



Incorporated in England and Wales with  
Registered Number 6275976

## Annual Report

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For the year ended  
30 June 2018

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IMPERIAL MINERALS PLC  
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**Directors**

Michael Langoulant  
Fezile Mzazi  
Melissa Sturgess

**Company Secretary**

Michael Langoulant

**Auditor**

PKF Littlejohn LLP  
Statutory Auditor  
1 Westferry Circus  
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**Corporate Adviser**

Peterhouse Capital Ltd  
15 Eldon Street  
London EC2M 7LD

**Solicitors**

Hill Dickinson LLP  
The Broadgate Tower  
20 Primrose Street  
London EC2A 2EW

**Registered Office**

6<sup>th</sup> Floor  
60 Gracechurch Street  
London  
EC3V 0HR

**Registrar**

Share Registrars Ltd  
Suite E, First Floor  
9 Lion and Lamb Yard  
Farnham, Surrey GU9 7LL

**Bankers**

HSBC Bank Plc  
94 Kensington High Street  
London W8 4SH

Dear Shareholder,

Enclosed are the financial results of Imperial Minerals Plc ("Imperial" or the "Company") and its subsidiaries (together "the Group") for the year ended 30 June 2018.

During the year the Company investigated a number of investment opportunities in the minerals and oil & gas industries. These due diligence activities did not produce an opportunity the directors believed was suitable of pursuing.

Subsequent to year end and with the support of the Company's major shareholders a new Board of directors was appointed with a clear mandate to change the investment strategy of the Company. In due course, the Company will announce and post a circular to shareholders proposing, inter alia, a change of investment strategy.

The Company has applied to the NEX Exchange for approval to seek the above proposed change of investment strategy at a general meeting of shareholders which will be held as soon as possible.

### Financial Review

The Group currently only has interest revenue and its cash reserves will be used in the short term to cover compliance costs, initial due diligence and other costs incidental to the identification and development of acquisition opportunities.

Since year end the Company has secured £50,000 in funding from an initial convertible loan note issue. The Company intends to issue up to £300,000 in convertible notes to fund the costs associated with changing the Company's investment strategy and on initial due diligence of opportunities.

The loss for the year was £100,176 (2017: £398,251). The result for the year ended 30 June 2017 consisted mainly of the loss on disposal £361,777 of its investment in North River Resources Plc (available for sale investment).

### Financial Position

The Group's Statement of Financial Position as at 30 June 2018 and comparatives at 30 June 2017 are summarised below:

	30 June 2018	30 June 2017
	£	£
Current assets	26,341	74,025
Non-current assets	-	-
<b>Total assets</b>	<b>26,341</b>	<b>74,025</b>
Current liabilities	7,860	4,358
<b>Total liabilities</b>	<b>7,860</b>	<b>4,358</b>
<b>Net assets</b>	<b>18,481</b>	<b>69,667</b>

On behalf of the Board, I would like to record our thanks to those who have helped the Company throughout the year.

**Michael Langoulant**  
*Chairman*  
*Imperial Minerals Plc*

29 November 2018

**Michael Langoulant,  
Chairman (aged 61)**

Michael is a Chartered Accountant with over 30 years' experience in capital raisings, corporate governance and compliance and has a strong background in international business and financial management. He has acted as Chairman, finance director, Non-executive director and company secretary for a range of companies listed upon AIM, LSE, ASX, TSX and NEX.

Michael is a Member of the Institute of Directors, UK.

**Fezile Mzazi,  
Non-executive director (aged 38)**

Fezile has nearly 20 years corporate experience in international public markets and is based in Vienna and South Africa.

Fezile is on the advisory board and a major shareholder of medicinal cannabis company Corix Bioscience, a leading research and development firm of cannabidiol (CBD). Corix has secured a medicinal cannabis license in Lesotho. Fezile is also on the advisory board of Bronson Group Limited, ASX listed (ASX:BGR), an ex-cosmetics trading company that has now changed its focus to become a medicinal cannabis business .

