)	(1,406)
Finance income		–	5
Share of losses of associates	14	(69)	(126)
Loss on change of ownership interest	6	(63)	(212)
Loss before income tax		(468)	(1,739)
Income tax credit	10	148	79
Loss for the year		(320)	(1,660)
Other comprehensive income for the year			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		(50)	102
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)
Other comprehensive income for the year, net of tax		(50)	(138)
Total comprehensive income for the year		(370)	(1,798)
Loss for the year attributable to:			
Owners of the Parent Company		(278)	(1,554)
Non-controlling interests	24	(42)	(106)
Loss for the year		(320)	(1,660)
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		(328)	(1,692)
Non-controlling interests		(42)	(106)
Total comprehensive income for the year		(370)	(1,798)
Earnings per share for losses from continuing operations attributable to the owners of the Company (expressed in pence per share).			
- basic and diluted	21	(0.03)	(0.22)

The notes on pages 44 to 67 form part of these financial statements

Statement of consolidated financial position

Company number: 05601091

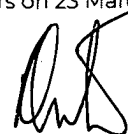
	Notes	As at 31 December 2020 £'000	As at 31 December 2019 £'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	61	21
Intangible assets	12	7,771	7,244
Investments in equity-accounted associates	14	1,449	2,250
Financial assets at fair value through other comprehensive income	15	395	165
Trade and other receivables	16	389	–
Deferred tax asset	17	14	38
		10,079	9,718
Current Assets			
Trade and other receivables	16	139	121
Cash and cash equivalents	18	1,751	163
		1,890	284
Total Assets		11,969	10,002
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	20	5,667	4,908
Share premium	20	22,862	21,253
Other reserves	23	1,591	1,185
Retained earnings		(18,187)	(17,578)
Total equity attributable to owners of the Company		11,933	9,768
Non-controlling interest	24	(251)	(209)
Total equity		11,682	9,559
LIABILITIES			
Non-Current Liabilities			
Employee termination benefits		3	30
Current Liabilities			
Trade and other payables	25	284	413
Total Liabilities		287	443
Total Equity and Liabilities		11,969	10,002

The notes on pages 44 to 67 form part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2021 and were signed on its behalf by:

John McGloin
Non-Executive Chairman

Robert Smeeton
Chief Financial Officer




Statement of consolidated changes in equity

	Attributable to owners of the Company				Total £'000	Non- controlling interest £'000	Total equity £'000
	Share capital £'000	Share premium £'000	Other reserves (see note 23) £'000	Retained earnings £'000			
Balance at 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 and 1 January 2020	4,908	21,253	1,185	(17,578)	9,768	(209)	9,559
Loss for the year	-	-	-	(278)	(278)	(42)	(320)
Other comprehensive income	-	-	(50)	-	(50)	-	(50)
Total comprehensive income for the year	-	-	(50)	(278)	(328)	(42)	(370)
Issue of share capital net of expenses	759	1,609	-	-	2,368	-	2,368
Share-based payments	-	-	125	-	125	-	125
Share options expired	-	-	(76)	76	-	-	-
Total contributions by and distributions to owners of the Company	759	1,609	49	76	2,493	-	2,493
Transfer between reserves	-	-	407	(407)	-	-	-
Balance at 31 December 2020	5,667	22,862	1,591	(18,187)	11,933	(251)	11,682

The share capital account includes the nominal value of all ordinary shares issued by the Company, as well as the nominal amount of the deferred shares created as part of the 2018 capital re-organisation.

The share premium account includes the amounts received over and above the nominal value of each share upon issue of such shares, net of any expenses of that issue.

Other reserves are described in note 23.

Retained earnings comprises the retained profits and losses arising on the Group's activities since inception.

Non-controlling interests relates to the 15% holding of our local partner in the Group's activities in Senegal.

The notes on pages 44 to 67 form part of these financial statements

Statement of consolidated cash flows

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flow from operating activities:			
Net cash used in operating activities	27	(927)	(560)
Cash flow from investing activities:			
Purchase of property, plant and equipment	13	(46)	(2)
Proceeds from disposal of financial asset		172	–
Purchase of intangible assets		(144)	(711)
Tax received	10	165	142
Interest received		–	7
Net cash generated/(used) from investing activities		147	(564)
Cash flow from financing activities:			
Funds from the issue of shares		2,368	–
Net cash generated from financing activities		2,368	–
Net increase/(decrease) in cash and cash equivalents		1,588	(1,124)
Cash and cash equivalents at beginning of the period		163	1,287
Cash and cash equivalents at end of the period	18	1,751	163

