



Incorporated in England and Wales with  
Registered Number 6275976

## Annual Report

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For the year ended  
30 June 2016

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IMPERIAL MINERALS PLC  
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**Directors**

James Hamilton  
Russell Hardwick

**Company Secretary**

Russell Hardwick

**Auditor**

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

**Corporate Adviser**

Peterhouse Corporate Finance Ltd  
31 Lombard Street  
London EC3V 9BQ

**Solicitors & Corporate Secretary**

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

**Registered Office**

c/o Edwin Coe LLP  
2 Stone Buildings  
Lincoln's Inn  
London WC2A 3TH

**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") for the year ended 30 June 2016.

Put bluntly, the period has been a challenging one for our Company. Continued weak market sentiment towards smaller, pre revenue natural resources projects coupled with turbulent greater macro investment issues (such as Britain's decision to leave the European Union) has made pathway and funding alternatives for ISDX Growth Market micro-cap companies most difficult.

In an attempt to break away from the crowd, Imperial spent much of its time this year looking at more "left field" resource projects and has been far more focused on understanding the likelihood of project fundability before committing precious resources to securing these opportunities.

The bulk of Imperial's energies were expended on pursuing a Welsh hydro-electric energy project and resulted in a conditional offer to buy the project. Alas, despite a number of site visits, exhaustive vendor negotiations, positive pre-financing discussions and preliminary legal due diligence, Imperial ultimately could not get comfortable with the veracity of the project's long historical and complex ownership.

Yet despite this setback Imperial remains unperturbed and is cautiously optimistic about the future. Our confidence is rooted in rebounding commodity prices which, after many years of stagnation, are again "moving north". There is also an acceptance by project owners and promoters that pricing and structuring norms must change in order for deals to be palatable for the market. Consequently, deals are getting done and they are being supported if priced correctly. Imperial continues to be run leanly with listing costs negotiated to as low as possible.

Imperial also holds a small interest in AIM-listed North River Resources (NRR). NRR remains focused on re-opening its Namib lead-zinc mine in Namibia. NRR's greatest short-term value driver remains the securing of a long-awaited mining licence for the Namib project.

Imperial also has a historical agreement with Symerton Holdings S.A. ("Symerton") under which it effectively secured an option to investigate an opportunity to invest in a South American gold project. Under this agreement Imperial made a 12% unsecured convertible loan to Symerton of US\$150,000 (the "Loan") and has the option to invest further amounts in Symerton subject to certain conditions. To date, work to secure the gold opportunity has made little material advancement. Imperial has subsequently written down the value of its investment to nil as recovery remains doubtful. Symerton's Loan to Imperial is still outstanding and Imperial maintains all rights under the agreement.

### **Financial Review**

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

The loss for the year was £89,317 (2015: £208,898). Total expenditure during the year was £95,232 (2015: £215,546) which consisted mainly of an impairment of receivable and loss on disposal of

IMPERIAL MINERALS PLC  
CHAIRMAN'S STATEMENT

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available for sale investment of £42,135 and staff costs of £18,437, with the balance comprising corporate, regulatory and administration expenses.

**Financial Position**

The Group's Statement of Financial Position as at 30 June 2016 and comparatives at 30 June 2015 are summarised below:

	30 June 2016	30 June 2015
	£	£
Current assets	57,790	54,058
Non-current assets	53,533	281,533
<b>Total assets</b>	<b>111,323</b>	<b>335,591</b>
Current liabilities	9,913	5,723
<b>Total liabilities</b>	<b>9,913</b>	<b>5,723</b>
<b>Net assets</b>	<b>101,410</b>	<b>329,868</b>

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



**James Hamilton**  
*Chairman*  
*Imperial Minerals Plc*

17 November 2016

**James Hamilton,  
Chairman (aged 48) - Appointed 6<sup>th</sup> January 2016**

James is an international business developer with more than 21 years' experience in the resources sector specialising in the analysis of exploration projects, mines and management teams across a large spectrum of mineral commodities. James is a Member of the Australian Institute of Company Directors.

