



## **Chesterfield Resources plc**

**Annual Report and  
Financial Statements**

**for the period ended  
31 December 2017**

**Registered company number 10545738**

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**DIRECTORS AND ADVISERS**

**Directors (*all non-executive*)**

Christopher Hall (Chairman)  
David Cliff  
Derek Crowhurst  
Peter Damouni

**Company Secretary**

Derek Crowhurst

**Registered Office**

71 Queen Victoria Street  
London  
EC4V 4BE

**Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

**Brokers**

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

**Solicitors**

Fladgate LLP  
16 Great Queen Street  
London  
WC2B 5DG

**Bankers**

Barclays Bank plc  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

**Registrars and Transfer Office**

Neville Registrars Limited  
Neville House  
18 Laurel Lane  
Halesowen  
B63 3DA

**Website**

[www.chesterfieldresourcesplc.com](http://www.chesterfieldresourcesplc.com)

**CHESTERFIELD RESOURCES PLC**  
**CHAIRMAN'S STATEMENT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**CHAIRMAN'S STATEMENT**

I have pleasure in presenting the financial statements of Chesterfield Resources plc (the "Company") for the period from incorporation on 4 January 2017 to 31 December 2017 and to provide you with a commentary on its first financial period of operation.

**Operating Review**

The Company's first financial period has been one of considerable achievement: from incorporation, through the seed capital funding round and the initial public offering ("IPO"), to the signing of non-binding heads of terms in relation to HKP Exploration Ltd ("HKP").

**Financial**

*Funding*

The Company has been funded entirely through the issue of share capital. During the period, the Company successfully completed three funding rounds: the initial £600 of founder share capital; the £100,000 of seed capital; and the £1,300,000 of capital (approximately £1,170,000 after expenses) raised in connection with the IPO.

*Revenue*

The Company generated no revenue during the period. The Company is focused on ultimately generating revenue from acquisitions.

*Expenditure*

The Company has incurred expenditure during the period totalling approximately £227,000, which includes all expenditure in connection with the formation and development of the Company, the IPO, the review of numerous acquisition opportunities, the remuneration of the directors of the Company (the "Directors") and initial due diligence in connection with the proposed acquisition.

*Loss for the period*

The Company recorded a loss on ordinary activities before and after taxation of £111,012 during the period.

*Liquidity, cash and cash equivalents*

At 31 December 2017, the Company had cash at bank of £1,184,424, all of which is denominated in pounds sterling.

**Dividend**

The Directors do not intend to propose a dividend in respect of the period under review.

**Christopher Hall**

Non-Executive Chairman

30 April 2018

## **STRATEGIC REPORT**

### **Understanding our business**

The Company was incorporated on 4 January 2017 for the purpose of acquiring a company, business or asset with operations in Europe in the non-ferrous exchange traded metals mining sector that it would look to develop and expand.

The Company completed a seed capital funding round on 24 April 2017 and became a public limited company on 8 May 2017. The Company published a prospectus on 22 August 2017 and the admission of its ordinary shares to the Standard Listed segment of Official List and to trading on the London Stock Exchange's Main Market for Listed Securities ("Admission") became effective on 29 August 2017.

The Standard Listing and trading in the ordinary shares of the Company on the London Stock Exchange were suspended on 2 November 2017 following the announcement by the Company of the signing of heads of terms in relation to the potential acquisition of HKP, which would constitute a reverse takeover for the purposes of the Listing Rules of the Financial Conduct Authority.

### **Key performance indicators**

The Directors do not consider there were any key performance indicators of the Company for the period. The Directors monitor the profitability of the Company and available cash and cash equivalents. The key performance indicators of the Company will be reviewed in connection with the successful completion of an acquisition by the Company.

### **Principal risks and uncertainties**

The principal risks currently faced by the Company relate to:

#### *Limited operating history*

The Company is recently formed with limited operating history and has not yet completed the acquisition of a company, business or asset. Third parties may be unwilling to enter into agreements with the Company due to its limited operating history.

#### *Suitable acquisition opportunities may not be identified or completed*

If the Directors do not identify suitable acquisition opportunities, the Company may not be able to achieve its objectives. Furthermore, although the Directors may identify a suitable acquisition opportunity, the Company may be unable to complete any such acquisition. If a potential acquisition is aborted, then the Company may still incur substantial transaction costs.

#### *Risks inherent in an acquisition*

Although the Company and the Directors will evaluate the risk inherent in any particular acquisition opportunity, they cannot offer any assurance that all of the significant risks can be identified or properly assessed.

#### *The exploration and development of mineral properties is speculative*

Exploration activities undertaken on any projects acquired by the Company may not result in the discovery of an economic mineral deposit and, even if an apparently viable mineral deposit is identified, there is no guarantee that it could be profitably exploited by the Company. Failure to discover new resources, enhance existing resources or adequately develop any projects acquired by the Company could adversely affect the Company.

**CHESTERFIELD RESOURCES PLC**  
**STRATEGIC REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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*Commodity price fluctuations*

Commodity prices can be volatile and subject to wide fluctuations. Global and regional supply and demand and expectations of future supply and demand for commodities can be affected by many factors, including global and regional economic conditions, geopolitical uncertainty, the price and availability of new technologies, governmental regulations and actions, regional political and military instability, weather conditions and natural disasters. A material decline in commodity prices relevant to any projects acquired by the Company could have a material adverse effect on the Company.

*Political, legal and commercial instability*

Mineral exploration and development operations are subject to extensive controls and regulations. The Company may acquire projects in jurisdictions with varying degrees of political, legal and commercial stability. Changes in government or law and regulation could impact the Company adversely, including by way of the expropriation or nationalisation of mineral assets, renegotiation or nullification of agreements relating to concessions, permits or leases or changes in fiscal policies.

*Reliance on key personnel*

The business strategy of the Company is dependent on the ability of the Directors to identify potential acquisition opportunities and to execute such acquisitions. Failure to implement the business strategy of the Company successfully or the failure of the strategy to deliver the anticipated benefits could adversely affect the Company.

*The Company's relationship with the Directors and conflicts of interest*

The Directors are not obliged to commit their whole time to the business of the Company and will allocate a portion of their time to other businesses, which may lead to the potential for conflicts of interest in their determination of how much time to devote to the affairs of the Company. The Directors may also be or in the future become involved in other entities engaged in business activities similar to those intended to be conducted by the Company and the Directors may be obliged to present business opportunities of which they become aware and which may be appropriate for presentation to the Company to such other entities in addition to or instead of the Company.

The Directors review the principal risks and uncertainties to which the Company is exposed periodically and monitor the Company's exposure to such risks and uncertainties regularly.

**Gender analysis**

A split of our employees and directors by gender during the period is shown below:

	<i>Male</i>	<i>Female</i>
Directors	4	Nil

**Corporate social responsibility**

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

**Corporate environmental responsibility**

The Company's policy is to minimise the risk of any adverse effect on the environment associated with its activities with a thoughtful consideration of such key areas as energy use, pollution, transport, renewable resources, health and wellbeing. The Company also aims to ensure that its suppliers and advisers meet with their legislative and regulatory requirements and that codes of best practice are met and exceeded.

On behalf of the Board, I would like to take this opportunity to thank our shareholders and advisers for their support.



Christopher Hall  
Non-Executive Chairman  
30 April 2018

## KEY PERSONNEL

The only employees in the Company are the Directors, who are all considered to be key management personnel.