The notes on pages 44 to 67 form part of these financial statements

Statement of Company financial position

Company number: 05601091

	Notes	As at 31 December 2020 £'000	As at 31 December 2019 £'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	13	60	20
Intangible assets	12	1,202	1,018
Financial assets at fair value through other comprehensive income	15	395	–
Investments in equity-accounted associates	14	657	1,458
Investment in subsidiaries	11	3,302	4,085
Trade and other receivables	16	389	–
		6,005	6,581
Current Assets			
Trade and other receivables	16	38	49
Cash and cash equivalents	18	1,714	130
		1,752	179
Total assets		7,757	6,760
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	20	5,667	4,908
Share premium	20	22,862	21,253
Other reserves	23	198	149
Retained earnings		(21,187)	(19,884)
Total equity		7,540	6,426
LIABILITIES			
Current Liabilities			
Trade and other payables	25	217	334
		217	334
Total Equity and Liabilities		7,757	6,760

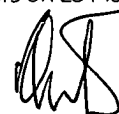
As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The Parent Company loss for the year was £1,379,000 (2019: £764,000).

The notes on pages 44 to 67 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2021 and were signed on its behalf by:

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 2019	4,908	21,253	527	(19,296)	7,392
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 and 1 January 2020	4,908	21,253	149	(19,884)	6,426
Loss for the year	-	-	-	(1,379)	(1,379)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,379)	(1,379)
Issue of share capital net of expenses	759	1,609	-	-	2,368
Share based payments	-	-	125	-	125
Share options expired	-	-	(76)	76	-
Total contributions by and distributions to owners of the Company	759	1,609	49	76	2,493
Balance at 31 December 2020	5,667	22,862	198	(21,187)	7,540

Information in respect of the Company's reserves is set out on page 39.

The notes on pages 44 to 67 form part of these financial statements.

Statement of Company cash flows

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flow from operating activities			
Net cash used in operating activities	27	(885)	(315)
Cash flow from investing activities			
Purchase of property, plant and equipment	13	(46)	(2)
Investment in intangible assets		(144)	(754)
Funding of subsidiary exploration companies		126	(191)
Tax received		165	142
Interest received		–	7
Net cash generated from/(used in) investing activities		101	(798)
Cash flow from financing activities			
Net proceeds from share issue		2,368	–
Net cash generated from financing activities		2,368	–
Net increase/(decrease) in cash and cash equivalents		1,584	(1,113)
Cash and cash equivalents at beginning of the period		130	1,243
Cash and cash equivalents at end of the period	18	1,714	130

The notes on pages 44 to 67 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 accounting standards in conformity with the Companies Act 2006. 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 2020 the Group had cash and cash equivalents of £1,751k and no borrowings.

Having considered the prepared cashflow forecasts and Group budgets, and the funds received so far this year (£678k) and also potentially receivable (£1.468m) from share warrant exercises in 2021, 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 cash received from warrant exercises will match the Board's expectations, and this may affect the Group's ability to carry out its work programs as expected.

Should the Group and Company 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 and Company were unable to continue as a going concern.

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 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements:

Standards / interpretations	Application
IAS 1 & IAS 8 amendments	Definition of Material
IFRS 3 amendments	Business Combinations
Amendments to IFRS 9, IAS 39 and IFRS 17	Interest Rate Benchmark Reform
N/A	Amendments to References to the Conceptual Framework in IFRS Standards

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

Standards / interpretations	Application
IAS 1 amendments	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current – Deferral of Effective Date: Effective 1 January 2023
IFRS 3 amendments	Business Combinations – Reference to the Conceptual Framework: Effective 1 January 2022*
IAS 16 amendments	Property, Plant and Equipment: Effective 1 January 2022*
IAS 37 amendments	Provisions, Contingent Liabilities and Contingent Assets: Effective 1 January 2022*
N/A	Annual Improvements to IFRS Standards 2018-2020 Cycle: Effective 1 January 2022*

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.

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.

Notes to the financial statements continued

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.

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.

Notes to the financial statements continued

(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.

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

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.

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).

Notes to the financial statements continued

Thani Stratex Resources carrying value

The Directors have given consideration to the carrying value of the 24.92% 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 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 10.61% stake in TSD.