**Russell Hardwick,  
Director (aged 48)**

Russell is an accountant with over 20 years' experience in a variety of private and public companies including 8 years in the mining and exploration sector. Russell is a director and company secretary of minerals explorer Spitfire Resources Limited which is listed on the Australian Securities Exchange ("ASX").

He is a Certified Practising Accountant and a member of the Australian Institute of Chartered Secretaries and of the Institute of Company Directors. He has experience in capital raisings, corporate governance and compliance and has a strong background in international business and financial management.

The Directors present their Strategic Report for the year ended 30 June 2016.

The Strategic Report is a statutory requirement under section 414A of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair, balanced and understandable information that enables the Directors to be satisfied that they have complied with s172 of the Companies Act 2006, which sets out the Directors' duty to promote the success of the Company.

### **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. Previously, the Group invested £422,300 in North River Resources Plc. The fair value as at 30 June 2016 was £53,533. The Group also invested £95,417 (equivalent to US\$150,000) in a loan to Symerton Holdings SA which was impaired in full at 30 June 2016. Investment performance will be assessed again during the 2016/2017 year and reported on in the 2016/2017 Strategic Report.

### **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 able to identify or acquire a suitable project in the minerals sector suitable 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.

No borrowings have been made to finance working capital. Therefore the Group's exposure to credit risk, liquidity risk and market risk is not material at the moment.

### **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. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, 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 17 November 2016.



*Russell Hardwick*  
*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 2016.

### 1. PRINCIPAL ACTIVITY

The principal activity of Imperial Minerals plc ("the Company") and its subsidiary (together "the Group") is 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 £89,317.

The Directors do not recommend the payment of a dividend.

### 3. DIRECTORS

The following have been Directors of the Company during the financial year ended 30 June 2016:

Russell Hardwick

James Hamilton (Appointed 6 January 2016)

Frank Moxon (Resigned 6 January 2016)

#### Directors' Interests in Shares and Options

The Directors who held office at 30 June 2016 had the following beneficial interests in shares of the Company:

Ordinary Shares	Number of shares	Balance at 30 June 2016
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 2015	Grant date	Exercise price	Expiry date
Russell Hardwick	1,500,000	15 November 2011	12.5p	15 November 2016
Frank Moxon	1,500,000	15 November 2011	10p	15 November 2016
<b>Total</b>	<b>3,000,000</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.

#### **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 current Directors benefited from qualifying third party indemnity insurance in place during the year ended 30 June 2016 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 13 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.

#### **8. 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 auditor is 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 auditor is aware of that information.

#### **9. 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 17 November 2016 and signed on its behalf.



**Russell Hardwick**  
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 Company and of the profit or loss of the Group 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 Company will continue in business.

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 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.

We have audited the Financial Statements of Imperial Minerals Plc for the year ended 30 June 2016 which comprise the Group and Parent Company Statements of Financial Position, the Group Statement of Comprehensive Income, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes. 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.

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.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on Financial Statements**

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 2016 and of the Group'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.

### Emphasis of Matter

In forming our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosures made in Accounting Policies concerning the Group's and Company's ability to continue as a going concern. The Group incurred a loss of £89,317 during the year ended 30 June 2016. The Group and Company will be required to raise additional funds in order to meet their contracted operating expenditure during the going concern period, and to finance any future investment opportunities. This indicates the existence of a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Group and Company was unable to continue as a going concern.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

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

We have nothing to report in respect of the following matters where 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.



David Thompson (Senior statutory auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory auditor

1 Westferry Circus  
Canary Wharf  
London E14 4HD

17 November 2016

IMPERIAL MINERALS PLC  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2016

		For the year ended 30 June 2016 £	For the year ended 30 June 2015 £
<b>Continuing operations</b>			
Revenue		-	-
Impairment of receivable and loss on disposal of available for sale investment		(42,135)	(101,623)
Administrative expenses		(53,097)	(113,923)
<b>Loss before taxation</b>		<b>(95,232)</b>	<b>(215,546)</b>
Finance income – interest receivable		5,915	6,648
Income tax	4	-	-
<b>Loss for the year attributable to the equity shareholders of the parent</b>		<b>(89,317)</b>	<b>(208,898)</b>
<b>Other comprehensive income</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Unrealised changes in value of available for sale financial assets		(189,141)	(49,269)
Other comprehensive income for the year, net of tax		(189,141)	(49,269)
<b>Total comprehensive income for the year attributable to the equity shareholders of the parent</b>		<b>(278,458)</b>	<b>(258,167)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share attributable to the equity shareholders of the parent (pence)	5	(0.378p)	(1.100p)

The loss for the Company for the year was £79,434 (30 June 2015: £268,693).