### **Christopher Hall**

Christopher is an experienced mining finance and investment specialist and corporate manager with a career spanning more than 40 years and encompassing exploration and mine geology, mining share analysis, specialist fund management, M&A, general management and wide-ranging consultancy. Between 1998 and 2003, Christopher was with international mining consultants, Behre Dolbear International Limited, initially as a consultant and then from 2000 as President, managing the UK office covering Europe, the Middle East, Russia, the Former Soviet Union, India and parts of Asia. He acted as an in-house mining adviser/resources specialist for international accountant and AIM Nominated Adviser Grant Thornton LLP, UK from 2005 until 2015, advising capital markets and audit functions. Christopher is a Director of Rift Resources Limited, a private exploration company operating in East Africa and the Middle East, and, until 2016, was Non-Executive Chairman of AIM-traded companies Stratex International plc, a gold producer and explorer active in Turkey and Senegal with strategic interests in East Africa and Ghana, and Goldstone Resources plc, an exploration company operating principally in Ghana. Christopher holds a BSc degree in Geology from the University of Reading, an MSc degree in Exploration and Mining Geology from the University of Leicester and is a Chartered Engineer, Member of the Institute of Materials, Minerals and Mining.

### **David Cliff**

David is an experienced geologist who spent 26 years working in a management capacity for the Rio Tinto Exploration group until 2006, including the last five years as Exploration Manager Europe. During his time with Rio Tinto Exploration, he headed exploration teams in the wider European area, including the discovery and evaluation of the Çöpler gold mine in Turkey, now owned and operated by Alacer Gold Corporation. David commenced his career in 1968 with the Union Corporation group, spending seven years in South Africa (including work on the discovery and evaluation of the Beatrix Gold Mine complex, as well as the development of the Unisel mine and production-related geology at St Helena Gold Mine). Prior to that he spent four years in the United Kingdom, mainly involved in development and production at two Cornish tin mines. More recently, he was a Director and Chief Executive Officer of Columbus Copper Corporation (formerly Empire Mining Corp.), a Toronto Venture Exchange listed exploration company exploring copper and gold assets in western Turkey and chromite in Albania, until its merger with Energulf Resources Inc. in 2015. David holds a BSc honours degree in Geology from University College London and is a Chartered Engineer, Member of the Institute of Materials, Minerals and Mining.

### **Derek Crowhurst**

Derek has spent more than 30 years working in the City of London, having commenced his career with R. Nivison & Co. (ultimately absorbed into Smith & Williamson Investments) as a fixed-interest analyst before progressing to the eurobond sales/trading desk, where he became involved in the issuance of eurodollar convertible bonds. He became increasingly focused on providing corporate financial advice, culminating in him joining Keith, Bayley Rogers & Co. in 1993, where he worked on numerous IPOs (on both the Official List and AIM), secondary fund raisings and M&A transactions. After spending more than 15 years with Keith, Bayley, Rogers & Co., the last two years of which as Managing Director of the business, Derek left to join Religare Capital Markets Limited in 2009 and moved to natural resources specialists VSA Capital Limited in 2012. Since January 2014, he has been a Director - Corporate Finance with corporate financial advisory boutique, Argento Capital Markets Limited. Derek holds a BSocSc honours degree in Mathematics, Economics and Statistics from the University of Birmingham and is a Fellow of the Chartered Institute for Securities and Investment and an FCA Approved Person.



**Peter Damouni**

Peter has over 17 years of experience in investment banking and capital markets, with expertise in mining and oil and gas. During his career, Peter has worked on and led equity and debt financings valued at more than \$5 billion. He has comprehensive experience in equity financing, restructuring, corporate valuations and advisory assignments. Peter is a Non-Executive Director of Georgian Mining Corporation, an AIM traded copper and gold development and exploration company and of Kerr Mines, Inc., a Toronto Stock Exchange listed North American gold development and exploration company based in Toronto, Canada. He holds a double major BA honours degree in Economics, Finance and Political Science from McGill University, Montreal, Canada.

## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for the period ended 31 December 2017. The Company was incorporated on 4 January 2017.

### **Principal Activity**

The principal activity of the Company during the period was that of identifying potential acquisition opportunities of companies, businesses or assets with operations in the natural resources sector.

### **Results**

The Company recorded a loss for the period before taxation of £111,012 and further details are given in the Chairman's Statement.

### **Dividends**

No dividend has been paid during the period nor do the Directors recommend the payment of a final dividend.

### **Directors**

The Directors who have served at any time during the period were:

Christopher Raymond John Hall (appointed 5 May 2017)  
David Charles Cliff (appointed 4 January 2017)  
Derek Crowhurst (appointed 4 January 2017)  
Peter Damouni (appointed 4 January 2017)

Details of the Directors' holdings of Ordinary Shares, Deferred Shares and Warrants are set out in the Directors' Remuneration Report on pages 13 to 16.

Further details of the interests of the Directors in the Warrants of the Company are set out in note 14 to the financial statements.

### **Share Capital**

Chesterfield Resources plc is a public limited company registered in England and Wales with registered company number 10545738.

Details of the issued share capital of the Company, together with details of movements during the period, are shown in note 14 to the financial statements.

The Company has one class of ordinary share and all of the Ordinary Shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital. The Company also has one class of deferred shares and all of the Deferred Shares have no voting rights and no right to receive dividends and have only very limited rights to a repayment of capital.

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**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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### Substantial Shareholdings

At 27 April 2018, the Company was aware of the following beneficial interests in 3 per cent. or more of the issued ordinary share capital of the Company:

	<i>Number of Ordinary Shares</i>	<i>Percentage of Ordinary Shares in issue</i>
Claudio Ciavarella	2,400,000	8.39
Leo Berezan	2,080,000	7.27
Wentworth Limited	2,000,000	6.99
Glenn Olnick	1,475,000	5.16
Michael Johnson	1,375,000	4.81
Peter Damouni	1,200,000	4.20
Winterflood Securities Limited	1,186,900	4.15
Helen Johnson	1,000,000	3.50
John Kutzschan	947,000	3.31

### Corporate Governance Statement

As a company with a Standard Listing, the Company is not required to comply with the provisions of The UK Corporate Governance Code (the "Code"). The Board is committed, however, to maintaining appropriate standards of corporate governance. The statement below, together with the Directors' Remuneration Report on pages 13 to 16, explains how the Company has observed principles set out in the Code as relevant to the Company and contains the information required by section 7 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The Company has decided not to apply the Code provisions in full given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisition(s) and support its future plans. As such the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate government practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

#### ***Board of Directors***

The Board currently consists of four Directors, all of whom are non-executive. The Board met regularly throughout the period to discuss key issues and to monitor the overall performance of the Company. With a Board comprised of just the four non-executive Directors, all matters such as remuneration, audit and nominations are currently considered by the Board as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the appropriate time.

#### ***Audit Committee***

Currently, there is no separate Audit Committee. The Board as a whole considers all matters relating to financial reporting, internal controls and risk management procedures and the external audit. It is expected that an Audit Committee will be appointed upon completion of an acquisition by the Company.

The Board seeks to present a balanced and understandable assessment of the Company's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

The Directors consider the size of the Company and the close involvement of the Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The Directors will continue to monitor this situation.

***External auditor***

The Board will meet with the auditor at least twice each year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor, reviewing the ratio of audit to non-audit fees, and ensures that an appropriate relationship is maintained between the Company and its external auditor.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

***Remuneration committee***

There is no separate Remuneration Committee at present. Instead, all remuneration matters are considered by the Board as a whole, which meets when required to consider all aspects of Directors' and staff remuneration, share options and service contracts. It is expected that a Remuneration Committee will be appointed upon completion of an acquisition by the Company.

***Nominations committee***

No Nominations Committee has yet been established.

***Internal financial control***

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- the maintenance of proper records;
- evaluation, approval procedures and risk assessment for significant transactions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

***Shareholder Communications***

The Company uses its corporate website ([www.chesterfieldresourcesplc.com](http://www.chesterfieldresourcesplc.com)) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the annual report and financial statements.