The deconsolidation of TSD has given TSR a revised book value of £1.45m and in the Directors' judgment this value is recoverable. Subsequent to the year-end, TSR signed an earn-in agreement with Red Sea Resources Limited, who are to spend approximately \$2.4m to advance the current resources on the licence (JORC Inferred Resource of 209,000 ounces of gold at Anbat and a non-JORC Inferred Resource of 520,000 ounces of gold at Hutite). Whilst this will lead to dilution, the Directors believe the proposed investment will enhance the value of the Group's shareholding. The carrying value has therefore been maintained, with £203,000 of the £1.4m impairment provision booked in 2018 reversed in 2020 in order to maintain the carrying value of TSR at £1.45m, 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 £14,000 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.

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			UK support & other £'000	Group Total £'000
	Turkey £'000	East Africa £'000	West Africa £'000		
At 31 December 2020					
Intangible assets	–	–	7,771	–	7,771
Property, plant and equipment	1	–	46	14	61
Investment in associate companies	–	1,449	–	–	1,449
Cash and other assets	58	784	95	1,751	2,688
Liabilities	(47)	–	(19)	(221)	(287)
Inter-segment	(3,264)	–	(2,354)	5,618	–
Net assets	(3,252)	2,233	5,539	7,162	11,682
Additions to property, plant and equipment	–	–	47	–	47

	Exploration			UK support & other £'000	Group Total £'000
	Turkey £'000	East Africa £'000	West Africa £'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

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

	Capitalised cost		Additions in year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
West Africa				
Senala - Senegal	6,568	6,225	–	–
Bibemi/Wapouze - Cameroon	1,203	1,019	184	792
Total Intangible assets	7,771	7,244	184	792

Notes to the financial statements continued

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

	Exploration			UK support & other	Group Total
	Turkey £'000	East Africa £'000	West Africa £'000	£'000	£'000
2020					
Revenue	-	-	-	-	-
Administration expenses	(62)	-	(87)	(861)	(1,010)
Depreciation charge	-	-	-	(8)	(8)
Other income/(losses)	162	203	-	-	365
Share of associate company losses	-	(132)	-	-	(132)
Exchange gains/(losses)	(11)	(71)	470	(71)	317
Inter-segment charges	-	-	(218)	218	-
Income tax	(17)	-	-	165	148
Profit/(loss) for year	72	-	165	(557)	(320)

	Exploration			UK support & other	Group Total
	Turkey £'000	East Africa £'000	West Africa £'000	£'000	£'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)

6. Loss on change of ownership interest

	2020 £'000	2019 £'000
Loss for the year on change of ownership interest	(63)	(212)

Small changes to the Company's interest in Thani Stratex Resources Limited during the year have resulted in a loss of £63,000, which has been recognised in the consolidated statement of comprehensive income.

7. Other profits/(losses)

	2020 £'000	2019 £'000
Exchange gains/(losses)	317	(445)
Reversal of impairment (see note 14)	203	446
Success based payment due (see note 4)	-	384
Provision against bad debt (see note 4)	-	(326)
Other profits	162	91
Net other profit for the year	682	150

8. Expenses by nature

Administration expenses comprise:

	2020 £'000	2019 £'000
Personnel expenses (see note 9)	752	994
Legal and professional expenses	255	236
Amounts paid to the Company's auditors (see below)	25	25
Office costs	57	82
Travel costs	39	97
Depreciation expense	8	8
Other expenses	(118)	114
Total for year	1,018	1,556

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

Auditor's remuneration:	2020 £'000	2019 £'000
Fees payable for the audit of parent and consolidated financial statements	25	25
Total for year	25	25

9. Personnel expenses

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Wages and salaries	569	906	322	529
Social security costs	49	49	49	49
Share options granted to Directors and employees	125	25	125	25
Employee benefits-in-kind	1	1	1	1
Employee pensions	8	13	8	13
Total for year	752	994	505	617
Average number of employees, including Directors	13	14	8	9

Details of the Directors' remuneration is shown in the Report of the Remuneration Committee on page 28.

10. Income tax

Analysis of income tax expense:

	2020 £'000	2019 £'000
Current taxation:		
UK Corporation tax credit for the year	165	142
Deferred taxation:		
Deferred tax charge for the year	(17)	(63)
Total tax on loss for the year	148	79

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 £1,800,000 (2019: £1,700,000).