Fezile is also a member of, and advisor to, the Cannabis Development Council of South Africa (CDCSA) which is an inclusive self-regulated Cannabis Industry association foundation to help regulate and control the cannabis industry of South Africa.

**Melissa Sturgess,  
Non-executive director (aged 52)**

Melissa holds a BSc and an MBA and has many years of experience as a director of AIM and ASX quoted companies, mainly involved in the acquisition, structuring and financing of natural resources deals across Africa. She was most recently a key driver in the successful recapitalisation of Messaging International plc during 2016 which subsequently changed its name to SigmaRoc Plc, acquired a building materials business via a reverse takeover and raised £50 million from a range of investors in the Channel Islands and the UK. She has an extensive background in corporate management, development and financing. She is one of the founders of Ananda Developments Plc, a medicinal cannabis company that commenced trading on the NEX Exchange on 4 July.

The Directors present their Strategic Report of the Group for the year ended 30 June 2018.

### **REVIEW OF OPERATIONS**

A review of the business of the Group during the year and an indication of likely future developments may be found in the Chairman's Statement.

### **KEY PERFORMANCE INDICATORS**

The Board monitors the activities and performance of the Group on a regular basis. The primary performance indicator applicable to the Group is a return based on targeting a suitable investment in the minerals sector. During the year the Company was unable to identify a suitable investment and will seek shareholder approval to change its investment strategy..

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are set out below.

Risks are reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

#### ***General and economic risks:***

- Contractions in the world economy or increases in the rate of inflation resulting from international conditions.
- Movements in global equity and share markets and changes in market sentiment towards the resource industry.

#### ***Funding risk:***

- The Group may not be able to raise, either by debt or further equity, sufficient funds to enable it to finance its future acquisitions or investments.

#### ***Project availability risk:***

- The Group may not be granted approval to change its investment strategy.
- The Group may not be able to identify or acquire a suitable project for its investment target.

### **Financial Risk Management**

The Group's principal financial instruments comprise available for sale investments, other receivables, other payables and cash on deposit. No bank loans or other financing arrangements have been entered into.

Until year end the Company had no borrowings. However, since year end the Company has issued £50,000 in 10% pa convertible notes to finance working capital. Therefore, the Group's exposure to credit risk, liquidity risk and market risk is limited to the convertible notes on issue.

### **Internal Controls**

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. The Directors are aware that no system can provide absolute assurance against material misstatement or loss, however, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

This Strategic Report was approved by the Board of Directors on 29 November 2018.

*Michael Langoulant*  
*Director*  
*Imperial Minerals Plc*



The Directors are pleased to present their Report and the audited consolidated Financial Statements of the Company and its subsidiary for the year ended 30 June 2018.

### 1. PRINCIPAL ACTIVITY

The principal activity of Imperial Minerals plc ("the Company") and its subsidiary (together "the Group") during the year was to make investments and/or acquire projects in the mineral sector, which may include exploration, development or production projects in various minerals.

### 2. RESULTS AND DIVIDENDS

Loss on ordinary activities of the Group after taxation amounted to £100,176 (2017: loss of £398,251).

The Directors do not recommend the payment of a dividend (2017: £Nil).

### 3. DIRECTORS

The following have been Directors of the Company during the financial year ended 30 June 2018 and to the date of this report:

Michael Langoulant (Appointed 11 July 2018)

Melissa Sturgess (Appointed 11 July 2018)

Fezile Mzazi (Appointed 1 October 2018)

Russell Hardwick (Resigned 11 July 2018)

James Hamilton (Resigned 11 July 2018)

#### Directors' Interests in Shares and Options

The Directors who held office at 30 June 2018 had the following beneficial interests in shares of the Company:

Ordinary Shares	Number of shares at 30 June 2018	Number of shares at 30 June 2017
Russell Hardwick	1,000,000	1,000,000
James Hamilton	5,250,000	5,250,000
<b>Total</b>	<b>6,250,000</b>	<b>6,250,000</b>

Share Options	Options held at 30 June 2018	Grant date	Exercise price	Expiry date
Russell Hardwick	2,500,000	13 January 2017	4p	1 January 2022
James Hamilton	2,500,000	13 January 2017	4p	1 January 2022
<b>Total</b>	<b>5,000,000</b>			

### **Re-election of Directors**

The Articles of Association require one third of the Directors who are subject to retirement by rotation to retire and submit themselves for re-election each year. In addition all directors who are appointed to fill a casual vacancy are required to retire and submit themselves for re-election at the next forthcoming AGM.