The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

## Directors' Remuneration Report

### *Policy Report (unaudited)*

Pursuant to the Directors' letters of appointment, described below, each Director became entitled to receive director's fees of £12,000 per annum (payable monthly in arrears) from the date of Admission, together with a bonus payable to each Director upon completion of an acquisition equal to £25,000 less the aggregate amount of director's fees received by each Director at that time. The date of Admission was 29 August 2017. Save for the bonuses payable to the Directors on successful completion of an acquisition, there is currently no bonus or long-term incentive plan in operation for the Directors. This policy will be put before the members for approval at the forthcoming Annual General Meeting unless a transaction is entered into between the accounts signing date and the Annual General Meeting, in which event a revised remuneration policy may be put forward to reflect the position of the Company having regard to such transaction.

At the forthcoming first Annual General Meeting of the Company, a remuneration policy will be proposed for the approval of shareholders to attract, retain and motivate Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. It is intended that this policy will be continued for the next two financial years.

A Remuneration Committee is expected to be appointed upon completion of an acquisition by the Company to consider an appropriate level of Directors' remuneration.

Although there is no formal Director shareholding policy in place, the Board believes that share ownership by Directors strengthens the link between their personal interests and those of shareholders.

No views were expressed by shareholders during the period on the remuneration policy of the Company.

### Service contracts (unaudited)

David Cliff, Derek Crowhurst and Peter Damouni entered into letters of appointment with the Company on 16 March 2017, each with identical terms. Upon his appointment as a Director on 5 May 2017, Christopher Hall also entered into a letter of appointment with the Company on the same terms.

Under the Directors' letters of appointment, with effect from Admission on 29 August 2017, each of the Directors became entitled to receive a gross annual fee of £12,000, payable in equal monthly instalments in arrears, and to be reimbursed for his reasonable and properly documented expenses incurred in performing his duties as a Director. In addition, upon successful completion of an acquisition by the Company, each of the Directors will be entitled to receive a gross bonus of £25,000, less the gross cumulative annual fees received prior to completion of the acquisition.

The appointment of each Director under his letter of appointment is for an initial period of three years and may be terminated by either party giving three months' written notice. No compensation or other benefits are due to any of the Directors upon termination.

The Directors' letters of appointment are available for inspection at the registered office of the Company.

### Approval by members (unaudited)

The proposed remuneration policy set out above will be put before the members of the Company for approval at the forthcoming Annual General Meeting.

**CHESTERFIELD RESOURCES PLC**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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***Annual Report on Directors' Remuneration***

Particulars of Directors' Remuneration (audited)

Particulars of Directors' remuneration, including warrants held by the Directors which, under the Companies Act 2006 are required to be audited, are set out in notes 6 and 14 to the financial statements and further referenced in the Directors' Report.

Remuneration paid to the Directors during the period ended 31 December 2017 was:

<i>Director</i>	<i>Salary and fees £</i>	<i>Benefits in kind £</i>	<i>Pension contribution £</i>	<i>Total £</i>
Christopher Hall	4,000	Nil	Nil	4,000
David Cliff	4,000	Nil	Nil	4,000
Derek Crowhurst	4,000	Nil	Nil	4,000
Peter Damouni	4,000	Nil	Nil	4,000
	<b>16,000</b>	<b>Nil</b>	<b>Nil</b>	<b>16,000</b>

There were no performance measures associated with any aspect of Directors' remuneration during the period.

Payments to past Directors (audited)

There are no past Directors.

Payments for loss of office (audited)

There have been no payments for loss of office.

Bonus and incentive plans (audited)

No bonus payments have been made and, save for the bonuses that may become payable under the Directors' letters of appointment, the Company has no bonus and incentive plans.

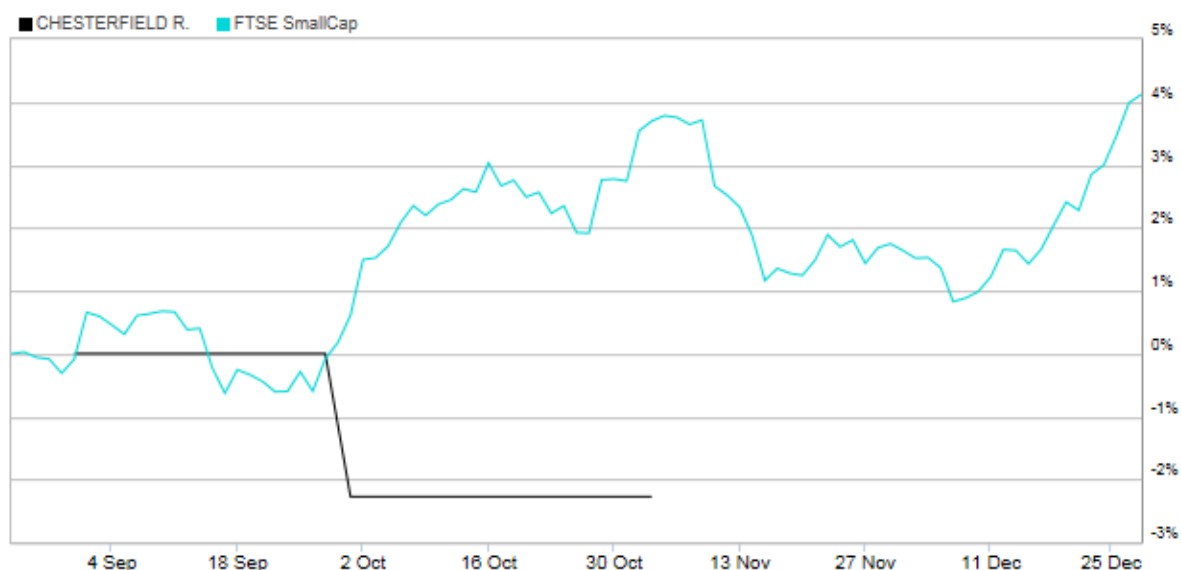
Percentage change in the remuneration of the Chief Executive (unaudited)

The Company has not had a Chief Executive and this was its first period of operation. Accordingly, no disclosure is presented.

Total Shareholder Return (unaudited)

The following graph illustrates the percentage movement in the price of the Company's ordinary shares since Admission compared to the percentage movement over the same period of the FTSE-Small Cap Index. The FTSE-Small Cap Index is made up of a basket of public companies across various industries and does not represent a comparative peer group of natural resources companies.

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It should be noted that the price of the Company’s ordinary shares in the graph is rebased to a price of £0.055, being the closing price on the day of Admission and not the price of £0.05 per ordinary share at which ordinary shares were subscribed by investors in the placing carried out in conjunction with Admission (the “Placing”). The listing of and trading in the ordinary shares was suspended on 2 November 2017 at the price of £0.05375 per ordinary share.

Directors’ interests in shares (audited)

The Company has no Director shareholding requirements.

The interests of the Directors in the ordinary share capital of the Company at 31 December 2017 were:

	<i>Number of Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Christopher Hall	100,000	0.35
David Cliff	450,000	1.57
Derek Crowhurst	250,000	0.87
Peter Damouni	1,200,000	4.20
	<u>2,000,000</u>	<u>6.99</u>

In addition, at 31 December 2017, Christopher Hall held 100,000 deferred shares, David Cliff held 150,000 deferred shares, Derek Crowhurst held 50,000 deferred shares and Peter Damouni held 200,000 deferred shares.

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The Directors were also interested in the following vested but unexercised warrants at 31 December 2017:

<i>Director</i>	<i>Warrant series</i>	<i>Exercise price</i>	<i>Exercise period</i>	<i>At 31 December 2017</i>
Christopher Hall	Series A	£0.05	29 August 2017 to 29 August 2022	200,000
David Cliff	Series A	£0.05	29 August 2017 to 29 August 2022	700,000
	Series B	£0.10	29 August 2017 to 29 August 2020	50,000
Derek Crowhurst	Series A	£0.05	29 August 2017 to 29 August 2022	500,000
Peter Damouni	Series A	£0.05	29 August 2017 to 29 August 2022	800,000
	Series B	£0.10	29 August 2017 to 29 August 2020	400,000
				2,650,000

Remuneration Committee (unaudited)

There is no separate Remuneration Committee at present. Instead, all remuneration matters are considered by the Board as a whole, which meets when required to consider all aspects of Directors' and staff remuneration, share options and service contracts.