Notes to the financial statements continued

Reconciliation of tax charge:

	2020 £'000	2019 £'000
Loss before tax	(468)	(1,739)
Current tax credit at 19% (2019: 19%)	89	330
Effects of:		
Expenses not deductible for tax purposes	25	142
Tax losses carried forward – UK	(167)	(286)
Tax losses carried forward – outside UK	(14)	(186)
Origination and reversal of temporary differences	50	(63)
Prior year differences (research and development credits claim)	165	142
Tax credit	148	79

11. Investment in subsidiaries

The cost of shares in subsidiary companies is as follows:

Company	2020 £'000	2019 £'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	1,603	2,386
At 31 December	3,302	4,085

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. Sti	Turkey	–	100	Exploration
Stratex EMC SA	Senegal	–	85	Exploration

	Registered office
Stratex Exploration Ltd	180 Piccadilly, London, W1J 9HF, UK
Stratex Gold AG	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 Apt. No: 17/6, Ankara, Turkey Elit Apt. No: 17/6 06510 Çankaya, 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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cost				
Cost at 1 January	7,244	6,780	1,018	186
Exchange movements	343	(328)	–	–
Transfer from subsidiary company	–	–	–	40
Additions	184	792	184	792
At 31 December	7,771	7,244	1,202	1,018

13. Property, plant, and equipment

	Group			
	Motor Vehicles £'000	Field Equipment £'000	Office furniture and equipment £'000	Total £'000
Cost				
At 1 January 2019	30	19	187	236
Exchange movements	–	–	–	–
Additions	–	–	2	2
Disposals	–	–	–	–
At 31 December 2019	30	19	189	238
Exchange movements	–	–	–	–
Additions	–	47	–	47
Disposals	–	–	–	–
At 31 December 2020	30	66	189	285
Depreciation				
At 1 January 2019	(30)	(19)	(160)	(209)
Exchange movements	–	–	–	–
Additions	–	–	(8)	(8)
Disposals	–	–	–	–
At 31 December 2019	(30)	(19)	(168)	(217)
Exchange movements	–	–	–	–
Additions	–	–	(7)	(7)
Disposals	–	–	–	–
At 31 December 2020	(30)	(19)	(175)	(224)
Net Book Value				
at 1 January 2019	–	–	27	27
at 31 December 2019	–	–	21	21
at 31 December 2020	–	47	14	61
Right of use assets included above	–	–	10	10

Notes to the financial statements continued

	Company			
	Motor Vehicles £'000	Field Equipment £'000	Office furniture and equipment £'000	Total £'000
Cost				
At 1 January 2019	-	-	106	106
Exchange movements	-	-	-	-
Additions	-	-	2	2
Disposals	-	-	-	-
At 31 December 2019	-	-	108	108
Exchange movements	-	-	-	-
Additions	-	47	-	47
Disposals	-	-	-	-
At 31 December 2020	-	47	108	155
Depreciation				
At 1 January 2019	-	-	(81)	(81)
Exchange movements	-	-	-	-
Additions	-	-	(7)	(7)
Disposals	-	-	-	-
At 31 December 2019	-	-	(88)	(88)
Exchange movements	-	-	-	-
Additions	-	-	(7)	(7)
Disposals	-	-	-	-
At 31 December 2020	-	-	(95)	(95)
Net Book Value				
at 1 January 2019	-	-	25	25
at 31 December 2019	-	-	20	20
at 31 December 2020	-	47	13	60
Right of use assets included above	-	-	10	10

14. Investment in equity-accounted associates

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
At 1 January	2,250	2,250	1,458	1,458
Exchange movements	(71)	(108)	–	–
Share of losses	(69)	(126)	–	–
Transfer to other financial assets	(801)	–	(801)	–
Loss on change of ownership interest	(63)	(212)	–	–
Release of impairment provision	203	446	–	–
At 31 December	1,449	2,250	657	1,458

The Company's shareholding interest in Thani Stratex Resources Limited ("TSRL") reduced to 24.9% from 26.1% during the course of the year. £203,000 of the impairment provision recognised in 2018 has been reversed in 2020, 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:

	2020			2019		
	%	Value £'000	Change £'000	%	Value £'000	Change £'000
Thani Stratex Resources Limited	24.9	1,449	–	26.1	2,250	–

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

	2020 £'000	2019 £'000
As at 31 December		
Current Assets		
Cash and equivalents	1	3
Net current assets/(liabilities)	(283)	(295)
Total current assets	(282)	(292)
Non-current assets		
Furniture, fittings and equipment	1	2
Intangible assets	14,102	14,649
Associated companies	–	2,274
Total non-current assets	14,103	16,925
Non-current liabilities	(4,088)	(4,143)
Net assets	9,733	12,490