### **4. ANNUAL GENERAL MEETING**

Details of the Company's forthcoming Annual General Meeting are set out in a separate circular that will be sent to all Shareholders with the Annual Report and Accounts.

### **5. DIRECTORS' INDEMNITY PROVISIONS**

All of the previous and current Directors benefited from qualifying third-party indemnity insurance in place during the year ended 30 June 2018 and as at the date of approval of the Financial Statements.

### **6. POST YEAR END EVENTS**

Details of any post year end events are set out in Note 12 to the Financial Statements.

### **7. GOING CONCERN**

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern within accounting policies. The auditors have included a material uncertainty paragraph in relation to going concern in their report.

### **8. FUTURE DEVELOPMENTS**

For further details on the future developments of the Group, see the Strategic Report.

### **9. DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all 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.

### **10. AUDITOR**

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. PKF Littlejohn LLP has indicated its willingness to continue in office.

This report was approved by the Board on 29 November 2018 and signed on its behalf.

**Michael Langoulant**

*Director*

*Imperial Minerals Plc*

The Directors are responsible for preparing the annual report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Parent Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that year.

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 they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

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

#### **Website publication**

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

## Opinion

We have audited the Financial Statements of Imperial Minerals plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the Financial Statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2018 and of the Group's and Parent Company's loss for the year then ended;
- the group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Material uncertainty related to going concern

We draw your attention to Significant Accounting Policies 'Going Concern' in the Financial Statements, which details events and conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. As stated in that note, these events and conditions, along with other matters disclosed in the Annual Report, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

## Our application of materiality

The scope of our audit was influenced by our application of materiality, which determine the scope of our audit and the nature, timing and extent of our procedures. The materiality applied to the Group and Parent Company Financial Statements was £20,000 (2017: £20,000), based on the benchmark of the loss before taxation. The performance materiality for the Group and Parent Company Financial Statements was £16,000 (2017: £16,000).

### **Scope of our audit**

A full scope audit was performed on the Parent Company and its subsidiary undertaking.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the Financial Statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

### **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.

We have determined that there are no key audit matters to communicate in our report.

### **Other information**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the group and the parent company and its 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; and
- we have not received all the information and explanations we require for our audit report.

### **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 and 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 Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://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

1 Westferry Circus  
Canary Wharf  
London E14 4HD

29 November 2018

IMPERIAL MINERALS PLC  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2018

		For the year ended 30 June 2018 £	For the year ended 30 June 2017 £
	<b>Note</b>		
<b>Continuing operations</b>			
Revenue		-	-
Impairment of receivable and loss on disposal of available for sale investment		-	(361,777)
Administrative expenses		(100,183)	(36,479)
<b>Loss before taxation</b>		<b>(100,183)</b>	<b>(398,256)</b>
Finance income – interest receivable		7	5
Income tax	4	-	-
<b>Loss for the year attributable to the equity shareholders of the parent</b>		<b>(100,176)</b>	<b>(398,251)</b>
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Reclassification of cumulative loss on available for sale assets on disposal		-	329,908
Other comprehensive income for the year, net of tax		-	329,908
<b>Total comprehensive income for the year attributable to the equity shareholders of the parent</b>		<b>(100,176)</b>	<b>(68,343)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share attributable to the equity shareholders of the parent (pence)	5	(0.32p)	(1.33p)

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC  
STATEMENT OF FINANCIAL POSITION  
As at 30 June 2018