Shareholder voting at the Annual General Meeting (unaudited)

Given that the forthcoming Annual General Meeting will be the first Annual General Meeting of the Company, it has not yet presented its Directors' Remuneration Report and the Directors' Remuneration Policy to its members at an Annual General Meeting.

***Annual Statement (unaudited)***

This is the Company's first period of operation. The major decision taken during the period was the entering into of the Directors' letters of appointment described above. There have been no other changes during the period either in the levels of remuneration or terms of service for the Directors.



**CHESTERFIELD RESOURCES PLC**  
**DIRECTORS' REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**Statement of Directors' Responsibilities in respect of the annual report and the financial statements**

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cashflows of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable International Financial Reporting Standards have been followed, 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; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company's financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website [www.chesterfieldresourcesplc.com](http://www.chesterfieldresourcesplc.com). The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge:

- the Company's financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

### **Greenhouse Gas Disclosures**

The Company has as yet minimal greenhouse gas emissions to report from the operations of the Company and does not have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2014.

### **Disclosure Guidance and Transparency Rules**

Details of the Company's share capital and warrants are given in notes 14 and 15 to the financial statements. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 11.

The provisions covering the appointment and replacement of Directors are contained in the Company's articles of association, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

### **Requirements of the Listing Rules**

As a company with a Standard Listing, Chapter 9 of the Listing Rules does not apply to the Company. Listing Rule 9.8.4 requires companies to which it applies to include certain information in a single identifiable section of the annual report or a cross reference table indicating where the information is set out. The Directors confirm that, save for details of the allotments of shares described in note 14, there are no disclosures that would be required to be made by the Company in relation to Listing Rule 9.8.4.

### **Auditor Information**

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

### **Auditor**

Saffery Champness LLP was appointed during the period and has expressed its willingness to continue in office as Auditor of the Company. Resolutions for its re-appointment and for the Directors to determine its remuneration will be proposed at the forthcoming Annual General Meeting.

### **Financial Instruments**

The Company has exposure to credit risk, liquidity risk, interest rate risk and currency risk. Note 19 to the financial statements presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

### **Events after the reporting period**

There have been no significant events subsequent to the period end.

**Directors' Indemnity Provisions**

The Company has put in place Directors and Officers Liability Indemnity insurance.

**Going concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are given in note 2.2 to the financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

**Donations**

The Company made no political donations during the period.

**ON BEHALF OF THE BOARD**



Christopher Hall  
Non-Executive Chairman

30 April 2018

**CHESTERFIELD RESOURCES PLC  
INDEPENDENT AUDITORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**INDEPENDENT AUDITORS' REPORT**

**Opinion**

We have audited the financial statements of Chesterfield Resources plc (the 'company') for the period ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Equity 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.

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the company as at 31 December 2017 and of the company's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the 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 auditors' 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.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that 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.

**CHESTERFIELD RESOURCES PLC  
INDEPENDENT AUDITORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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Non-compliance with laws and regulations - The company is subject to certain laws and regulations including compliance with EU adopted IFRS, Companies Act 2006 and the Financial Conduct Authority's (FCA) Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules (FCA Rules). We focussed audit resources on reviewing compliance with the key laws and regulations that we identified as applicable to the company. This is a key audit matter because of the stage of development of the company and because non-compliance could result in a suspension of listing on the Official List of the FCA and trading on the Main Market of the London Stock Exchange or the imposition of fines and penalties.

In response to the risk identified above:

- we identified the key laws and regulations to which the company is subject and tested compliance with those regulations;
- we tested the timing of payments and filings made by reference to deadlines in respect of statutory filings, HMRC payments and returns and London Stock Exchange notifications; and
- we tested disclosures in the financial statements by reference to the disclosure requirements of applicable IFRS, Companies Act 2006 and FCA Rules.

#### **Our application of materiality**

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

We have determined a materiality of £20,000 for the financial statements as a whole. This is based on 2% of net assets at the period end.

Performance materiality was set at 90% of planning materiality, or £18,000, on the basis that this is the company's first audited financial statements as a public interest entity.

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

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope.

The objectives of our audit, in respect of fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (IFRS and Companies Act 2006). In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the results

**CHESTERFIELD RESOURCES PLC  
INDEPENDENT AUDITORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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and disclosures in the financial statements being the FCA Rules. We identified non-compliance with laws and regulations as a Key audit matter as outlined above.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by: considering the controls the company has established to address risks identified by the entity, or that otherwise prevent, deter and detect fraud; how the Board monitor those controls, and evaluating conditions in the context of incentive/pressure to commit fraud, considering the opportunity to commit fraud and the potential rationalisation of the fraudulent act.

#### **Other information**

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

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

We have nothing to report in this regard.

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

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with 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 period 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 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibility Statement set out on pages 17 to 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matter 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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Other matters which we are required to address**

We were appointed by the board of directors on 17 January 2017, prior to listing, to audit the financial statements of the company. These financial statements are the company's first.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the board of directors.



Jamie Cassell (Senior Statutory Auditor)

for and on behalf of  
Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors  
71 Queen Victoria Street  
London  
EC4V 4BE

30 April 2018

**CHESTERFIELD RESOURCES PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

**STATEMENT OF COMPREHENSIVE INCOME**

	<i>Notes</i>	<i>Period ended 31 December 2017</i>
		<i>£</i>
<b>Revenue</b>		-
Administrative expenses		(111,012)
<b>Operating loss</b>		(111,012)
Finance income		-
<b>Loss on ordinary activities before taxation</b>	5	(111,012)
Tax on loss on ordinary activities	7	-
<b>Loss and total comprehensive loss for the period attributable to the owners of the Company</b>		(111,012)
 Loss per share (basic and diluted) attributable to the ordinary shareholders (pence)	8	(1.01)

The above results relate entirely to continuing activities.

There were no acquisitions or disposals of businesses in the period.

The accompanying notes on pages 28 to 40 form part of these financial statements.



**CHESTERFIELD RESOURCES PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

**STATEMENT OF FINANCIAL POSITION**

	<i>Notes</i>	<i>As at 31 December 2017 £</i>
<b>Current assets</b>		
Trade and other receivables	10	44,683
Cash and cash equivalents	11	1,184,424
		1,229,107
<b>Total assets</b>		1,229,107
<b>Current liabilities</b>		
Trade and other payables	12	(51,286)
<b>Total liabilities</b>		(51,286)
<b>Net assets</b>		1,177,821
 <b>Equity</b>		
Share capital	14	126,600
Share premium	14	1,157,873
Share-based payment reserve	15	4,360
Retained loss		(111,012)
<b>Total equity</b>		1,177,821

The accompanying notes on pages 28 to 40 form part of these financial statements.