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 Accounting Policies and Notes on pages 19 to 28 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC  
STATEMENT OF FINANCIAL POSITION  
As at 30 June 2016

<i>Company number: 6275976</i>		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>As at 30 June 2016 £</b>	<b>As at 30 June 2015 £</b>	<b>As at 30 June 2016 £</b>	<b>As at 30 June 2015 £</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	7	-	-	10	10
Financial assets – Available for sale	8	53,533	281,533	53,533	281,533
<b>Total non-current assets</b>		<b>53,533</b>	<b>281,533</b>	<b>53,543</b>	<b>281,543</b>
<b>Current assets</b>					
Trade and other receivables	9	14,927	8,221	14,327	7,621
Cash and cash equivalents		42,863	45,837	41,683	34,774
<b>Total current assets</b>		<b>57,790</b>	<b>54,058</b>	<b>56,010</b>	<b>42,395</b>
<b>TOTAL ASSETS</b>		<b>111,323</b>	<b>335,591</b>	<b>109,553</b>	<b>323,938</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	10	9,913	5,723	9,913	5,723
<b>Total current liabilities</b>		<b>9,913</b>	<b>5,723</b>	<b>9,913</b>	<b>5,723</b>
<b>TOTAL LIABILITIES</b>		<b>9,913</b>	<b>5,723</b>	<b>9,913</b>	<b>5,723</b>
<b>NET ASSETS</b>		<b>101,410</b>	<b>329,868</b>	<b>99,640</b>	<b>318,215</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
Share capital	11	199,950	189,950	199,950	189,950
Share premium	11	822,408	781,171	822,408	781,171
Other reserve		24,241	25,478	24,241	25,478
Available for sale reserve		(329,908)	(140,767)	(329,908)	(140,767)
Retained losses		(615,281)	(525,964)	(617,051)	(537,617)
<b>TOTAL EQUITY</b>		<b>101,410</b>	<b>329,868</b>	<b>99,640</b>	<b>318,215</b>

The financial statements were approved and authorised for issue by the Board of Directors on 17 November 2016 and were signed on its behalf by:



Russell Hardwick  
Director

The Accounting Policies and Notes on pages 19 to 28 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2016

Group	Share capital £	Share premium £	Shares to be issued under options £	Retained losses £	Available for sale reserve £	Total Equity £
<b>At 1 July 2014</b>	<b>189,950</b>	<b>753,171</b>	<b>53,478</b>	<b>(317,066)</b>	<b>(91,498)</b>	<b>588,035</b>
Loss for the year	-	-	-	(208,898)	-	(208,898)
Other comprehensive income for the year	-	-	-	-	(49,269)	(49,269)
Total comprehensive income for the year	-	-	-	(208,898)	(49,269)	(258,167)
Transfer on expiry of share options	-	28,000	(28,000)	-	-	-
<b>Balance at 30 June 2015</b>	<b>189,950</b>	<b>781,171</b>	<b>25,478</b>	<b>(525,964)</b>	<b>(140,767)</b>	<b>329,868</b>
<b>At 1 July 2015</b>	<b>189,950</b>	<b>781,171</b>	<b>25,478</b>	<b>(525,964)</b>	<b>(140,767)</b>	<b>329,868</b>
Loss for the year	-	-	-	(89,317)	-	(89,317)
Other comprehensive income for the year	-	-	-	-	(189,141)	(189,141)
Total comprehensive income for the year	-	-	-	(89,317)	(189,141)	(278,458)
Issue of ordinary shares	10,000	40,000	-	-	-	50,000
Transfer on expiry of share options	-	1,237	(1,237)	-	-	-
<b>Balance at 30 June 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>