<i>Company number: 6275976</i>		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>As at 30 June 2018 £</b>	<b>As at 30 June 2017 £</b>	<b>As at 30 June 2017 £</b>	<b>As at 30 June 2017 £</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	7	-	-	10	10
<b>Total non-current assets</b>		<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>
<b>Current assets</b>					
Trade and other receivables	8	6,135	1,352	5,535	752
Cash and cash equivalents		20,206	72,673	19,327	69,139
<b>Total current assets</b>		<b>26,341</b>	<b>74,025</b>	<b>24,862</b>	<b>69,891</b>
<b>TOTAL ASSETS</b>		<b>26,341</b>	<b>74,025</b>	<b>24,872</b>	<b>69,901</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	9	7,860	4,358	7,860	4,358
<b>Total current liabilities</b>		<b>7,860</b>	<b>4,358</b>	<b>7,860</b>	<b>4,358</b>
<b>TOTAL LIABILITIES</b>		<b>7,860</b>	<b>4,358</b>	<b>7,860</b>	<b>4,358</b>
<b>NET ASSETS</b>		<b>18,481</b>	<b>69,667</b>	<b>17,012</b>	<b>65,543</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
Share capital	10	202,786	201,700	202,786	201,700
Share premium	10	876,297	855,658	876,297	855,658
Equity to be issued	10	27,265	-	27,265	-
Other reserve		1,600	1,600	1,600	1,600
Retained losses		(1,089,467)	(989,291)	(1,090,936)	(993,415)
<b>TOTAL EQUITY</b>		<b>18,481</b>	<b>69,667</b>	<b>17,012</b>	<b>65,543</b>

The loss for the Company for the year was £97,521 (30 June 2017: loss of £400,605). The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company Statement of Comprehensive Income.

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 November 2018 and were signed on its behalf by:

Michael Langoulant  
Director

The Notes on pages 20 to 29 form an integral part of these Financial Statements.



IMPERIAL MINERALS PLC  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2018

Group	Share capital £	Share premium £	Equity to be issued £	Shares to be issued under options £	Retained losses £	Available for sale reserve £	Total Equity £
<b>At 1 July 2016</b>	<b>199,950</b>	<b>822,408</b>	-	<b>24,241</b>	<b>(615,281)</b>	<b>(329,908)</b>	<b>101,410</b>
Loss for the year	-	-	-	-	(398,251)	-	(398,251)
Other comprehensive income for the year	-	-	-	-	-	329,908	329,908
Total comprehensive income for the year	-	-	-	-	(398,251)	329,908	(68,343)
Issue of ordinary shares	1,750	33,250	-	-	-	-	35,000
Issue of share options	-	-	-	1,600	-	-	1,600
Transfer on expiry of share options	-	-	-	(24,241)	24,241	-	-
<b>Balance at 30 June 2017</b>	<b>201,700</b>	<b>855,658</b>	-	<b>1,600</b>	<b>(989,291)</b>	-	<b>69,667</b>
<b>At 1 July 2017</b>	<b>201,700</b>	<b>855,658</b>	-	<b>1,600</b>	<b>(989,291)</b>	-	<b>69,667</b>
Loss for the year	-	-	-	-	(100,176)	-	(100,176)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(100,176)	-	(100,176)
Issue of ordinary shares	1,086	20,639	-	-	-	-	21,725
Equity to be issued	-	-	27,265	-	-	-	27,265
<b>Balance at 30 June 2018</b>	<b>202,786</b>	<b>876,297</b>	<b>27,265</b>	<b>1,600</b>	<b>(1,089,467)</b>	-	<b>18,481</b>