These financial statements were approved by the Board of Directors on 30 April 2018 and were signed on its behalf by:



Christopher Hall  
 Non-Executive Chairman

**CHESTERFIELD RESOURCES PLC**  
**STATEMENT OF CASHFLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**STATEMENT OF CASHFLOWS**

	<i>Notes</i>	<i>Period ended 31 December 2017 £</i>
<b>Cashflow from operating activities</b>		
Loss for the period		(111,012)
Adjustments for:		
Costs settled by the issue of warrants	15	4,360
Operating cashflow before working capital movements		(106,652)
Increase in trade and other receivables		(44,683)
Increase in trade and other payables		51,286
Net cash outflow from operating activities		<u>(100,049)</u>
<b>Cashflow from financing activities</b>		
Gross proceeds of the issue of shares	14	1,400,600
Costs related to share issues	5	(116,127)
Net cash inflow from financing activities		<u>1,284,473</u>
Net increase in cash and cash equivalents		1,184,424
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>		<u><u>1,184,424</u></u>

**CHESTERFIELD RESOURCES PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

**STATEMENT OF CHANGES IN EQUITY**

	<i>Share capital Note 14 £</i>	<i>Share premium Note 14 £</i>	<i>Share- based payment reserve Note 15 £</i>	<i>Retained loss £</i>	<i>Total £</i>
On incorporation	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(111,012)	(111,012)
Shares issued during the period	126,600	1,274,000	-	-	1,400,600
Issue of warrants	-	-	4,360	-	4,360
Costs related to share issues	-	(116,127)	-	-	(116,127)
Balance at 31 December 2017	<u>126,600</u>	<u>1,157,873</u>	<u>4,360</u>	<u>(111,012)</u>	<u>1,177,821</u>

The accompanying notes on pages 28 to 40 form part of these financial statements.

**CHESTERFIELD RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**NOTES TO THE FINANCIAL STATEMENTS**

**1 GENERAL INFORMATION**

Chesterfield Resources plc was formed for the purpose of acquiring a company, business or asset with operations in the natural resources sector.

The Company was incorporated in England and Wales on 4 January 2017 and is registered in England and Wales as a public company limited by shares with company number 10545738. The Company is domiciled in the United Kingdom. The registered office of the Company is 71 Queen Victoria Street, London, EC4V 4BE.

These financial statements cover the period from incorporation of the Company on 4 January 2017 to 31 December 2017.

**2. ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with IFRS as adopted by the European Union and IRFS Interpretations Committee (“IFRIC”) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for the period presented in these financial statements.

The financial statements have been prepared in pounds sterling and presented to the nearest pound.

**2.2 Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company had a net cash outflow from operating activities for the period of £100,049 and at 31 December 2017 had cash and cash equivalents of £1,184,424.

The Directors consider that the continued adoption of the going concern basis is appropriate and the financial statements do not reflect any adjustments that would be required if they were to be prepared on any other basis.

**2.3 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company’s activity. Revenue is shown net of value added tax, returns, rebates and discounts. The Company recognises revenue when the amount of the revenue can be reliably measured and when it is probable that economic benefits will flow to the entity. The Company has not recognised any revenue during the period.

**2.4 Foreign currency translation**

The financial information is presented in pounds sterling, which is the Company’s functional and presentational currency.

**CHESTERFIELD RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each reporting date, monetary assets and liabilities are retranslated at the rates prevailing at the reporting date with differences recognised in the Statement of Comprehensive Income in the period in which they arise.

## **2.5 Financial instruments**

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale-assets and held-to-maturity investments. Financial assets are assigned to the different categories by the Directors on initial recognition, depending on the purpose for which the instruments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available. At the period end, the Company only held financial assets in the category of loans and receivables.

Derecognition of financial instruments occurs when the rights to receive cashflows from investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each reporting date, whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

### *Trade receivables*

Trade receivables are measured at initial recognition at fair value plus, if appropriate, directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows discounted at an effective rate computed at initial recognition.

### *Loans receivable*

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money directly to a debtor with no intention of trading the receivables. Loans receivable are measured at initial recognition at fair value plus, if appropriate, directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### *Financial liabilities and equity*

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including obligations which may be settled by the Company using its equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

*Financial liabilities*

At initial recognition, financial liabilities are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

*Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received net of any direct issue costs.

## **2.6 Property, plant and equipment**

The Company holds no property or other plant and equipment.

When the Company acquires any plant and equipment it will be stated in the financial statements at its cost of acquisition less a provision for depreciation.

Depreciation will be charged to write off the costs less estimated residual value of plant and equipment on a straight-line basis over their estimated useful lives. Estimated useful lives and residual values will be reviewed at every reporting date and amended if necessary.

## **2.7 Operating leases**

Leases where substantially all the risks and rewards of ownership remain with the lessors are classified as operating leases and are accounted for on a straight-line basis over the term of the lease and charged to the income statement. The Company has not yet entered into any operating leases.

## **2.8 Equity**

Share capital is determined using the nominal value of shares that have been issued.

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

## **2.9 Share-based payments**

The Company has issued warrants to investors and certain advisers.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using the Black Scholes pricing model. The key assumptions used in the model have been adjusted, based on the Directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

## **2.10 Taxation**

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **2.11 Critical accounting judgements and key sources of estimation uncertainty**

In the process of applying the Company's accounting policies, the Directors make estimates and assumptions that have an effect on the amounts recognised in the financial statements. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may ultimately differ from those estimates. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are those relating to:

- the ability of the Company to operate as a 'going concern';
- loans receivable; and
- the estimation of the fair value of the shares and warrants issued during the period.

**CHESTERFIELD RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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*Going concern*

As explained in note 2.2 above, the financial statements have been drawn up on the going concern basis, which assumes that the Company has sufficient funds to continue to operate for the foreseeable future as it continues to assess acquisition opportunities. Upon the completion of an acquisition, the Company may need to source additional funds to complete and support the acquisition's development.

The Directors have reviewed the forecasts for the forthcoming 12 months and consider that the Company's existing working capital and sources of finance are adequate for its purposes. If the financial information was to be drawn up on the basis that this assumption was not valid then there could be material changes to the carrying values of both assets and liabilities.

*Loans receivable*

The Company made loans of £35,000 during the period, which remained outstanding at the reporting date. The Company re-assesses the recoverability of loans receivable periodically.

*Estimation of fair value of warrants issued in the period*

The fair value of warrants issued during the period has been estimated using a Black-Scholes model which requires a number of assumptions and inputs, further details of which are set out in note 15 below.

**2.12 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group**

*Standards issued but not yet effective:*

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

<i>Standard</i>	<i>Effective date, annual period beginning on or after</i>
Annual Improvements 2014-2016 cycle	1 January 2018
IFRS 9 <i>Financial Instruments</i>	1 January 2018
IFRS 15 <i>Revenue from contracts with Customers</i> , including amendments to IFRS 15 <i>Effective date of IFRS 15</i>	1 January 2018
Clarification to IFRS 15 <i>Revenue from contracts with Customers</i>	1 January 2018
IFRS 16 <i>Leases</i>	1 January 2019
IFRS 2 (amendments) <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
IFRIC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019

The Directors are evaluating the impact that these standards will have on the financial statements of the Company.

**2.13 Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.



**CHESTERFIELD RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

All operations and information are reviewed together so that at present there is only one reportable operating segment.

**3. REVENUE**

There was no revenue generated in the period.

**4. SEGMENT REPORTING**

In the opinion of the Directors, during the period ended 31 December 2017 the Company operated in the single business segment of other business support services.

**5. OPERATING LOSS**

This is stated after charging:

	<i>2017</i> £
Share-based payments charge	4,360
Costs associated with listing	14,492
Auditor's remuneration:	
audit of the Company	11,000
non-audit services:	
audit related assurance services	500
interim statement review services	1,150
taxation compliance / other taxation services	250
corporate finance services	6,250
Directors' remuneration	16,000
Stock exchange and regulatory expenses (not included within costs associated with listing)	11,087
Legal, professional and other expenses associated with investigation of potential acquisitions	38,935
	<u>38,935</u>

In addition to the costs associated with listing, a further £116,127 of costs directly attributable to the issuance of shares was deducted from share premium during the period.

**6. DIRECTORS AND STAFF COSTS**

During the period the only staff of the Company were the Directors and as such key management personnel. Directors' remuneration, other benefits supplied to the Directors and social security costs during the period were as follows:

	<i>2017</i> £
Directors' fees	16,000
Pension contributions	-
Social security costs	-
	<u>16,000</u>

The average number of staff during the period, including Directors, was 4.