The Accounting Policies and Notes on pages 19 to 28 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2016

Company	Share capital £	Share premium £	Shares to be issued under options £	Retained losses £	Available for sale reserve £	Total Equity £
<b>At 1 July 2014</b>	<b>189,950</b>	<b>753,171</b>	<b>53,478</b>	<b>(268,924)</b>	<b>(91,498)</b>	<b>636,177</b>
Loss for the year	-	-	-	(268,693)	-	(268,693)
Other comprehensive income for the year	-	-	-	-	(49,269)	(49,269)
Total comprehensive income for the year	-	-	-	(268,693)	(49,269)	(317,962)
Expiry of share options	-	28,000	(28,000)	-	-	-
<b>Balance at 30 June 2015</b>	<b>189,950</b>	<b>781,171</b>	<b>25,478</b>	<b>(537,617)</b>	<b>(140,767)</b>	<b>318,215</b>
<b>At 1 July 2015</b>	<b>189,950</b>	<b>781,171</b>	<b>25,478</b>	<b>(537,617)</b>	<b>(140,767)</b>	<b>318,215</b>
Loss for the year	-	-	-	(79,434)	-	(79,434)
Other comprehensive income for the year	-	-	-	-	(189,141)	(189,141)
Total comprehensive income for the year	-	-	-	-	(189,141)	(268,575)
Issue of ordinary shares	10,000	40,000	-	-	-	50,000
Expiry of share options	-	1,237	(1,237)	-	-	-
<b>Balance at 30 June 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>

The Accounting Policies and Notes on pages 19 to 28 form an integral part of these Financial Statements.

IMPERIAL MINERALS PLC  
STATEMENT OF CASH FLOWS  
For the year ended 30 June 2016

	Note	Group		Company	
		2016	2015	2016	2015
		£	£	£	£
<b>Cash flows from operating activities</b>	12	(54,068)	(120,407)	(44,185)	(122,762)
<b>Net cash used in operating activities</b>		<b>(54,068)</b>	<b>(120,407)</b>	<b>(44,185)</b>	<b>(122,762)</b>
<b>Cash flows from investing activities</b>					
Interest received		30	442	30	442
Proceeds from disposal of available for sale financial assets		1,064	-	1,064	-
Loans to other entities	9	-	(95,417)	-	(95,417)
<b>Cash flows used in investing activities</b>		<b>1,094</b>	<b>(94,975)</b>	<b>1,094</b>	<b>(94,975)</b>
<b>Cash Flows from financing activities</b>					
Proceeds from issue of shares		50,000	-	50,000	-
<b>Cash Flows used in financing activities</b>		<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>-</b>
Net decrease in cash and cash equivalents		(2,974)	(215,382)	6,909	(217,737)
Cash and cash equivalents at beginning of year		45,837	261,219	34,774	252,511
<b>Cash and cash equivalents at end of year</b>		<b>42,863</b>	<b>45,837</b>	<b>41,683</b>	<b>34,774</b>

The Accounting Policies and Notes on pages 19 to 28 form an integral part of these Financial Statements.

### **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 2016.

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 Group and Company:*

There are no new standards or amendments to standards and interpretations effective for the annual periods beginning on or after 1 July 2015 which are material to the Group and Company and therefore applied in preparing these Financial Statements.

*(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's and Company's Financial Statements:

<b>Standard</b>		<b>Effective Date</b>
IAS 1 (Amendments)	Presentation of Financial Statements: Disclosure Initiative	1 January 2016
IAS 16 (Amendments)	Clarification of Acceptable Methods of Depreciation	1 January 2016
IAS 27 (Amendments)	Separate Financial Statements	1 January 2016
IAS 38 (Amendments)	Clarification of Acceptable Methods of Amortisation	1 January 2016
IFRS 9	Financial Instruments	*1 January 2018
IFRS 10 (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
IFRS 11	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations	*1 January 2016
IFRS 15	Revenue from Contracts with Customers	*1 January 2018
IFRS 16	Leases	*1 January 2019
Annual Improvements	2012 - 2014 Cycle	*1 July 2016