Notes to the financial statements continued

Statement of comprehensive income for Thani Stratex Resources Limited

	2020 £'000	2019 £'000
As at 31 December		
Administration expenses	(267)	(328)
Depreciation	(1)	–
Other income	–	–
Exchange gains	(1)	(6)
Loss from continuing operations	(269)	(334)
Income tax expenses	–	(8)
Loss after tax for continuing operations	(269)	(342)
Share of associated company loss	–	(115)
Total comprehensive income	(269)	(457)

15. Financial Assets and Liabilities

a) Financial Assets

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial assets at amortised cost:				
Trade and other receivables	132	110	38	49
Deposits and guarantees	7	11	–	–
Cash and cash equivalents	1,751	163	1,714	130
Loan note receivable	389	–	389	–
Financial assets at fair value through other comprehensive income	395	165	395	–
Total	2,674	449	2,536	179

b) Financial Liabilities

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial liabilities at amortised cost:				
Trade creditors	87	94	65	89
Amounts due to related parties and employees	29	134	–	67
Social security and other taxes	62	29	48	5
Leases	12	15	12	15
Accrued expenses	97	171	92	158
Total	287	443	217	334

c) Assets by quality

Trade Receivables:

Trade receivables includes net receivables from exploration partners of £7,000 (2019: £21,000). None of the exploration partners have external credit ratings.

Cash and cash equivalents:

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

	2020 £'000	2019 £'000
A	1,714	142
Ba, Bb & Bbb	37	21
Total	1,751	163

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

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
At 1 January	165	414	–	227
Transfer from equity-accounted associates	395	–	395	–
Disposals	(165)	(9)	–	–
Fair value adjustment	–	(240)	–	(227)
At 31 December	395	165	395	–

Equity investments at FVOCI comprise the following individual investments:

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Tembo Gold Corporation – Listed Security	–	165	–	–
Thani Stratex Djibouti – Unlisted Equity Security	395	–	395	–
At 31 December	395	165	395	–

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	
	2020 £'000	2019 £'000
Losses recognised in other comprehensive income	–	240

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 (2019: £Nil) in the consolidated financial statements following its write down in 2017. During the year this investment was transferred from a subsidiary company into the Company at an internal valuation of £747,000. In accordance with IFRS9 full provision has been made against this balance in the Company's financial statements.

Notes to the financial statements continued

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

	Level 1 £'000	Level 3 £'000	Total £'000
At 31 December 2020			
Financial assets at fair value through other comprehensive income:			
Djibouti unlisted equity securities	–	395	395
Total Financial Assets	–	395	395
At 31 December 2019			
Financial assets at fair value through other comprehensive income:			
Canadian listed equity securities	165	–	165
Total Financial Assets	165	–	165

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.

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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Receivables from exploration partners	333	337	–	6
Bad debt provision	(326)	(326)	–	–
Deposits and guarantees given	7	11	–	–
Loans	91	21	–	–
Loan note (see below)	389	–	389	–
Prepayments and other current assets	34	78	38	43
Total	528	121	427	49
Non-current	389	–	389	–
Current	139	121	38	49
Total	528	121	427	49

The loan note for \$530,806 is interest-free and is repayable by Thanii Stratex Djibouti Limited in accordance with a loan note instrument dated 14 November 2019.

\$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, and the prior year, financial statements.

17. Deferred tax asset and liabilities

Group	2020 £'000	2019 £'000
Deferred tax assets		
Temporary timing differences arising on:		
Intangible assets	12	24
Employee termination benefits	2	14
Total	14	38

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

	2020 £'000	2019 £'000
At 1 January	38	111
Exchange movements	(7)	(10)
Movement in year	(17)	(63)
At 31 December	14	38

Notes to the financial statements continued

18. Cash and cash equivalents

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash at bank and on hand	1,751	163	1,714	130
Short-term deposits	–	–	–	–
Total	1,751	163	1,714	130

19. Currency risk

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

	2020			2019	
GBP £'000	US\$	Euro	Turkish Lira	US\$	Turkish Lira
Trade and other receivables	389	–	74	–	11
Cash and cash equivalents	459	441	12	2	6
Trade and other payables	–	(19)	(47)	–	(98)
Net exposure	848	422	39	2	(81)
The following year end spot rates to sterling have been applied	1.365	1.118	10.1243	1.3101	7.676
A 20% fluctuation in the sterling exchange rate would have affected profit and loss as follows:	£'000	£'000	£'000	£'000	£'000
Strengthening of sterling*	–	–	(3)	–	(16)
Weakening of sterling*	–	–	3	–	13

* Dollar and Euro amounts shown above were acquired specifically to fund the foreign currency elements of capital expenditure and as such fluctuations would have no impact on profit and loss.