**CHESTERFIELD RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

All Directors received equal remuneration during the period and, accordingly, there was no single highest paid Director. The remuneration of each Director was as follows:

	2017 £
Directors' fees	4,000
Pension contributions	-
Social security costs	-
	4,000

**7. TAXATION**

	2017 £
The charge / credit for the period is made up as follows:	
Corporation tax on the results for the period	-
Taxation charge / credit for the period	-

A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the period is:

Loss per accounts	(111,012)
Tax credit at the standard rate of corporation tax in the United Kingdom (19.25%)	(21,370)
Impact of costs disallowed for tax purposes	11,861
Impact of unrelieved tax losses carried forward	9,509
	-

Estimated tax losses of £49,400 are available for relief against future profits and a deferred tax asset of £8,398 has not been provided for in the financial statements based on the estimated tax losses.

*Factors affecting the future tax charge*

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's effective tax rate for the period was 19.25%.

A further change in the corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016, therefore the potential deferred tax asset has been assessed on this basis.

**8. LOSS PER SHARE**

The calculation of the loss per ordinary share is based on the loss for the period after taxation of £111,012 and on the weighted average number of 10,970,166 ordinary shares in issue during the period.

The warrants outstanding at 31 December 2017 are considered to be non-dilutive in that their conversion into ordinary shares would not increase the net loss per share. Consequently, there is no diluted loss per share to report for the period.

**9. PROPERTY, PLANT AND EQUIPMENT**

The Company held no property, plant and equipment during the period and at the period end.

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**10. TRADE AND OTHER RECEIVABLES**

	2017 £
Prepayments and other receivables	9,683
Loans receivable	35,000
	44,683

The Company entered into a short term loan agreement with an external party relating to a potential transaction in December 2017. The loan is unsecured, interest free and repayable within one year.

The Directors consider that the carrying value amount of trade and other receivables approximates to their fair value.

**11. CASH AND CASH EQUIVALENTS**

	2017 £
Cash at bank	1,184,424

Cash at bank comprises balances held by the Company in current bank accounts. The carrying value of these approximates to their fair value.

**12. TRADE AND OTHER PAYABLES**

	2017 £
Trade payables	31,365
Accruals and other payables	19,921
	51,286

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Fair values have been calculated by discounting cashflows at prevailing interest rates. Further details are set out in note 19.

**13. DEFERRED TAXATION**

No deferred tax asset has been recognised by the Company due to the uncertainty of generating sufficient future profits and tax liability against which to offset the tax losses. Note 7 above sets out the estimated tax losses carried forward and the impact of the deferred tax asset not accounted for.

**14. SHARE CAPITAL / SHARE PREMIUM**

	<i>Number of shares</i>	<i>Share capital £</i>	<i>Share premium £</i>	<i>Total £</i>
Ordinary shares of £0.001 each, fully paid	28,600,000	28,600	1,157,873	1,186,473
Deferred shares of £0.049 each, fully paid	2,000,000	98,000	-	98,000
Balance at 31 December 2017		126,600	1,157,873	1,284,473

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The Company has one class of ordinary share which carries no right to fixed income. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

The deferred shares carry no voting rights or rights to participate in the profits of the Company and have very limited rights to a return of capital on a winding-up of the Company.

£116,127 of costs directly attributable to the issuance of shares was deducted from share premium during the period.

*Movements on share capital*

	Ordinary shares of £0.001 each		'A' ordinary shares of £0.05 each		Deferred shares of £0.049 each	
	Number	£	Number	£	Number	£
On incorporation	600,000	600	-	-	-	-
Allotted during the period	26,000,000	26,000	2,000,000	100,000	-	-
Sub-division and redesignation of 'A' ordinary shares	2,000,000	2,000	(2,000,000)	(100,000)	2,000,000	98,000
Balance at 31 December 2017	<u>28,600,000</u>	<u>28,600</u>	-	-	<u>2,000,000</u>	<u>98,000</u>

600,000 ordinary shares of £0.001 each were issued, at par, to David Cliff, Derek Crowhurst and Peter Damouni (the "Founders") on incorporation of the Company on 4 January 2017.

On 24 April 2017, 2,000,000 'A' ordinary shares of £0.05 each were issued, at par, to certain investors, including the Directors (the "Seed Investors").

On 28 April 2017, a capital reorganisation was approved under which each of the 'A' ordinary shares of £0.05 each in issue was sub-divided and redesignated into one ordinary share of £0.001 each and one deferred share of £0.049 each.

On 29 August 2017, 26,000,000 ordinary shares of £0.001 each were issued, at £0.05 per share, to subscribers in the Placing, including the Directors.

*Warrants*

At 31 December 2017, there were warrants outstanding over 18,694,300 unissued ordinary shares.

Details of the warrants outstanding are as follows:

Warrant series	Exercisable from	Expiry date	Exercise price	Number outstanding
Series A warrants	29 August 2017	29 August 2022	£0.05	5,200,000
Series B warrants	29 August 2017	29 August 2020	£0.10	13,000,000
Broker warrants	29 August 2017	29 August 2019	£0.05	494,300
				<u>18,694,300</u>

1,200,000 series A warrants were issued to the Founders on 16 March 2017 and a further 4,000,000 series A warrants were issued to the Seed Investors on 24 April 2017. The series A warrants became exercisable with effect from the date of Admission, being 29 August 2017, until the fifth anniversary of Admission, being 29 August 2022.

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The 13,000,000 series B warrants were issued to subscribers in the Placing on 29 August 2017. The series B warrants became exercisable upon issue on 29 August 2017 until the third anniversary of Admission, being 29 August 2020.

The 494,300 broker warrants were issued to Shard Capital Partners LLP or its nominees in connection with its role in the Placing. The broker warrants became exercisable upon issue on 29 August 2017 until the second anniversary of Admission, being 29 August 2019.

The Directors were interested in the following warrants at the beginning and at the end of the period:

<i>Director</i>	<i>Warrant series</i>	<i>Exercise price</i>	<i>Exercise period</i>	<i>At 4 January 2017</i>	<i>Issued during the period</i>	<i>At 31 December 2017</i>
Christopher Hall	Series A	£0.05	29 August 2017 to 29 August 2022	-	200,000	200,000
David Cliff	Series A	£0.05	29 August 2017 to 29 August 2022	-	700,000	700,000
	Series B	£0.10	29 August 2017 to 29 August 2020	-	50,000	50,000
Derek Crowhurst	Series A	£0.05	29 August 2017 to 29 August 2022	-	500,000	500,000
Peter Damouni	Series A	£0.05	29 August 2017 to 29 August 2022	-	800,000	800,000
	Series B	£0.10	29 August 2017 to 29 August 2020	-	400,000	400,000
				-	2,650,000	2,650,000

The market price of the Ordinary Shares at 31 December 2017, being the price at which trading was suspended on 2 November 2017, was £0.05375 per share.

**15. SHARE-BASED PAYMENT RESERVE**

	<i>2017</i>
	<i>£</i>
At incorporation	-
Fair value of warrants granted during the period	4,360
At 31 December	4,360

The Company issued warrants to investors and advisers during the period. Details of warrants issued during the period are as follows:

	<i>Number</i>	<i>Share-based payment charge</i>	<i>Weighted average exercise price</i>
		<i>£</i>	
On incorporation	-	-	-
Series A warrants issued during the period	5,200,000	-	£0.05
Series B warrants issued during the period	13,000,000	-	£0.10
Broker warrants issued during the period	494,300	4,360	£0.05
At 31 December 2017	18,694,300	4,360	£0.0848

**CHESTERFIELD RESOURCES PLC**  
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The warrants outstanding at the reporting date had a weighted average remaining contractual life of 3.2 years. The exercise prices range from £0.05 to £0.10 per share.