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2018

Company	Share capital £	Share premium £	Equity to be issued £	Shares to be issued under options £	Retained losses £	Available for sale reserve £	Total Equity £
<b>At 1 July 2016</b>	<b>199,950</b>	<b>822,408</b>	-	<b>24,241</b>	<b>(617,051)</b>	<b>(329,908)</b>	<b>99,640</b>
Loss for the year	-	-	-	-	(400,605)	-	(400,605)
Other comprehensive income for the year	-	-	-	-	-	329,908	329,908
Total comprehensive income for the year	-	-	-	-	(400,605)	329,908	(70,697)
Issue of ordinary shares	1,750	33,250	-	-	-	-	35,000
Issue of share options	-	-	-	1,600	-	-	1,600
Expiry of share options	-	-	-	(24,241)	24,241	-	-
<b>Balance at 30 June 2017</b>	<b>201,700</b>	<b>855,658</b>	-	<b>1,600</b>	<b>(993,415)</b>	-	<b>65,543</b>
<b>At 1 July 2017</b>	<b>201,700</b>	<b>855,658</b>	-	<b>1,600</b>	<b>(993,415)</b>	-	<b>65,543</b>
Loss for the year	-	-	-	-	(97,521)	-	(97,521)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(97,521)	-	(97,521)
Issue of ordinary shares	1,086	20,639	-	-	-	-	21,725
Equity to be issued	-	-	27,265	-	-	-	27,265
<b>Balance at 30 June 2018</b>	<b>202,786</b>	<b>876,297</b>	<b>27,265</b>	<b>1,600</b>	<b>(1,090,936)</b>	-	<b>17,012</b>

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC  
STATEMENT OF CASH FLOWS  
For the year ended 30 June 2018

	Note	Group		Company	
		2018	2017	2018	2017
		£	£	£	£
<b>Cash flows from operating activities</b>	11	(72,474)	(34,194)	(69,819)	(36,548)
<b>Net cash used in operating activities</b>		<b>(72,474)</b>	<b>(34,194)</b>	<b>(69,819)</b>	<b>(36,548)</b>
<b>Cash flows from investing activities</b>					
Interest received		7	5	7	5
Proceeds from disposal of available for sale financial assets		-	28,999	-	28,999
<b>Net cash generated from investing activities</b>		<b>7</b>	<b>29,004</b>	<b>7</b>	<b>29,004</b>
<b>Cash Flows from financing activities</b>					
Proceeds from issue of shares*		20,000	35,000	20,000	35,000
<b>Net cash generated from financing activities</b>		<b>20,000</b>	<b>35,000</b>	<b>20,000</b>	<b>35,000</b>
Net (decrease)/ increase in cash and cash equivalents		(52,467)	29,810	(49,812)	27,456
Cash and cash equivalents at beginning of year		72,673	42,863	69,139	41,683
<b>Cash and cash equivalents at end of year</b>		<b>20,206</b>	<b>72,673</b>	<b>19,327</b>	<b>69,139</b>

\* During the year 86,250 ordinary shares were issued at £0.02 each to satisfy corporate consulting fee liabilities with a fair value of £1,725.

The Notes on pages 20 to 29 form an integral part of these Financial Statements.

## **General Information**

The Company is a public limited company incorporated and domiciled in the UK (registered number: 6275976), which is listed on the NEX Exchange. The registered office of the Company is 6<sup>th</sup> Floor, 60 Gracechurch Street, London, EC3A 0HR.

## **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 periods presented, unless otherwise stated.

## **Basis of Preparation of Financial Statements**

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets at fair value through other comprehensive income.

Imperial Minerals plc, the legal Parent, is domiciled and incorporated in the United Kingdom. The functional currency of Imperial Minerals plc and its subsidiary undertaking is £ sterling.

The Financial Statements are presented in sterling (£), rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company's accounting policies.

## **Basis of consolidation**

The Group Financial Statements consolidate the Financial Statements of Imperial Minerals plc and the Financial Statements of its subsidiary undertaking made up to 30 June 2018.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The cost of acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities acquired or assumed at the date of exchange. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

## Changes in accounting policy and disclosures

### (a) New and amended standards adopted by the Company:

There are no new standards or amendments to standards and interpretations effective for the annual periods beginning on or after 1 July 2017 which are material to the Group or Company. These accounting policies adopted in preparation of these Financial Statements are consistent with prior years.