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 1 January 2020	701,801,276	702	4,206	21,253	26,161
Issued during the year	759,353,921	759	–	1,773	2,532
Expenses of share issue	–	–	–	(164)	(164)
At 31 December 2020	1,461,155,197	1,461	4,206	22,862	28,529

During the year the company issued shares upon three occasions:

- ° On 12 March 2020 the Company issued 70,000,000 Ordinary 0.1p shares at a price of 0.35p per share, and 34,999,987 warrants providing the right to acquire new Ordinary 0.1p shares at a price of 0.60p per share;
- ° On 14 July 2020 the Company issued 139,833,333 Ordinary 0.1p shares at a price of 0.30p per share; and
- ° On 29 October 2020 the Company issued 549,520,588 Ordinary 0.1p shares at a price of 0.34p per share. Connected to this latter raise the Company also issued 274,760,292 warrants providing the right to acquire new Ordinary 0.1p shares at a price of 0.68p per share.

The Ordinary shares have a nominal value of 0.1p and all shares have been fully paid.

At the 2018 as part of a capital re-organisation, 467,311,276 deferred shares were created, each with a nominal value of 0.9p. The Deferred Shares have no right to vote, attend or speak at general meetings of the Company and have no right to receive any dividend or other distribution and have only limited rights to participate in any return of capital on a winding-up or liquidation of the Company, which will be of no material value.

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:

	2020 £'000	2019 £'000
Loss attributable to owners of the Company from continuing operations	(278)	(1,554)
Weighted average number of ordinary shares in issue	917,570,302	701,801,276
Basic and diluted loss per share from continued operations (pence per share)	(0.03)	(0.22)

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 2020 there were 83,192,912 (2019: 32,469,067) share options and 323,230,279 (2019: 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

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 2020, the Company had in issue 79,042,912 (2019: 26,718,000) options to Group employees granted under the Enterprise Management Incentive scheme and 3,650,000 (2019: none) options to Group employees granted under the unapproved scheme. In addition, there are 500,000 (2019: 5,751,067) 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, except for the 39,884,912 options granted to Directors during the year, in lieu of salary, which vested immediately.

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 £125,000 (2019: £25,000). 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:

	2020		2019	
	Number of options	Weighted average exercise price pence	Number of options	Weighted average exercise price pence
Group and Company				
Outstanding at 1 January	32,469,067	0.97	25,755,144	2.40
Issued	56,234,912	0.18	20,700,000	0.37
Expired	(5,251,067)	3.17	(11,986,077)	3.50
Cancelled	(260,000)	(0.81)	(2,000,000)	(0.37)
Outstanding at 31 December	83,192,912	0.31	32,469,067	0.97
Exercisable at 31 December	51,842,912	0.26	8,435,734	2.38

The weighted average contractual life of the outstanding options at 31 December 2020 was 8.94 years (2019: 8.26 years).

Notes to the financial statements continued

Details of share options outstanding at 31 December 2020 are as follows:

Life of option		Outstanding 31 December 2020	Option Price pence
Start date	Expiry date		
1 June 2011	1 June 2021	50,000	7.00
5 December 2014	5 December 2024	60,000	2.70
4 June 2015	4 June 2025	150,000	1.50
2 September 2016	2 September 2026	198,000	2.00
1 March 2018	1 March 2028	6,000,000	0.90
4 June 2018	4 June 2028	2,000,000	0.62
19 March 2019	19 March 2029	18,500,000	0.37
19 August 2020	19 August 2030	39,884,912	0.10
22 December 2020	22 December 2030	16,350,000	0.37
Total options outstanding		83,192,912	

During the year 39,884,912 share options were issued at a price of 0.10p per option share with a fair value of 0.27p per option share and 16,350,000 share options were issued at a price of 0.37p per option share with a fair value of 0.06p 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

Life of warrant		Outstanding 31 December 2020	Warrant Price pence
Start date	Expiry date		
13 June 2018	13 June 2021	13,470,000	0.50
3 June 2020	3 June 2022	34,999,987	0.70
29 October 2020	29 October 2022*	274,760,292	0.68
Total warrants outstanding		323,230,279	

* The Company have the right to force exercise of those warrants in the event the 10-day volume weighted average share price exceeds 1.02 pence at any time.