The series A warrants and the series B warrants were issued to investors in connection with the subscription of shares and, accordingly, are not deemed to be equity settled share-based payments.

The fair value of the broker warrants issued during the period was estimated using the Black Scholes option pricing model. The key variables used in the model were as follows:

Share price at date of issue	£0.05
Exercise price	£0.05
Expected volatility	30%
Expected dividend yield	0%
Risk-free interest rate	1%

Expected volatility was determined by reference to a basket of similar companies over the period.

The broker warrants were issued on Admission and, accordingly, the price at which shares were subscribed in the Placing was used as the share price at date of issue.

The Company recognised total charges of £4,360 related to equity settled share-based payments during the period.

#### **16. CAPITAL COMMITMENTS**

The Company had no capital commitments at 31 December 2017.

#### **17. CONTINGENT LIABILITIES**

The Company had no contingent liabilities at 31 December 2017.

#### **18. COMMITMENTS UNDER OPERATING LEASES**

The Company had no commitments under operating leases at 31 December 2017.

#### **19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments comprise primarily cash and various items such as trade receivables, loans receivable and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

##### *Financial assets by category*

The categories of financial assets (as defined by International Accounting Standard 39: Financial Instruments: Recognition and Measurement) included in the statement of financial position and the heading under which they are included are as follows:

	2017
	£
Current Assets:	
Cash and cash equivalents	1,184,424
Trade and other receivables	9,683
Loans receivable	35,000
	<hr/>
	1,229,107
	<hr/> <hr/>

**CHESTERFIELD RESOURCES PLC**  
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All amounts are short-term and none are past due at 31 December 2017.

*Financial liabilities by category*

The categories of financial liabilities (as defined by International Accounting Standard 39: Financial Instruments: Recognition and Measurement) included in the statement of financial position and the heading under which they are included are as follows:

	2017 £
Current Liabilities:	
Trade and other payables	<u>49,682</u>

All amounts are short-term and payable within 3 months.

*Credit risk*

The maximum exposure to credit risk at 31 December 2017 by class of financial asset was:

	2017 £
Loans receivable	<u>35,000</u>

*Capital management*

The Company considers its capital to be equal to the sum of its total equity. The Company manages its capital by monitoring expenditure and available cash and cash equivalents.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

*Interest rate risk*

The maximum exposure to interest rate risk at 31 December 2017 by class of financial asset was:

	2017 £
Cash at bank	<u>1,184,424</u>

The nature of the Company's activities and the basis of funding are such that the Company has significant liquid resources. The Company uses these resources to meet the cost of operations. Consequently, it seeks to minimise risk in the holding of its bank deposits.

The Company is not financially dependent on the income earned on these resources and therefore the risk of interest rate fluctuations is not significant to the Company and the Directors have not performed a detailed sensitivity analysis.

All deposits are held with main clearing banks to restrict both credit risk and liquidity risk. The Company is not subject to interest rate risk.

**CHESTERFIELD RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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*Credit and liquidity risk*

Credit risk is managed on a Company basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (within 3 months) and the Company maintains adequate bank balances to meet those liabilities.

*Currency risk*

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in pounds sterling. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at 31 December 2017.

**20. RELATED PARTY TRANSACTIONS**

Other than the issue of shares and warrants to the Directors and entering into letters of appointment with each of the Directors, the Company did not enter into any related party transactions during the period.

**21. EVENTS SUBSEQUENT TO PERIOD END**

There have been no significant events subsequent to the period end.

**22. CONTROL**

In the opinion of the Directors, the Company has no single ultimate controlling party.



## CHESTERFIELD RESOURCES PLC NOTICE OF ANNUAL GENERAL MEETING

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### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the first Annual General Meeting of Chesterfield Resources plc (the “Company”) will be held at 11:00am on 26 June 2018 at the offices of Shard Capital Partners LLP, 8-10 Hill Street, London W1J 5NG for the following purposes:

To consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 to 10 will be proposed as Ordinary Resolutions and Resolution 11 will be proposed as a Special Resolution:

#### ORDINARY RESOLUTIONS

1. THAT the audited financial statements of the Company for the year ended 31 December 2017, together with the Directors’ Report and the Auditor’s Report on those financial statements, all as set out in the Annual Report and Financial Statements for the year ended 31 December 2017 (the “2017 Annual Report”) be received and adopted.
2. THAT the Directors’ Remuneration Report (excluding the Directors’ Remuneration Policy set out on page 13 of the 2017 Annual Report, be approved.
3. THAT the Directors’ Remuneration Policy, which is set out on page 13 of the 2017 Annual Report and takes effect for a period of two years from the date of the passing of this Resolution, be approved.
4. THAT Christopher Hall be reappointed as a director of the Company.
5. THAT David Cliff be reappointed as a director of the Company.
6. THAT Derek Crowhurst be reappointed as a director of the Company.
7. THAT Peter Damouni be reappointed as a director of the Company.
8. THAT Saffery Champness LLP be appointed as auditor of the Company until the conclusion of the next meeting at which accounts are laid before members of the Company.
9. THAT the directors of the Company be authorised to set the auditor’s remuneration.
10. THAT the directors of the Company be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006 (the “Act”), to exercise all powers of the Company to allot and issue shares or to grant rights to subscribe for or to convert any security into shares (“Rights”) for cash up to an aggregate nominal amount of £100,000 (one hundred thousand pounds).

This authority will, unless renewed, varied or revoked by the Company, expire at the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 (fifteen) months from the date of the passing of this Resolution but the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or Rights to be granted after it has expired and the directors of the Company may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

This Resolution revokes and replaces all unexercised authorities previously granted to the directors of the Company to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

**SPECIAL RESOLUTION**

11. THAT, subject to the passing of Resolution 10 and in accordance with section 570 of the Act, the directors of the Company be generally empowered to allot equity securities for cash the authority and power conferred upon the directors of the Company to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 10 as if section 561(1) of the Act did not apply to any such allotment, PROVIDED THAT this power shall be limited to:

11.1 the allotment of equity securities in connection with the offer of equity securities:

11.1.1 to the holders of ordinary shares of £0.001 each in the Company (“Ordinary Shares”) in proportion (as nearly as may be practicable) to their respective holdings; and

11.1.2 to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary; and

11.2 the allotment (otherwise than pursuant to paragraph 11.1) of equity securities up to an aggregate nominal amount of £100,000 (one hundred thousand pounds).

This authority will, unless renewed, varied or revoked by the Company, expire at the earlier of the conclusion of the next Annual General Meeting of the Company or the date falling 15 (fifteen) months from the date of the passing of this Resolution but the Company may make an offer or agreement before this authority expires which would or might require equity securities to be allotted after it has expired and the directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

This Resolution revokes and replaces all unexercised powers previously granted to the directors of the Company to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or offered or agreed to be made pursuant to such authorities.

By order of the board of directors of the Company

Derek Crowhurst  
Company Secretary  
30 April 2018

Chesterfield Resources plc  
Registered address 71 Queen Victoria Street, London, EC4V 4BE  
Registered company number 10545738

### **Notes on the Resolutions**

The following paragraphs explain, in summary, the Resolutions to be proposed at the Annual General Meeting of the Company (the “Meeting”).

#### *Resolution 1: Receipt of the Annual Report and Financial Statements*

The directors of the Company (the “Directors”) must present their report and the audited financial statements of the Company to the Meeting and members of the Company (“Members”) may raise any questions on the Annual Report and Financial Statements for the year ended 31 December 2017 (the “2017 Annual Report”) under this Resolution.