### (b) New and amended standards issued but not yet effective and not early adopted:

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are disclosed below. The Directors are assessing the possible impact of the following standards on the Group or Company's Financial Statements:

Standard		Effective Date
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019
IFRS 2 (Amendments)	Classification and measurement of share based payments	1 January 2018
Annual Improvements	Annual Improvements to IFRS 2014-16 cycle	1 January 2018
IFRIC 23	Uncertainty over income tax treatments	1 January 2019
Annual Improvements *	Annual Improvements to IFRS 2015-17 cycle	

\*Not yet endorsed by the EU and EU effective date not yet determined

Due to the current non-revenue generating nature of the Group and Company, IFRS 15 is not expected to have a material impact on the Group or Company financial statements.

## Cash and Cash Equivalents

Cash and cash equivalents comprises cash at hand and current and deposit balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the Statement of Cash Flows.

## Financial instruments

Financial assets and financial liabilities are recognised when the Group and Company become party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow expires or when all the risks and rewards of ownership are substantially transferred. Financial liabilities are derecognised when the obligations specified in the contract are either discharged or cancelled.

## Financial assets

The Group and Company classify their financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's and Company's accounting policy for each category is as follows:

### (i) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They incorporate various types of contractual monetary assets, such as advances made to affiliated entities which give rise to other receivables and cash and cash equivalents includes cash in hand and deposits held at call with banks. Other receivables are carried at cost less any provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the

counterparty) that the Group and Company will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

### **Financial liabilities**

The Group's financial liabilities, which consist of trade and other payables are initially stated at fair value and subsequently at their amortised cost using the effective interest method.

### **Taxation**

Current tax is the tax currently payable or receivable based on the taxable loss for the year.

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and their tax bases, except when, at the initial recognition of the asset or liability, there is no effect on accounting or taxable profit or loss. Deferred tax is determined using tax rates and laws that have been substantially enacted by the Statement of Financial Position date, and that are expected to apply when the temporary difference reverses.

Tax losses available to be carried forward are recognised as deferred tax assets, to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilised.

### **Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

### **Going Concern**

The Group and Company's business activities together with the factors likely to affect their future development, performance and position are set out in the Chairman's Statement. In addition, Note 2 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis notwithstanding that the Group incurred a net loss of £100,176 during the year ended 30 June 2018. The Directors have concluded that the current circumstances represents a material uncertainty that casts significant doubt upon the Group's and Company's ability to continue as a going concern and that, therefore, the Group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group and Company will be required to raise additional funds before being able to meet their contracted operating expenditure during the going concern period and further invest in existing projects and acquisition targets. Since year end £50,000 has been raised by the issue of a 10% convertible note. The Directors are confident that sufficient additional funds will become available in order to meet contracted operating expenditure. The amount of funding for investment in projects and targets is unforeseen at the point of approval of these Financial Statements; however, the Group and Company will be required to raise additional funds either via an issue of equity or through the issuance of debt.

Nevertheless, after making enquiries and considering the uncertainties described above, the Directors have a reasonable expectation that the Group and Company will have access to adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

#### **NOTE 1: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

##### *Estimated impairment of loan receivable*

The Group and Company has assessed whether the loan receivable from Symerton Holdings S.A. continues to be fully impaired based upon all available information, which includes assumptions and judgments regarding circumstances in the future, which could have an impact upon recoverability (see Note 8).

**NOTE 2: FINANCIAL RISK MANAGEMENT**

*Capital Management*

The Group's objectives when managing capital are to safeguard the Group and 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.

*Treasury policy and financial instruments*

During the years under review, the only financial instruments were cash and cash equivalents and other receivables which were or will be required for the normal operations of the Group.

The Group operates informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Company has raised funds to finance future activities through the placing of shares, together with share options and warrants. There are no differences between the book value and fair value of the above financial assets. The risks arising from the Group's financial instruments are liquidity and interest rate risk. The Directors review and agree policies for managing these risks and they are summarised below:

*Liquidity and interest rate risk*

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is achieved by the close control by the Directors of the Company in the day to day management of liquid resources. Cash is invested in deposit accounts which provide a modest return on the Group's resources whilst ensuring there is limited risk of loss to the Group.

*Credit Risk*

Credit risk arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The long term Moody's credit rating of HSBC Bank Plc is Aa3.