23. Other reserves

Group	Merger reserve £'000	FVOCI reserve £'000	Share option reserve £'000	Translation reserve £'000	Total £'000
At 1 January 2019	(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
Share based payments	–	–	125	–	125
Share options expired	–	–	(76)	–	(76)
Other comprehensive income	–	–	–	(50)	(50)
Transfer to retained earnings	–	407	–	–	407
At 31 December 2020	(485)	–	198	1,878	1,591

Company	Share option reserve £'000	Total £'000
At 1 January 2019	527	527
Share based payments	25	25
Share options expired	(403)	(403)
At 31 December 2019	149	149
Share based payments	125	125
Share options expired	(76)	(76)
At 31 December 2020	198	198

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).

Notes to the financial statements continued

24. Non-controlling interest

Effect on equity of transactions with Non-controlling interests:

	Stratex EMC SA £'000	Total £'000
Balance attributable to NCI		
At 1 January 2019	(103)	(103)
Losses for the year	(106)	(106)
At 31 December 2019	(209)	(209)
Losses for the year	(42)	(42)
At 31 December 2020	(251)	(251)

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

	2020 £'000	2019 £'000
Stratex EMC SA		
Intangible assets	6,223	5,881
Other assets	1,030	991
Intercompany loans	(8,416)	(8,242)
Other creditors	(19)	(5)
Net liabilities	(1,182)	(1,375)
Profit/(loss) for the year	265	(720)
Cash flows:		
Cash flows from operations	(183)	(149)
Cash flows from intercompany funding	174	150
Net cash flow	(9)	1

25. Trade and other payables

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade payables	87	94	65	89
Amounts due to related parties and employees	26	104	–	67
Social security and other taxes	62	29	48	5
Lease liability	12	15	12	15
Accrued expenses	97	171	92	158
At 31 December	284	413	217	334

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 £10,000 (2019: £15,000) and is included within tangible fixed assets. Depreciation of £3,000 (2019: £3,000) has been recorded in the year.

The lease liability is included within trade and other payables and has a carrying value of £12,000 (2019: £15,000). Cash payments of £3,000 (2019: £2,000) 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.

27. Cash flow from operating activities

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Loss before income tax	(468)	(1,739)	(1,543)	(907)
Adjustments for:				
Issue of share options	125	25	125	25
Depreciation	8	8	7	7
Impairment of FAFVPL	–	–	747	–
Impairment write-offs on intangible assets	(203)	(446)	–	–
Share of losses of associates	203	338	–	–
Other Income and deductions	–	(7)	–	(7)
Interest income on intercompany indebtedness	–	–	(21)	(42)
Intercompany management fees	–	–	(69)	(89)
Foreign exchange movements on operating activities	(428)	601	15	–
Changes in working capital, excluding the effects of exchange differences on consolidation:				
Trade and other receivables	44	646	11	616
Trade and other payables	(208)	14	(157)	82
Cash used in operations	(927)	(560)	(885)	(315)

28. Related party transactions

a) Transactions with non-controlling interests:

There have been no transactions with parties with non-controlling interests during the year. (2019: £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 £101,000 (2019: £323,000) to its subsidiaries and charged its subsidiary companies £70,000 (2019: £90,000) for the provision of management services. The total gross receivable from subsidiaries at 31 December 2020 was £4,832,000 (2019: £4,875,000). The Company received £165,000 of funding from one of its subsidiaries and acquired a royalty asset from the same subsidiary for £747,000 of intercompany debt.

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 2020.

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 Annual General Meeting

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 23 June 2021, at 11:00am. 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 2020 be received and adopted.
2. THAT, having retired by rotation in accordance with the Company's Articles of Association, and being eligible, David Pelham 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 £470,000 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 £235,000; 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 £235,000; 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 2021



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 11:00am on 21 June 2021.

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 11.00am on 21 June 2021. 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 Annual General Meeting continued

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 11.00am on 21 June 2021.
 - 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 23 June 2021 until the end of the meeting:
- the audited consolidated accounts of the Company for the financial period ended 31 December 2020;
 - the Register of Directors' interests in the capital of the Company and copies of the service contracts of the Directors of the Company.