*\*Subject to EU endorsement*

### **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) Available-for-sale**

Financial assets designated as available for sale are initially recognised at fair value, being the consideration given including, where appropriate, acquisition costs associated with the investment. The Group's and Company's investments in quoted shares are designated as 'available-for-sale' financial assets and are included in non-current assets. Such investments are subsequently carried at fair value, with any gains or losses arising from changes in fair value being recognised in equity. Financial assets are derecognised when the rights to receive cashflows from the investments have expired or have been transferred and the Group and Company have substantially transferred all risks and rewards of ownership. Fair value is based on market value at the date of the Statement of Financial Position.

The Group and Company assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of a financial asset classified as available-for-sale, a significant or prolonged decline in the fair value of the financial asset below its cost is considered an indicator that the financial asset is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured

as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the income statement on financial assets which are equity instruments are not reversed through the income statement.

**(ii) 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 based on the taxable profit 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.

**Exceptional Items**

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of expense that have been shown separately due to the significance of their nature or amount.

### **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 £89,317 during the year ended 30 June 2016. The Directors have concluded that the current circumstances represent 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 their assets and discharge their 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. 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 9).

## 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: LOSS FROM OPERATIONS**

	Group	
	For the year ended 30 June 2016 £	For the year ended 30 June 2015 £
<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	3,000	3,250

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

	Group	
	For the year ended 30 June 2016 £	For the year ended 30 June 2015 £
Loss before tax	(89,317)	(208,898)
Tax on loss for the year multiplied by the UK small companies corporation tax rate of 20% (2015: 20%)	(17,863)	(41,780)
Tax losses carried forward on which no deferred tax asset has been recognised	17,863	41,780
<b>Tax charge for the year</b>	-	-

The Group has carried forward excess management expenses and trade losses of approximately £447,000 (2015: £400,000) available to carry forward against future taxable profits. A deferred tax asset of approximately £89,000 (2015: £80,000) 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 0.378 pence is based on the loss attributable to ordinary shareholders of £89,317 and on the weighted average number of ordinary shares of 23,628,973 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 that could potentially dilute earnings per share in future periods are set out in Note 11.

**NOTE 6: DIRECTORS AND EMPLOYEES**

On 1 July 2013, the Company entered into an employment agreement with Mr Frank Moxon with an effective commencement date of 1 April 2013. This agreement ceased on 6 January 2016. During the year ended 30 June 2016 Mr Moxon's total remuneration was £18,437 (2015: £56,000).

**NOTE 7: INVESTMENT IN SUBSIDIARIES**

	Company	
	2016 £	2015 £
<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 2016 are as follows:

Name	Country of Incorporation	Proportion of ownership interest and voting rights
Imperial Minerals (UK) Limited	United Kingdom	100%

**NOTE 8: FINANCIAL ASSET - AVAILABLE FOR SALE**

	Group and Company £
<b>Balance at 1 July 2014</b>	330,802
Net loss transferred to equity	(49,269)
<b>Balance at 30 June 2015</b>	<b>281,533</b>
<b>Balance at 1 July 2015</b>	<b>281,533</b>
Disposals	(38,859)
Net loss transferred to equity	(189,141)
<b>Balance at 30 June 2016</b>	<b>53,533</b>

Available for sale financial assets comprise UK listed equity securities carried at fair value defined as follows:

Level 1: quoted prices (unadjusted) in active markets.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group and Company is the bid price.

Available for sale financial assets are denominated in £ sterling.

#### NOTE 9: TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<b>Non-current</b>				
Amounts due from subsidiary undertaking	-	-	74,018	71,840
Provision for impairment	-	-	(74,018)	(71,840)
	-	-	-	-
<b>Current</b>				
Loan receivable	101,208	95,417	101,208	95,417
Provision for impairment to loan	(101,208)	(95,417)	(101,208)	(95,417)
VAT receivable	2,717	3,345	2,117	2,745
Other receivables	7,335	-	7,335	-
Prepayments	4,875	4,876	4,875	4,876
	<b>14,927</b>	<b>8,221</b>	<b>14,327</b>	<b>7,621</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 terms of the loan stated that should the loan not be converted into a minority stake in Symerton on or before the 31 January 2015 the loan was to be repaid with accrued interest by 30 April 2015. The Directors have fully impaired the loan and accrued interest at 30 June 2016 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. Trade and other receivables are all denominated in £ sterling.