**NOTE 3: EXPENSES BY NATURE**

	Group	
	For the year ended 30 June 2018 £	For the year ended 30 June 2017 £
<b>Loss on ordinary activities before tax is stated after charging:</b>		
Fees payable to the Company's Auditor for the audit of the Group and Company's annual financial statements	5,000	3,200



**NOTE 4: TAXATION ON LOSS FROM ORDINARY ACTIVITIES**

	Group	
	For the year ended 30 June 2018 £	For the year ended 30 June 2017 £
Loss before tax	(100,176)	(398,251)
Tax on loss for the year multiplied by the UK corporation tax rate of 19% (2017: 20%)	(19,033)	(79,650)
Tax losses carried forward on which no deferred tax asset has been recognised	19,033	79,650
<b>Tax charge for the year</b>	<b>-</b>	<b>-</b>

The Group has carried forward excess management expenses and trade losses of approximately £492,000 (2017: £392,000) available to carry forward against future taxable profits. A deferred tax asset of approximately £84,000 (2017: £78,000) has not been recognised because of uncertainty over the timing of future taxable profits against which the losses may be offset.

**NOTE 5: EARNINGS PER SHARE**

The calculation of the basic loss per share of 0.32 pence is based on the loss attributable to ordinary shareholders of £100,176 and on the weighted average number of ordinary shares of 31,042,603 in issue during the year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of share options or warrants would be to decrease the loss per share.

Details of share options and warrants that could potentially dilute earnings per share in future periods are set out in Note 10.

**NOTE 6: DIRECTORS AND EMPLOYEES**

The total number of Directors who served in the year was two (2017: two). There are no other employees of the Group.

The following amounts were paid during the year to Directors:

	Group	
	2018 £	2017 £
Directors Fees and Salaries	39,600	-
	<b>39,600</b>	<b>-</b>

**NOTE 7: INVESTMENT IN SUBSIDIARIES**

	Company	
	2018 £	2017 £
<b>Cost at the start and end of the year</b>	<b>10</b>	<b>10</b>

Investments in group undertakings are stated at cost which is the fair value of the consideration paid.

**Details of subsidiary undertaking**

Details of the subsidiary undertaking at 30 June 2018 are as follows:

Name	Registered Office	Proportion of ownership interest and voting rights
Imperial Minerals (UK) Limited – the nature of business is to make investments in the Group’s chosen business sector.	6 <sup>th</sup> Floor, 60 Gracechurch Street, London, EC3V 0HR	100%

**NOTE 8: TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
<b>Non-current</b>				
Amounts due from subsidiary undertaking	-	-	97,818	88,418
Provision for impairment	-	-	(97,818)	(88,418)
	-	-	-	-
<b>Current</b>				
Loan receivable	119,468	119,468	119,468	119,468
Provision for impairment to loan	(119,468)	(119,468)	(119,468)	(119,468)
VAT receivable	4,410	1,352	3,810	752
Prepayments	1,725	-	1,725	-
	<b>6,135</b>	<b>1,352</b>	<b>5,535</b>	<b>752</b>

The fair value of all current receivables is as stated above.

On 20 December 2014 the Company entered into a loan agreement with Symerton Holdings S.A (“Symerton”) in which the Company lent Symerton US\$150,000 (equivalent to £95,417). The loan is unsecured and bears an interest rate of 12% per annum. The Directors have fully impaired the loan and accrued interest at 30 June 2018 based on expected non-recovery at that date.

The maximum exposure to credit risk at the year end date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Except for the above mentioned loan, trade and other receivables are all denominated in £ sterling.

**NOTE 9: TRADE AND OTHER PAYABLES**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<b>Current</b>				
Trade payables	2,860	1,158	2,860	1,158
Accruals and other payables	5,000	3,200	5,000	3,200
	<b>7,860</b>	<b>4,358</b>	<b>7,860</b>	<b>4,358</b>

**NOTE 10: SHARE CAPITAL**

	As at 30 June 2018		As at 30 June 2017	
	Number	£	Number	£
<b>Allotted and called up:</b>				
Ordinary Shares of £0.001 each	31,831,250	31,831	30,745,000	30,745
Deferred Shares of £0.009 each	18,995,000	170,955	18,995,000	170,955
		<b>202,786</b>		<b>201,700</b>

The holders of the deferred shares have no right to attend or vote at any general meeting and the shares carry no right to receive any dividend or distribution on winding up.