#### *Resolution 2: Approval of the Directors’ Remuneration Report*

In accordance with section 439 of the Companies Act 2006 (the “Act”), Members are requested to approve the Directors’ Remuneration Report (other than the Directors’ Remuneration Policy set out on page 13 of the 2017 Annual Report), which can be found on pages 13 to 16 of the 2017 Annual Report. The vote is advisory only and does not affect the actual remuneration paid to an individual Director.

#### *Resolution 3: Approval of the Directors’ Remuneration Policy*

Under section 439A of the Act, the Directors’ Remuneration Policy is required to be put to Members for approval, and the vote is binding. Accordingly, Members are requested to approve the Directors’ Remuneration Policy set out on page 13 of the 2017 Annual Report.

If approved by the Members, the policy is intended to be valid for a period of two years from the date of the passing of Resolution 3. Once in effect, the Company will not be able to make a remuneration payment to a current or prospective Director or a payment for loss of office to a current or past Director, unless that payment is consistent with the policy or has otherwise been approved by a resolution of the Members.

#### *Resolutions 4 to 7: Reappointment of Directors*

The articles of association of the Company require that each Director must retire from office at the third Annual General Meeting of the Company after the Annual General Meeting or general meeting of the Company at which he was last appointed. A retiring Director is eligible for reappointment. As this is the first Annual General Meeting of the Company, none of the Directors are retiring in this manner and seeking reappointment.

All of the Directors were appointed either on incorporation of the Company or by the board and, therefore, in accordance with the articles of association of the Company, such Directors hold office only until the conclusion of the Annual General Meeting but are eligible for reappointment at that meeting. All of the Directors are seeking reappointment accordingly.

The biographies of the Directors are set out on pages 8 and 9 of the 2017 Annual Report.

#### *Resolution 8: Appointment of the auditor*

The Company is required to appoint its auditor at each general meeting at which accounts are laid before the Members and will usually be appointed to hold office from conclusion of an Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company.

Accordingly, Members are being requested in Resolution 8 to approve the appointment of Saffery Champness LLP as auditor of the Company from the conclusion of the Meeting until the conclusion of the next general meeting at which accounts are laid before the Members.

## CHESTERFIELD RESOURCES PLC NOTICE OF ANNUAL GENERAL MEETING

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### *Resolution 9: Remuneration of the auditor*

Resolution 9 also authorises the Directors, in accordance with standard practice, to set the remuneration of the auditor. The Company does not currently have a separate Audit Committee and, accordingly, the terms of engagement and the level of audit fees payable by the Company to the auditor are considered and approved by the board of Directors.

### *Resolution 10: Renewal of the authority of the Directors to allot shares*

Resolution 10 will be proposed before the Meeting to confer authority on the Directors to allot shares or grant rights to subscribe for or to convert any security into shares of up to an aggregate nominal amount of £100,000 (being approximately 350% of the Company's issued ordinary share capital as at 27 April 2018). Resolution 10, which is an Ordinary Resolution, will replace the authority given to the Directors by a Written Resolution of Members on 28 April 2017.

No Ordinary Shares are held in treasury as at 27 April 2018.

The Directors have made no commitments to issue new Ordinary Shares other than those commitments disclosed in the 2017 Annual Report. The Company will continue to seek acquisition opportunities in the natural resources sector. As a result, the Directors consider it prudent to maintain the flexibility to take advantage of business opportunities that this authority provides.

This authority will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the Resolution, whichever is the earlier.

### *Resolution 11: Renewal of the authority of the Directors to disapply pre-emption rights*

Resolution 11 will be proposed before the Meeting to confer authority on the Directors to allot equity securities for cash up to an aggregate nominal amount of £100,000 (being approximately 350% of the Company's issued ordinary share capital as at 27 April 2018) as if section 561(1) of the Act did not apply. This Resolution, which is a Special Resolution, will replace the authority given to the Directors by a Written Resolution of Members on 28 April 2017.

The Directors have made no commitments to make use of this authority and will only do so when satisfied that it is in the interests of the Company.

This authority will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the Resolution, whichever is the earlier.

# CHESTERFIELD RESOURCES PLC

## NOTICE OF ANNUAL GENERAL MEETING

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### Notes for Members

The following paragraphs provide more detailed information about the voting rights of Members and how they may be exercised.

#### 1. *Entitlement to attend and vote at the Meeting*

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Members registered on the Company's Register of Members at:

- 6:00pm on 24 June 2018; or
- if this Meeting is adjourned, at 6:00pm on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

#### 2. *Attending the Meeting in person*

If you wish to attend the Meeting in person, registration will take place from one hour before the appointed time for the Meeting, or any adjourned meeting(s). No mobile phones or other electronic equipment which may be used for recording, such as cameras, video recorders or similar equipment, may be used in the venue.

#### 3. *Appointment of proxies*

If you are a Member at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a Proxy Form with this Notice of Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the Proxy Form.

A proxy does not need to be a Member but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Proxy Form are set out in the notes to the Proxy Form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy your Proxy Form or contact Neville Registrars Limited to obtain an extra Proxy Form on 0121 585 1131.

A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

#### 4. *Appointment of proxies using a hard copy Proxy Form*

The notes to the Proxy Form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the Proxy Form, the Proxy Form must be:

- completed and signed;
- sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands, B63 3DA; and
- received by Neville Registrars Limited no later than 11:00am on 24 June 2018.

In the case of a Member which is a company, the Proxy Form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the Proxy Form is signed (or a duly certified copy of such power or authority) must be included with the Proxy Form.

*5. Appointment of proxies through CREST*

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://my.euroclear.com/euilegal>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“EUI”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer’s agent ID (7RA11) by no later than 11:00am on 24 June 2018, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

*6. Appointment of proxies by joint Members*

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

*7. Changing proxy instructions*

To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments also apply in relation to amended instructions and any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy Proxy Form and would like to change the instructions using another hard-copy Proxy Form, please contact Neville Registrars Limited on 0121 585 1131.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of the proxies will take precedence.

## CHESTERFIELD RESOURCES PLC NOTICE OF ANNUAL GENERAL MEETING

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### 8. *Termination of proxy appointments*

In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA. In the case of a Member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than 11:00am on 24 June 2018.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### 9. *Corporate representatives*

A corporation which is a Member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a Member provided that no more than one corporate representative exercises powers over the same share.

### 10. *Issued Ordinary Shares and total voting rights*

As at 27 April 2018 (being the latest practicable day prior to the date of this Notice of Annual General Meeting), the Company's issued ordinary share capital comprised 28,600,000 ordinary shares of £0.001 each. Each Ordinary Share carries the right to one vote at a general meeting of the Company. The Company held no Ordinary Shares in treasury on 27 April 2018 and, therefore, the total number of voting rights in the Company as at 27 April 2018 is 28,600,000.

### 11. *Communication*

You may not use any electronic address provided either in this notice of meeting or any related documents (including the Proxy Form and any other document with which this Notice of Annual General Meeting was enclosed) to communicate with the Company for any purposes other than those expressly stated.

### 12. *Website giving information regarding the Meeting*

Information regarding the Meeting, including the information required by section 311A of the Act, is available from [www.chesterfieldresourcesplc.com](http://www.chesterfieldresourcesplc.com).

### 13. *Questions at the Meeting*

Under section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless:

- answering the question would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information;
- the answer has already been given on the Company's website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

*14. Website publication of audit concerns*

Pursuant to section 527 of the Act, where requested by Members meeting the qualification criteria set out in that section, the Company must publish on its website a statement setting out any matter that such Members propose to raise at the Meeting relating to either:

- the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or
- the circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which the Annual Report and Accounts were laid in accordance with section 437 of the Act.

Where the Company is required to publish such a statement on its website:

- it may not require the Members making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the Meeting.

*15. Nominated person*

If you are a person who has been nominated under section 146 of the Act to enjoy information rights ("Nominated Person"), you may have a right under an agreement between you and the Member who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.