#### NOTE 10: TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<b>Current</b>				
Trade payables	6,813	1,873	6,813	1,873
Accruals and other payables	3,100	3,850	3,100	3,850
	<b>9,913</b>	<b>5,723</b>	<b>9,913</b>	<b>5,723</b>

**NOTE 11: SHARE CAPITAL**

	As at 30 June 2016		As at 30 June 2015	
	Number	£	Number	£
<b>Allotted and called up:</b>				
Ordinary Shares of £0.001 each	28,995,000	28,995	18,995,000	18,995
Deferred Shares of £0.009 each	18,995,000	170,995	18,995,000	170,995
		<u>199,990</u>		<u>189,990</u>

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.

Issued	Group and Company			
	Number of shares	Ordinary shares £	Share premium £	Total £
<b>At 30 June 2015</b>	18,995,000	189,950	781,171	971,121
<b>At 30 June 2016</b>	28,995,000	199,950	822,408	1,022,358

10,000,000 ordinary shares of £0.001 each were issued fully paid during the year at £0.005 per share for cash consideration of £50,000.

The outstanding share options as at 30 June 2016 are shown below:

	Number	Weighted average exercise price (£)
Exercisable as at 30 June 2014	13,466,850	0.103
Less options expired 14 June 2015	(10,000,000)	0.100
<b>Exercisable as at 30 June 2015</b>	<b>3,466,850</b>	<b>0.111</b>
Less options expired 10 November 2015	(466,850)	0.100
<b>Exercisable at 30 June 2016</b>	<b>3,000,000</b>	<b>0.113</b>

30 June 2016					
Range of exercise prices (£)	Weighted average exercise price (£)	Number of options	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	
0.10p - 0.125p	0.113	3,000,000	0.38	0.38	

30 June 2015					
Range of exercise prices (£)	Weighted average exercise price (£)	Number of options	Weighted average remaining life expected (years)	Weighted average remaining life contracted (years)	
0.10p - 0.125p	0.111	3,466,850	1.24	1.24	

**NOTE 12: NOTES TO THE CASH FLOW STATEMENT**

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
<b>Reconciliation of loss from operations to cash flows from operating activities</b>				
<b>Loss after taxation</b>	<b>(89,317)</b>	<b>(208,898)</b>	<b>(79,434)</b>	<b>(268,693)</b>
Interest receivable	(5,915)	(6,648)	(5,915)	(6,648)
Impairment of loan receivable	5,885	101,623	5,885	173,463
Loss from disposal of available for sale financial assets	30,459	-	30,459	-
Decrease/(Increase) in trade and other receivables	629	(6,117)	629	(20,516)
Increase/(Decrease) in trade and other payables	4,191	(367)	4,191	(368)
<b>Cash flow from operating activities</b>	<b>(54,068)</b>	<b>(120,407)</b>	<b>(44,185)</b>	<b>(122,762)</b>

**NOTE 13: POST YEAR END EVENTS**

There has not been any matter or circumstance occurring subsequent to the end of the financial year, that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

**NOTE 14: RELATED PARTIES**

During the year the Company charged its subsidiary undertaking £12,000 (2015: £12,000) for the provision of advisory services. The amount receivable from the subsidiary undertaking as at 30 June 2016 of £74,018 has been fully impaired (2015: receivable of £71,840 fully impaired).

During 2013 Mr Frank Moxon, a Director, entered into a part-time executive agreement with the Company. This agreement was concluded on 6 January 2016. The total remuneration during the year was £18,437 (2015: £56,000).

**NOTE 15: ULTIMATE CONTROLLING PARTY**

The Directors believe there to be no ultimate controlling party.