**Share capital and share premium**

Issued	Number of shares	Group and Company		
		Ordinary shares £	Share premium £	Total £
<b>At 30 June 2017</b>	30,745,000	201,700	855,658	1,057,358
<b>At 30 June 2018</b>	31,831,250	202,786	876,297	1,079,083

1,000,000 ordinary shares of £0.001 each were issued fully paid during the year at £0.02 per share for cash consideration of £20,000. In addition, 86,250 ordinary shares were issued fully paid at £0.02 per share to satisfy payment of outstanding corporate consulting fees of £1,725.

**Equity to be issued**

As at 30 June 2018 various creditors to the Company, to the value of £27,265 (2017:Nil), have agreed to have their obligations satisfied by a future issue of share equity. These shares were not issued as at 30 June 2018. The number of shares to be issued will be determined by reference to the fair value of the share at the time of issue.

**Options and warrants on issue**

The outstanding share options and warrants as at 30 June 2018 are shown below:

	Number	Weighted average exercise price (£)
Exercisable as at 30 June 2016	3,000,000	0.113
Less options expired 15 November 2016	(3,000,000)	0.113
Add warrants issued 9 December 2016	875,000	0.04
Add options issued 13 January 2017	5,000,000	0.04
<b>Exercisable at 30 June 2017</b>	<b>5,875,000</b>	<b>0.04</b>
<b>Exercisable at 30 June 2018</b>	<b>5,875,000</b>	<b>0.04</b>

30 June 2018					
Range of exercise prices (£)	Weighted average exercise price (£)	Number of options/warrants	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	
0.04p	0.04p	5,000,000	3.54	3.54	
0.04p	0.04p	875,000	1.5	1.5	

30 June 2017					
Range of exercise prices (£)	Weighted average exercise price (£)	Number of options/warrants	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	
0.04p	0.04p	5,000,000	4.54	4.54	
0.04p	0.04p	875,000	2.5	2.5	

**NOTE 11: NOTES TO THE CASH FLOW STATEMENT**

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
<b>Reconciliation of loss from operations to cash flows from operating activities</b>				
<b>Loss from operations</b>	<b>(100,176)</b>	<b>(398,251)</b>	<b>(97,521)</b>	<b>(400,605)</b>
Interest receivable	(7)	(5)	(7)	(5)
Loss from disposal of available for sale financial assets	-	361,777	-	361,777
Share based payments	28,990	-	28,990	-
Share options expense	-	1,600	-	1,600
Decrease/ (increase) in trade and other receivables	(4,783)	6,251	(4,783)	6,251
(Decrease)/ increase in trade and other payables	3,502	(5,566)	3,502	(5,566)
<b>Cash flow from operating activities</b>	<b>(72,474)</b>	<b>(34,194)</b>	<b>(69,819)</b>	<b>(36,548)</b>

**NOTE 12: POST YEAR END EVENTS**

In October 2018, the Company issued a 3 year 10% pa yielding convertible note to the value of £50,000 to raise £50,000 in general working capital. The Company has also announced that it intends to issue up to £300,000 in 10%pa convertible notes for the purposes of raising general working capital.

**NOTE 13: RELATED PARTIES**

During the year the Company charged its subsidiary undertaking £12,000 (2017: £12,000) for the provision of advisory services. The amount receivable from the subsidiary undertaking as at 30 June 2018 of £97,818 has been fully impaired (2017: receivable of £88,418 fully impaired).

Details of the directors' remuneration can be found in Note 6. Key Management Personnel are considered to be the directors.

**NOTE 14: ULTIMATE CONTROLLING PARTY**

The Directors believe there to be no ultimate controlling party.