Advisors & offices

Nominated advisor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

Registered Office

180 Piccadilly
London
W1J 9HF
UK

Group Auditors

PKF Littlejohn LLP Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD

UK Exploration Office

Oriole Resources PLC
Wessex House
Upper Market Street
Eastleigh
Hampshire,
SO50 9FD

Brokers

Shard Capital Partners LLP
23rd Floor
20 Fenchurch Street
London
EC3M 3BY

Turkish Office

Stratex Madencilik Sanayi ve Ticaret Ltd. Sti.
Çukurambar Mahallesi
1458. Sk. Elit Apt. 1716
Çankaya
Ankara
Turkey

Group Solicitors

Edwin Coe LLP
2 Stone Buildings Lincoln's Inn
London,
WC2A 3TH

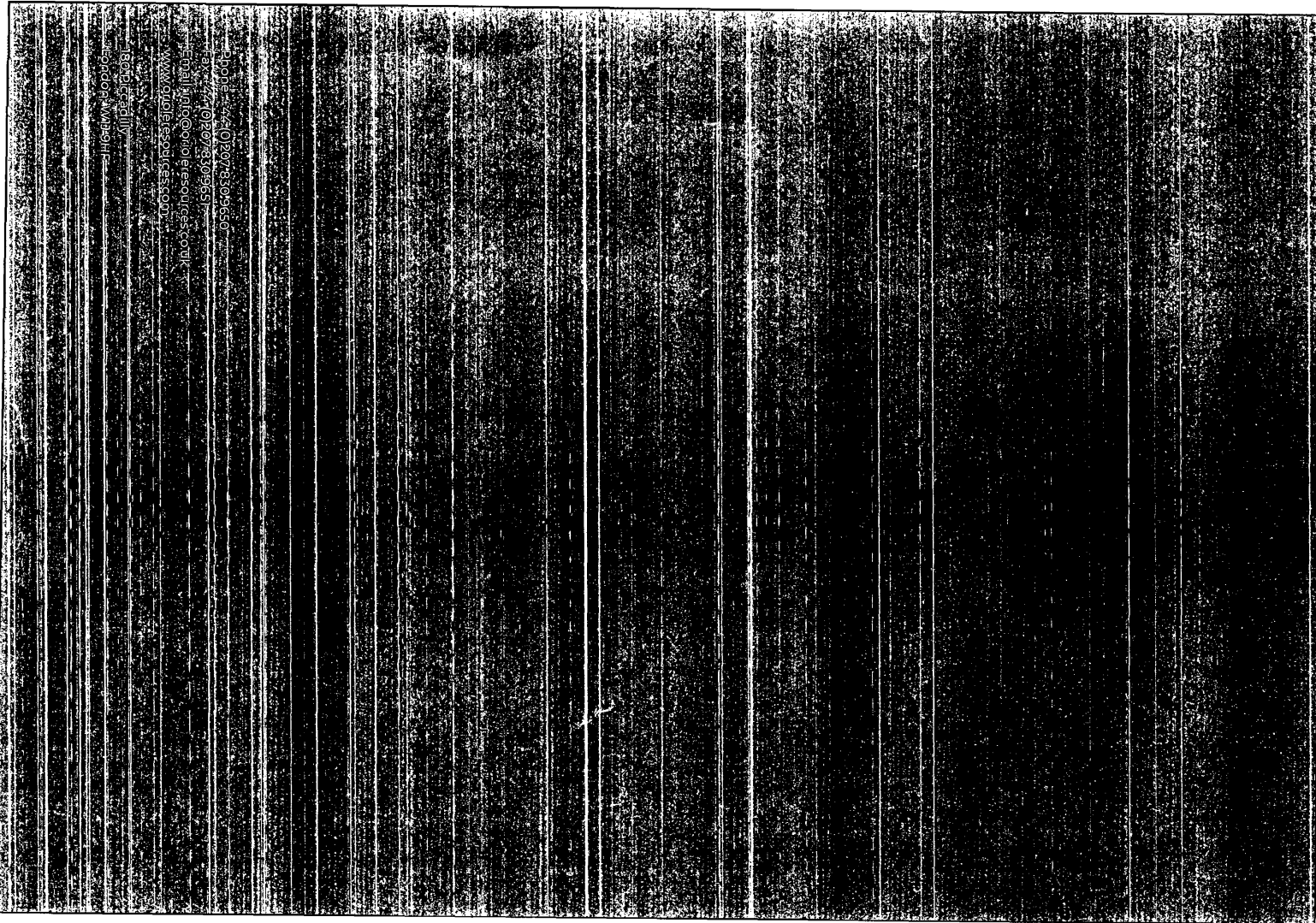
West Africa Office

Stratex EMC SA
c/o Energy & Mining Corporation S.A.
Sacré Coeur 111/VON
No 9231
Dakar BP. 45.409
Senegal

Bankers

Lloyds TSB Bank plc
High Street
Slough
Berkshire,
SL1 1DH

www.orioleresources.com



Phone: 44(0)207 330 9656
Fax: 44(0)207 330 9657
Email: info@globalresources.co.uk
www.globalresources.co.uk

Global
Resources